



**CPS ENERGY BOARD OF TRUSTEES MEETING  
TO BE HELD ON MARCH 31, 2025, AT 1:00 PM  
LOCATION: CPS ENERGY BOARD ROOM (500 MCCULLOUGH AVE)**

*At any time during the Board Meeting, the Board may go into an executive session as permitted by the Texas Open Meetings Act, (Chapter 551 of the Texas Government Code) regarding any item on this agenda.*

*AGENDA*

<b>ITEM</b>	<b>TOPIC</b>	<b>ACTION</b>	<b>PRESENTER/ SPONSOR</b>
<b>1</b>	<b>CALL TO ORDER</b>	Execute	Dr. Francine Romero
<b>2</b>	<b>SAFETY MESSAGE, INVOCATION &amp; PLEDGE OF ALLEGIANCE</b>	Execute	Mr. David Ramirez
<b>3</b>	<b>PUBLIC COMMENT</b> Pre-Registration is from Wednesday, March 26, 2025, 5:00 PM – Friday, March 28, 2025, 1:00 PM. Dial (210) 353-4662 or email <a href="mailto:PublicCommentRegistration@CPSEnergy.com">PublicCommentRegistration@CPSEnergy.com</a>	Discuss	Dr. Francine Romero
<b>UPDATE ON CHAIR’S PRIORITIES</b>			
<b>4</b>	<b>CHAIR’S REMARKS</b>	Discuss	Dr. Francine Romero
<b>5</b>	<b>CEO RECOGNITION &amp; REMARKS</b>	Discuss	Mr. Rudy Garza
<b>CONSENT AGENDA</b>			
<b>6</b>	<b>APPROVAL OF CONSENT ITEMS:</b> A. Payment to the City of San Antonio for February 2025 B. Minutes from the February Regular Board Meeting, held on February 24, 2025	Vote	Dr. Francine Romero
<b>REGULAR AGENDA</b>			
<b>7</b>	<b>PROCUREMENT REQUEST FOR APPROVAL: NEW ELECTRIC AND GAS INFRASTRUCTURE INSTALLATION SERVICES</b> (Mr. LeeRoy Perez)	Vote	Dr. Francine Romero
<b>8</b>	<b>PROCUREMENT REQUEST FOR APPROVAL: SPRUCE TO PAWNEE TO TANGO LIVE LINE 345KV TRANSMISSION LINE REBUILD</b> (Mr. LeeRoy Perez)	Vote	Dr. Francine Romero

<b>9</b>	<b>PROCUREMENT REQUEST FOR APPROVAL: JOINT TRENCH GAS AND ELECTRIC INSTALLATION SERVICES</b> (Mr. LeeRoy Perez)	Vote	Dr. Francine Romero
<b>10</b>	<b>FY2025 YEAR-END PERFORMANCE RECAP</b>	Discuss	Mr. Cory Kuchinsky
<b>CONVENE TO EXECUTIVE SESSION</b>			
<b>11</b>	<b>EXECUTIVE SESSION</b> A. Attorney-Client Matters (§551.071) B. Real Property (§551.072) C. Personnel Matters (§551.074)	Discuss	Dr. Francine Romero
<b>RECONVENE TO OPEN SESSION</b>			
<b>12</b>	<b>ADJOURNMENT</b>	Execute	Dr. Francine Romero
<p>If the Board meeting has not adjourned by 3:25 PM, the presiding officer may entertain a motion to continue the meeting, postpone the remaining items to the next Board meeting date, or recess and reconvene the meeting at a specified date and time.</p>			
<b>Known absences:</b> None			

## CPS Energy Board of Trustees Meeting March 31, 2025

Approval of Payment to the City of San Antonio for February 2025

The New Series Bond Ordinance that took effect February 1, 1997 provides for a total cash payment to the City of San Antonio (City) in an amount not to exceed 14% of gross revenue as calculated pursuant to such Ordinance, less the value of other services provided to the City, with the percentage (within the 14% limitation) to be determined by the governing body of the City. The cash transfer to the City for the month of February 2025 is based on actual gross revenue per the New Series Bond Ordinance of \$274,815,101.10, less applicable exclusions. The revenue for the month of February 2025 is calculated as follows:

Gross revenue per CPS Energy financial statements		
Electric revenue		\$281,977,131.27
Gas revenue		38,911,189.12
Interest and other income		6,550,274.44
Gross revenue per CPS Energy financial statements		<u>327,438,594.83</u>
Excluded revenue		
School and hospital revenue per City Ordinance 55022		(7,979,941.44)
LVG revenue per City Ordinance 100709		(21,895.96)
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts		(43,086,563.44)
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue		<u>(1,535,092.89)</u>
Total excluded revenue		<u>(52,623,493.73)</u>
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City		<u>\$274,815,101.10</u>
City payment per Bond Ordinance for February 2025 based upon February 2025 revenue		\$38,474,114.15
City payment per memorandum of understanding (MOU) regarding wholesale special contracts		748,133.89
City Payment reduction per gas customer billing adjustment MOU		(12,500.00)
Annual True up/ (down) per gas customer MOU		6,252.95
City payment per Bond Ordinance plus adjustments for memorandums of understanding		<u>39,216,000.99</u> <b>A</b>
Utility services provided to the City for February 2025		(3,056,425.56)
Reduction for January 2025 accounting adjustment		<u>(298,296.17)</u>
Net amount to be paid from February 2025 revenue to the City in March 2025		<u>\$35,861,279.26</u>

## CPS Energy Board of Trustees Meeting March 31, 2025

Comparison of City payment per Bond Ordinance (plus adjustments for memorandums of understanding) vs. Budget before deduction for utility services provided to the City:

(Dollars in thousands)

February 2025	Actual	Budget	Variance	
Current Month A	\$39,216	\$41,657	(\$2,441)	-5.9%
Year-to-Date	\$39,216	\$41,657	(\$2,441)	-5.9%

Approval of the following resolution is requested:

**"BE IT RESOLVED** by the CPS Energy Board of Trustees that payment to the City of San Antonio in the amount of \$35,861,279.26 representing 14% of applicable system gross revenues for the month of February 2025, such payment being net of City utility services (\$3,056,425.56), and a reduction for January 2025 accounting adjustment (\$298,296.17), is hereby approved."

Draft for review and approval  
at the March 31, 2025 meeting

**CPS ENERGY  
MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES  
HELD ON FEBRUARY 24, 2025**

The Regular Meeting of the Board of Trustees of CPS Energy for the month of February was held on Monday, February 24, 2025, in the Board Room on the First Floor of the CPS Energy headquarters located at 500 McCullough, San Antonio, Texas.

**I. CALL TO ORDER**

Chair Romero called the meeting to order at 2:13 p.m.

Present were Board members:

Dr. Francine Romero, Chair  
Dr. Willis Mackey, Vice Chair (arrived at 3:16 p.m.)  
Ms. Janie Gonzalez  
Mr. John Steen  
Mayor Ron Nirenberg (Absent)

Also present were:

Mr. Rudy Garza, President & CEO  
Ms. Shanna M. Ramirez, Chief Legal & Ethics Officer, General Counsel & Board Secretary  
Ms. Elaina Ball, Chief Strategy Officer  
Mr. Benny Ethridge, Chief Energy Supply Officer  
Mr. Cory Kuchinsky, Chief Financial Officer & Treasurer  
Ms. DeAnna Hardwick, Chief Customer Strategy Officer  
Ms. Lisa Lewis, Chief Administrative Officer  
Mr. Richard Medina, Chief Energy Delivery Officer  
City of San Antonio Officials  
CPS Energy Staff Members  
Interested Citizens

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

A safety message, invocation, and the Pledge of Allegiance were delivered by Ms. Jeanne Drehs, Business Management Strategist.

**III. PUBLIC COMMENT**

Ms. Henrietta LaGrange, community member, stated she is excited to welcome Dr. Romero as the Chair, and she conveyed her appreciation for the Trustees. She said she stops at every construction site, and feels CPS Energy is being successful, and believes Mr. Garza inspires the workforce.

**IV. CHAIR'S REMARKS**

Chair Romero thanked her fellow Trustees for trusting her with the Chair position. She noted that they may not always agree, but that is healthy. She remarked that she has learned from each of her

Draft for review and approval  
at the March 31, 2025 meeting

colleagues, and that they are united in our Vision 2027 and Horizon 2050 plans going forward. She wants to continue these board meetings in the atmosphere of efficiency, transparency, and respect.

She then reminded everyone that CPS Energy is celebrating Black History Month. She pointed out that each year CPS Energy showcases employees, and this year we hosted a lunch with the regional chapter of the American Association of Blacks in Energy (AABE). She expressed her appreciation for Vice Chair Dr. Mackey who helped with the event, and Mr. Reggie Williams, the keynote speaker. There was brief video highlighting the AABE and contributions of CPS Energy employees.

**V. CEO RECOGNITION & REMARKS**

Mr. Rudy Garza, President & CEO, recognized our occupational health team of four registered nurses who support the organization. He shared that CPS Energy was a recent recipient of an employer award from the American Association of Occupational Health Nurses and, most recently, by the American Board of Occupational Health Nurses. The award selection committee made note of the energy and resources that CPS Energy dedicates to occupational health nurses and our credentialing. Our occupational health team is integral to safety.

Mr. Garza then provided an overview of the meeting. He emphasized that we have several procurement items, which are core business items that support the resiliency of our systems, including reclosers. He indicated that the final contract needed for the ERP program, Independent Verification & Validation Services, is on the agenda for approval. He communicated there will be an update on the Vision 2027 Generation Plan, and the same information will be presented to the Municipal Utility Committee tomorrow. Finally, Chair Romero will lay out her committee assignments.

**VI. APPROVAL OF CONSENT ITEMS**

On a motion by Trustee Steen, seconded by Trustee Gonzalez, and upon affirmative vote by all members present, the following items on the Consent Agenda were unanimously approved by those present:

- A. Approval of Payment to the City of San Antonio for January 2025 & Additional Transfer to the City of San Antonio for FY2025
- B. Minutes from the January Regular Board Meeting held on January 31, 2025

**VII. COMMITTEE REPORTS**

In the interest of time, Chair Romero accepted the submission of the following reports of Board Committees for the record in lieu of having them read during the meeting:

- A. Audit & Finance (A&F) Committee Meeting held on January 9, 2025. The report is attached as Attachment “A” to the meeting minutes.
- B. Employee Benefits Oversight Committee (EBOC) Meeting held on January 13, 2025. The report is attached as Attachment “B” to the meeting minutes.

Draft for review and approval  
at the March 31, 2025 meeting

**VIII. PROCUREMENT REQUEST FOR APPROVAL: 15KV & 38KV RECLOSERS**

Mr. Richard Medina, Chief Energy Delivery Officer, told the Trustees that the procurement will support the Recloser Deployment Plan and the Community Energy Resiliency (CER) Program. The Board of Trustees asked questions and discussed the procurement. Trustee Gonzalez moved to approve the procurement, and it was seconded by Chair Romero. The motion was approved by a majority vote of those present, with Trustee Steen voting against the motion.

**IX. PROCUREMENT REQUEST FOR APPROVAL: INSTALLATION OF UNDERGROUND RESIDENTIAL ELECTRIC DISTRIBUTION AND ELECTRIC CABLE TERMINATIONS**

Mr. Richard Medina, Chief Energy Delivery Officer, imparted that the selected companies will be responsible for installation of underground residential electric distribution and electric cable terminations. Trustee Gonzalez moved to approve the procurement, and it was seconded by Trustee Steen. The motion was approved upon the unanimous vote of those present.

**X. PROCUREMENT REQUEST FOR APPROVAL: ENGINEERING SERVICES FOR ELECTRIC DISTRIBUTION PLANNING**

Mr. Richard Medina, Chief Energy Delivery Officer, relayed that the procurement is for grid modernization for firms to provide professional engineering services for distribution planning projects. The Board of Trustees discussed and asked questions. Trustee Steen moved to approve the procurement, and it was seconded by Trustee Gonzalez. The motion was approved upon the unanimous vote of those present.

**XI. PROCUREMENT REQUEST FOR APPROVAL: ENGINEERING SERVICES FOR TRANSMISSION PLANNING AND OPERATIONS ENGINEERING**

Mr. Richard Medina, Chief Energy Delivery Officer, noted that the procurement is to provide professional engineering services for complex transmission planning projects. Trustee Gonzalez moved to approve the procurement, and it was seconded by Trustee Steen. The Board of Trustees discussed the motion. The motion was approved upon the unanimous votes of those present.

**XII. PROCUREMENT REQUEST FOR APPROVAL: INDEPENDENT VERIFICATION & VALIDATION SERVICES<sup>1</sup>**

Ms. Elaina Ball, Chief Strategy Officer, set forth that the Independent Verification & Validation (IV&V) vendor is essential for ERP Program success and risk mitigation. The vendor is independent of the ERP Transformation Team and will provide additional insight into the potential Enterprise Resource Planning (ERP) Transformation risks and roadblocks before they become serious threats.

Trustee Gonzalez moved to approve, and Vice Chair Dr. Mackey seconded. The Board discussed and asked questions about ERP and the procurement. The motion was approved by a 3-0-1 vote, with Chair Romero, Vice Chair Dr. Mackey, and Trustee Gonzalez voting in support, and Trustee Steen recusing himself from the discussion and vote.

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<sup>1</sup> This item was originally postponed by Chair Romero. It was taken-up by the Board of Trustees following Item #13.

Draft for review and approval  
at the March 31, 2025 meeting

**XIII. VISION 2027 GENERATION PLAN UPDATE**

Mr. Benny Ethridge, Chief Energy Supply Officer, presented on our Vision 2027 Generation Plan. He acknowledged that we have made significant progress towards achieving our Vision 2027 Generation Plan and are well-positioned to meet our community’s future energy needs. We have increased capacity for significantly less investment than planned.

The Board of Trustees discussed the presentation, and the Board asked several questions and discussed our Generation Plan and the evolving energy landscape.

**XIV. BOARD COMMITTEE ASSIGNMENTS**

Chair Romero introduced the Board Committee assignments. Vice Chair Dr. Mackey moved to approve, and Trustee Steen seconded the motion. On a 3-1 vote, with Trustee Gonzalez voting against, the following Board Committee assignments were approved:

Committee	Members
Audit & Finance	Dr. Francine Romero (Chair) Dr. Willis Mackey
Employee Benefits Oversight	Dr. Francine Romero (Chair) Dr. Willis Mackey
Operations Oversight	Mr. John Steen (Chair) Ms. Janie Gonzalez
Technology & Resilience	Ms. Janie Gonzalez (Chair) Dr. Willis Mackey
Personnel	Dr. Willis Mackey (Chair) Dr. Francine Romero
Nominations	Dr. Francine Romero (Chair) Mr. John Steen
Risk Management	Ms. Janie Gonzalez (Chair) All CPS Energy Board of Trustees Members

Draft for review and approval  
at the March 31, 2025 meeting

**XV. EXECUTIVE SESSION**

At approximately 3:40 p.m., Chair Romero announced the Board would go into Executive Session, and Ms. Ramirez announced that the required notice had been posted and that the Trustees, with only necessary parties in attendance, would convene into Executive Session, pursuant to the provisions of Chapter 551 of the Texas Government Code, for discussion of several posted items, including the following:<sup>2</sup>

- Attorney-Client Matters (§551.071)
- Attorney-Client Matters (§551.071) & Personnel Matters (§551.074)
- Security Personnel or Devices (§551.076)
- Attorney-Client Matters (§551.071) & Competitive Matters (§551.086)

The Board reconvened in open session at 4:42 p.m. The quorum was re-established, and four members were present. Ms. Ramirez reported that only the matters cited above, and no others were discussed, and no votes were taken in Executive Session.

**XVI. ADJOURNMENT**

There being no further business to come before the Board, upon a motion duly made by Vice Chair Dr. Mackey, seconded by Chair Romero and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 4:43 p.m. by Chair Romero.

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Shanna M. Ramirez  
Secretary of the Board

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<sup>2</sup> On the posted agenda, a discussion for Real Property under Section 551.072 was listed, but the discussion was deferred.



**CPS Energy Board of Trustees Meeting**  
**March 31, 2025**  
**APPROVAL of PROCUREMENT ITEMS**  
**Table of Contents**

<p>1. <b>Item Description:</b></p> <p><b>Purchase Category:</b></p> <p><b>Supplier:</b></p>	<b>New Electric and Gas Infrastructure Installation Services</b>
	<b>General Services</b>
	Badeco, Inc. dba HB Utilities
	Benton-Georgia, LLC
	MasTec North America, Inc
	Mears Installation, LLC
	Wampole-Miller, Inc. dba Miller Bros
<p>2. <b>Item Description:</b></p> <p><b>Purchase Category:</b></p> <p><b>Supplier:</b></p>	<b>Spruce to Pawnee to Tango Live Line 345kV Transmission Line Rebuild</b>
	<b>General Services</b>
	Quanta Infrastructure Solutions Group, LLC
<p>3. <b>Item Description:</b></p> <p><b>Purchase Category:</b></p> <p><b>Supplier:</b></p>	<b>Joint Trench Gas and Electric Installation Services</b>
	<b>General Services</b>
	Greenstone Electrical Services, LLC
	Wampole-Miller, Inc. dba Miller Bros

**Approval:** Lewis, Lisa D Digitally signed by Lewis, Lisa D  
Date: 2025.03.10 12:29:19  
-05'00'

Lisa Lewis, Chief Administrative Officer

**Approval:** Hardwick, DeAnna Digitally signed by Hardwick,  
DeAnna  
Date: 2025.03.10 17:25:37 -05'00'

DeAnna Hardwick, Acting President & CEO



**CPS Energy Board of Trustees Meeting**  
**March 31, 2025**  
**Procurement Form 1**



<b>Item Description</b>	<b>New Electric and Gas Infrastructure Installation Services</b>
<b>Purchase Order Value</b>	<b>\$171,000,000</b>
Purchase Category	General Services
Department	Energy Delivery Services
Vice President Construction & Maintenance Services	Jose Trevino
Chief Energy Delivery Officer	Richard Medina

**Detailed Description**

CPS Energy staff recommend that a contract be awarded to Badeco, Inc. dba HB Utilities, a local, small firm and Benton-Georgia, LLC, MasTec North America, Inc, Mears Installation, LLC, and Wampole-Miller, Inc dba Miller Bros, all local firms, as the respondents who will provide the services at the best value for CPS Energy based on the evaluation criteria set forth below.

These contracts are for the installation of new electric and gas distribution lines within new subdivisions and apartment complexes, typically before the homes and apartments are constructed. These contracts help to meet the demand from builders and developers within the community. This contract will expire on March 31, 2028.

**Subcontracting Opportunities**

All large businesses awarded a contract have committed to subcontract a portion of the services to one or more small businesses.

The solicitation method for this procurement was a Request for Proposal (RFP). An evaluation team considered the following weighted evaluation criteria to determine the best value to CPS Energy.

<b>Evaluation Criteria</b>	<b>Points</b>
Experience and qualifications to perform the Services	35
The overall cost	20
Safety records and training program	20
The ability to meet CPS Energy requirements	15
Economic development (Local and Small Business consideration)	10
The financial soundness of the Respondent	Pass/Fail
<b>TOTAL</b>	<b>100</b>



**CPS Energy Board of Trustees Meeting**  
**March 31, 2025**  
**Procurement Form 1**



**Recommended Respondent(s) & Award**

Respondent Name	SBA Classification & Details	Score	PO Value	PO #	Comments
Benton-Georgia, LLC	Local	92	\$34,200,000	2224449	
Mears Installation, LLC	Local	91	\$34,200,000	2224451	
Badeco, Inc. dba HB Utilities	Local/Small	90	\$34,200,000	2224450	<b>Corporate headquarters located in the San Antonio Metropolitan Area</b>
MasTec North America, Inc	Local	90	\$34,200,000	2224448	
Wampole-Miller, Inc dba Miller Bros	Local	88	\$34,200,000	2224452	
<b>TOTAL</b>			<b>\$171,000,000</b>		

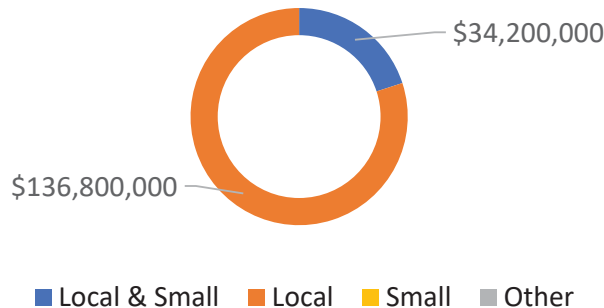
Four (4) additional respondents were not recommended for award: ASPS Holdings LLC dba Superior Pipeline Services; Bartek Construction Co; Future Infrastructure, LLC; and JAMCO Ventures, LLC.

**Annual Funds Budgeted**

Corporate Annual Budget	Funding Method	Projected FY2026 PO Spend	% of FY2026 Annual Corp Budget	Projected FY2027 PO Spend	Projected FY2028 PO Spend	Projected FY2029 PO Spend
\$1,501,000,000	Capital	\$57,000,000	3.8%	\$57,000,000	\$57,000,000	\$0
\$982,000,000	Non-Fuel O&M	\$0	0%	\$0	\$0	\$0

Our current approved budget and latest estimates support these new purchase orders.

**Procurement Item: General Services**





## CPS Energy Board of Trustees Meeting

### March 31, 2025

### Procurement Form 2

RESILIENCE/  
RELIABILITY

ELECTRIC  
SYSTEM GROWTH

TCDS  
REIMBURSEMENT

<b>Item Description</b>	<b>Spruce to Pawnee to Tango Live Line 345kV Transmission Line Rebuild</b>
<b>Purchase Order Value</b>	<b>\$150,000,000</b>
Purchase Category	General Services
Department	Energy Delivery Services
VP T&D Engineering & Grid Transformation	LeeRoy Perez
Chief Energy Delivery Officer	Richard Medina

**Detailed Description**

CPS Energy staff recommend that a contract be awarded to Quanta Infrastructure Solutions Group, LLC as the respondent who will provide the services at the best value for CPS Energy based on the evaluation criteria set forth below.

This contract is for the procurement of live line, bare hand transmission construction services for the Spruce to Pawnee and Pawnee to Tango 345kV transmission lines. This contract will allow CPS Energy to keep critical lines energized while rebuilding the current line to a double circuit transmission line. This rebuild and additional circuit will provide an avenue for more power to travel in this critical circuit path that supports the electric grid and CPS Energy. This contract will expire on March 31, 2028.

**Subcontracting Opportunities**

Quanta Infrastructure Solutions Group, LLC has committed to subcontract a portion of the services to one or more local or small businesses.

**The solicitation method for this procurement was a Request for Proposal.** An evaluation team considered the following weighted evaluation criteria to determine the best value to CPS Energy.

Evaluation Criteria	Points
Experience and qualifications to perform the Services	50
Safety records and training program	20
The overall cost	10
The ability to meet CPS Energy’s requirements	10
Economic Development (Local and Small business consideration)	10
The financial soundness of the Respondent	Pass/Fail
<b>TOTAL</b>	<b>100</b>



**CPS Energy Board of Trustees Meeting**  
**March 31, 2025**  
**Procurement Form 2**

RESILIENCE/  
RELIABILITY

ELECTRIC  
SYSTEM GROWTH

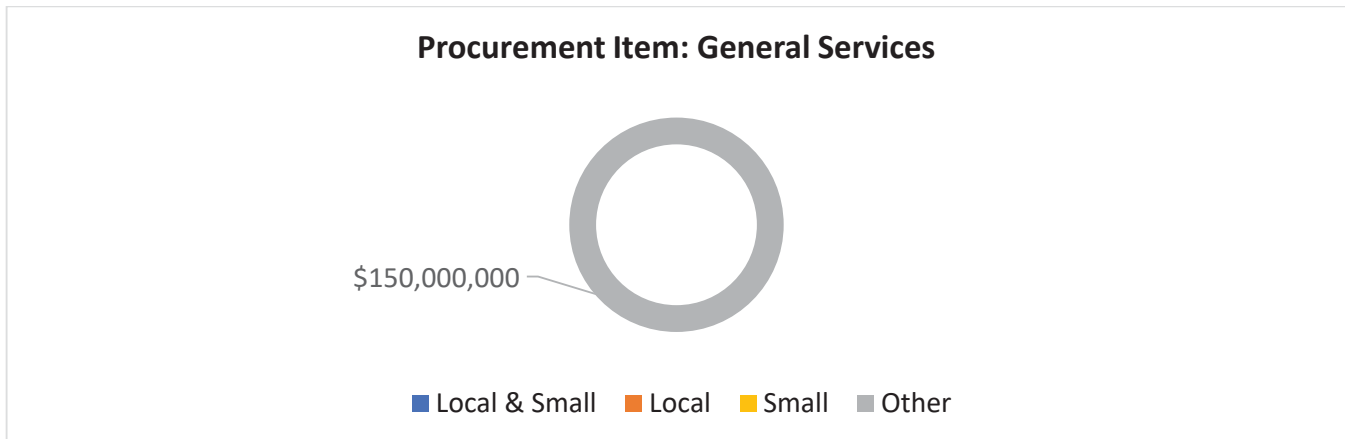
TCOS  
REIMBURSEMENT

Recommended Respondent(s) & Award					
Respondent Name	SBA Classification & Details	Score	PO Value	PO #	Comments
Quanta Infrastructure Solutions Group, LLC		63	\$150,000,000	2224931	
<b>TOTAL</b>			<b>\$150,000,000</b>		

Two (2) additional respondents were not recommended for award: Pike Electric LLC and Utility Construction Services, LLC.

Annual Funds Budgeted						
Corporate Annual Budget	Funding Method	Projected FY2026 PO Spend	% of FY2026 Annual Corp Budget	Projected FY2027 PO Spend	Projected FY2028 PO Spend	Projected FY2029 PO Spend
\$1,501,000,000	Capital	\$65,000,000	4.3%	\$85,000,000	\$0	\$0
\$982,000,000	Non-Fuel O&M	\$0	0%	\$0	\$0	\$0

Our current approved budget and latest estimates support these new purchase orders.





**CPS Energy Board of Trustees Meeting**  
**March 31, 2025**  
**Procurement Form 3**



<b>Item Description</b>	<b>Joint Trench Gas and Electric Installation Services</b>
<b>Purchase Order Value</b>	<b>\$110,000,000</b>
Purchase Category	General Services
Department	Energy Delivery Services
VP Construction & Maintenance Services	Jose Trevino
Chief Energy Delivery Officer	Richard Medina

**Detailed Description**

CPS Energy staff recommend that a contract be awarded to Greenstone Electrical Services, LLC, a local, small firm, and Mears Installation, LLC and Wampole-Miller, Inc. dba Miller Bros, both local firms, as the respondents who will provide the services at the best value for CPS Energy based on the evaluation criteria set forth below.

These contracts are for the installation of new gas and electric underground service from the main distribution lines, typically from the edge of the street to new residential homes. These contracts help to meet the demand from builders and developers within the community. This contract will expire on April 30, 2028.

**Subcontracting Opportunities**

Mears Installation, LLC and Wampole-Miller, Inc. dba Miller Bros have committed to subcontract a portion of the services to one or more small businesses.

**The solicitation method for this procurement was a Request for Proposal.** An evaluation team considered the following weighted evaluation criteria to determine the best value to CPS Energy.

<b>Evaluation Criteria</b>	<b>Points</b>
Experience and qualifications to perform the Services	35
The overall cost	20
Safety records and training program	20
The ability to meet CPS Energy's requirements	15
Economic Development (Local and Small business consideration)	10
The financial soundness of the Respondent	Pass/Fail
<b>TOTAL</b>	<b>100</b>



**CPS Energy Board of Trustees Meeting**  
**March 31, 2025**  
**Procurement Form 3**



**Recommended Respondent(s) & Award**

Respondent Name	SBA Classification & Details	Score	PO Value	PO #	Comments
Greenstone Electrical Services, LLC	Local/Small	98	\$37,000,000	2225250	<b>Company headquartered in the San Antonio Metropolitan Area</b>
Mears Installation, LLC	Local	93	\$37,000,000	2225251	
Wampole-Miller, Inc. dba Miller Bros	Local	87	\$36,000,000	2225252	
<b>TOTAL</b>			<b>\$110,000,000</b>		

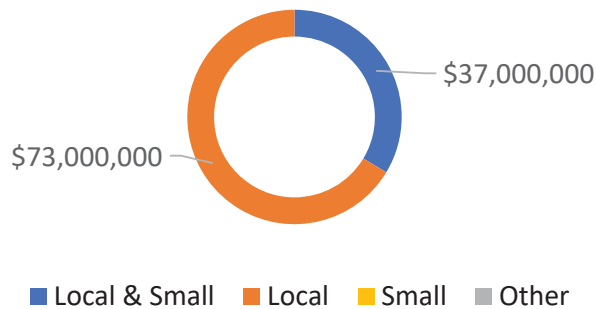
Five (5) additional respondents were not recommended for award: Badeco Inc.; Bartek Construction Co.; Benton-Georgia, LLC; Mastec North America Inc.; and Superior Pipeline Services.

**Annual Funds Budgeted**

Corporate Annual Budget	Funding Method	Projected FY2026 PO Spend	% of FY2026 Annual Corp Budget	Projected FY2027 PO Spend	Projected FY2028 PO Spend	Projected FY2029 PO Spend
\$1,501,000,000	Capital	\$36,000,000	2.4%	\$37,000,000	\$37,000,000	\$0
\$982,000,000	Non-Fuel O&M	\$0	0%	\$0	\$0	\$0

Our current approved budget and latest estimates support these new purchase orders.

**Procurement Item: General Services**





# **PROCUREMENT REQUEST FOR APPROVAL**

## **NEW ELECTRIC AND GAS INFRASTRUCTURE INSTALLATION SERVICES**

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*PRESENTED BY:*

**LeeRoy Perez**

VP T&D Engineering & Grid Transformation

**March 31, 2025**

*Request for Approval*



## NEW CONTRACT / REBID

### NEW ELECTRIC AND GAS INFRASTRUCTURE INSTALLATION SERVICES

- Selected companies will provide new electric and gas infrastructure for subdivisions which include the following scopes of work within our service territory:
  - Gas System Expansion – Installing new gas infrastructure to meet current and future customer needs
  - Electric System Expansion – Installing new primary infrastructure to meet future customer needs



New Subdivision Trenching





# **NEW CONTRACT / REBID**

## **NEW ELECTRIC AND GAS INFRASTRUCTURE INSTALLATION SERVICES**

- Current Contracts:
  - Value: \$131 million
  - Term: 3 years
  - Expiration: April 2025
- New Contract Details:
  - Value: \$171 million
  - Term: 3 years
  - # Bidders: 9 responded to solicitation (8 Local and 3 Small businesses)
  - # Awardees: 5 (5 Local and 1 Small business)





**THANK YOU**



# APPENDIX



# KEY DRIVERS FOR SUPPLY CHAIN

## IDENTIFIERS FOR PROCUREMENT ITEMS



**SUPPLY CHAIN  
CONSTRAINTS**



**GRID  
MODERNIZATION**



**ELECTRIC SYSTEM  
GROWTH**



**VISION 2027  
GENERATION PLAN**



**GAS SYSTEM  
GROWTH**



**ERP  
TRANSFORMATION**



**TCOS  
REIMBURSEMENT**



**REGULATORY  
COMPLIANCE**



**RESILIENCE/  
RELIABILITY**

# GLOSSARY / DEFINITIONS



ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
ERP	Enterprise Resource Planning		
TCOS	Transmission Cost of Service		
T&D	Transmission & Distribution		
VP	Vice President		



# **PROCUREMENT REQUEST FOR APPROVAL**

## **SPRUCE TO PAWNEE TO TANGO LIVE LINE 345KV TRANSMISSION LINE REBUILD**

---

*PRESENTED BY:*

**LeeRoy Perez**

VP T&D Engineering & Grid Transformation

**March 31, 2025**

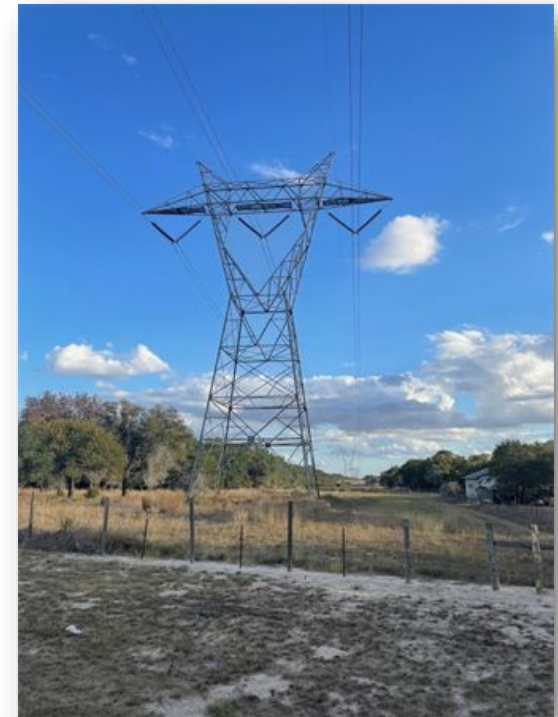
*Request for Approval*



# NEW CONTRACT

## SPRUCE TO PAWNEE TO TANGO LIVE LINE 345KV TRANSMISSION LINE REBUILD

- This is an ERCOT endorsed project critical to the reliability of the ERCOT system. Completion has been accelerated at ERCOT's request.
- Selected company will rebuild an existing 58-mile long 345kV transmission line from the Spruce Power Plant to the Pawnee Station to the Tango Station in South Texas.
- The transmission line will be reconstructed from a single circuit to a double circuit while it remains at full energization due to the line being deemed a reliability risk.



Current Spruce to Pawnee 345kV Line





# NEW CONTRACT

## 345-KV LIVE-LINE CONSTRUCTION SERVICES

- Current Contracts: Not Applicable
- New Contract Details:
  - Value: \$150 million
  - Term: 3 years
  - # Bidders: 3 (1 Local business)
  - # Awardees: 1





**THANK YOU**



# APPENDIX



# KEY DRIVERS FOR SUPPLY CHAIN

## IDENTIFIERS FOR PROCUREMENT ITEMS



**SUPPLY CHAIN  
CONSTRAINTS**



**GRID  
MODERNIZATION**



**ELECTRIC SYSTEM  
GROWTH**



**VISION 2027  
GENERATION PLAN**



**GAS SYSTEM  
GROWTH**



**ERP  
TRANSFORMATION**



**TCOS  
REIMBURSEMENT**



**REGULATORY  
COMPLIANCE**



**RESILIENCE/  
RELIABILITY**

# GLOSSARY / DEFINITIONS



ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
ERCOT	Electric Reliability Council of Texas		
ERP	Enterprise Resource Planning		
kV	Kilovolt		
TCOS	Transmission Cost of Service		
T&D	Transmission & Distribution		
VP	Vice President		



# **PROCUREMENT REQUEST FOR APPROVAL**

## **JOINT TRENCH GAS AND ELECTRIC INSTALLATION SERVICES**

---

*PRESENTED BY:*

**LeeRoy Perez**

VP T&D Engineering & Grid Transformation

**March 31, 2025**

*Request for Approval*

# NEW CONTRACT / REBID



## JOINT TRENCH GAS AND ELECTRIC INSTALLATION SERVICES

- Selected companies will provide electric and gas construction services which include the following scopes of work within our service territory:
  - Installation of electrical conduit and gas service lines for new underground electric and gas infrastructure for subdivisions and apartments.
  - Provide resources in the event of emergent work during storms or other extreme conditions, as required.



Installation of Residential Services



# NEW CONTRACT / REBID



## JOINT TRENCH GAS AND ELECTRIC INSTALLATION SERVICES

- Current Contracts:
  - Value: \$82.5 million
  - Term: 3 years
  - Expiration: April 2025
- New Contract Details:
  - Value: \$110 million
  - Term: 3 years
  - # Bidders: 8 responded to solicitation (7 Local and 3 Small businesses)
  - # Awardees: 3 (3 Local and 1 Small business)





**THANK YOU**



# APPENDIX



# KEY DRIVERS FOR SUPPLY CHAIN

## IDENTIFIERS FOR PROCUREMENT ITEMS



**SUPPLY CHAIN  
CONSTRAINTS**



**GRID  
MODERNIZATION**



**ELECTRIC SYSTEM  
GROWTH**



**VISION 2027  
GENERATION PLAN**



**GAS SYSTEM  
GROWTH**



**ERP  
TRANSFORMATION**



**TCOS  
REIMBURSEMENT**



**REGULATORY  
COMPLIANCE**



**RESILIENCE/  
RELIABILITY**

# GLOSSARY / DEFINITIONS



ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
ERP	Enterprise Resource Planning		
TCOS	Transmission Cost of Service		
T&D	Transmission & Distribution		
VP	Vice President		



# FY2025 YEAR-END PERFORMANCE RECAP

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*PRESENTED BY:*  
**Cory Kuchinsky, CPA**  
Chief Financial Officer (CFO) & Treasurer

**MARCH 31, 2025**  
*Informational Update*

# AGENDA



- Financial Performance
- Past-Due Accounts Update
- FY2025 Enterprise Scorecard Recap

**Our objective is to provide you with an update on our preliminary and unaudited financial performance, past-due receivables, and enterprise scorecard year-end results.**

# FINANCIAL PERFORMANCE

## YEAR-END 2025 RECAP



### We are in line with FY2025 objectives:

- Wholesale revenues performed well because of the Corpus Christi & Laredo (CCL) acquisition
  - Outperformed plan by \$251M - about one-third (1/3) of the total CCL investment
- O&M costs were higher due to emergency-related work, gas leak repair-related materials & expenses, and the expected costs from the CCL acquisition
- Capital costs were above plan due to transmission-related investments
- Since the peak in October 2022, past-due receivables have decreased overall by 35%
- Fiscal Resiliency score exceeded the target of 3.0

# FLOW OF FUNDS

## PRELIM RESULTS ACTUAL VS. PLAN



Description	FY2025		
	Plan	Actuals	Variance: (Under Plan) Over Plan
<b>Revenues, net of unbilled <sup>1</sup></b>	\$ 3,286.0	\$ 3,643.6	\$ 357.6
<b>Less: fuel &amp; regulatory expense</b>	1,166.8	1,249.1	82.3
<b>Less: Operation &amp; maintenance</b>	891.1	932.2	41.1
<b>Revenues, net of Operating Expenses</b>	1,228.1	1,462.3	234.2
<b>Less: Debt service</b>	482.3	519.2	36.9
<b>6% Gross Revenue to R&amp;R</b>	197.2	218.6	21.4
<b>Less: city payment (CP) per flow of funds</b>	425.3	456.4	31.1
<b>Remaining to R&amp;R</b>	123.3	268.1	144.8
<b>Total R&amp;R fund additions</b>	\$ 320.5	\$ 486.7	\$ 166.2
<b>Gross CCL Capital <sup>2</sup></b>		\$ 779.4	\$ 779.4
<b>Gross Non-Transmission Capital</b>	\$ 836.4	820.2	(16.2)
<b>Gross Transmission Capital</b>	101.0	150.1	49.1
<b>Total Gross Capital</b>	\$ 937.4	\$ 1,749.7	\$ 812.3

### Highlights:

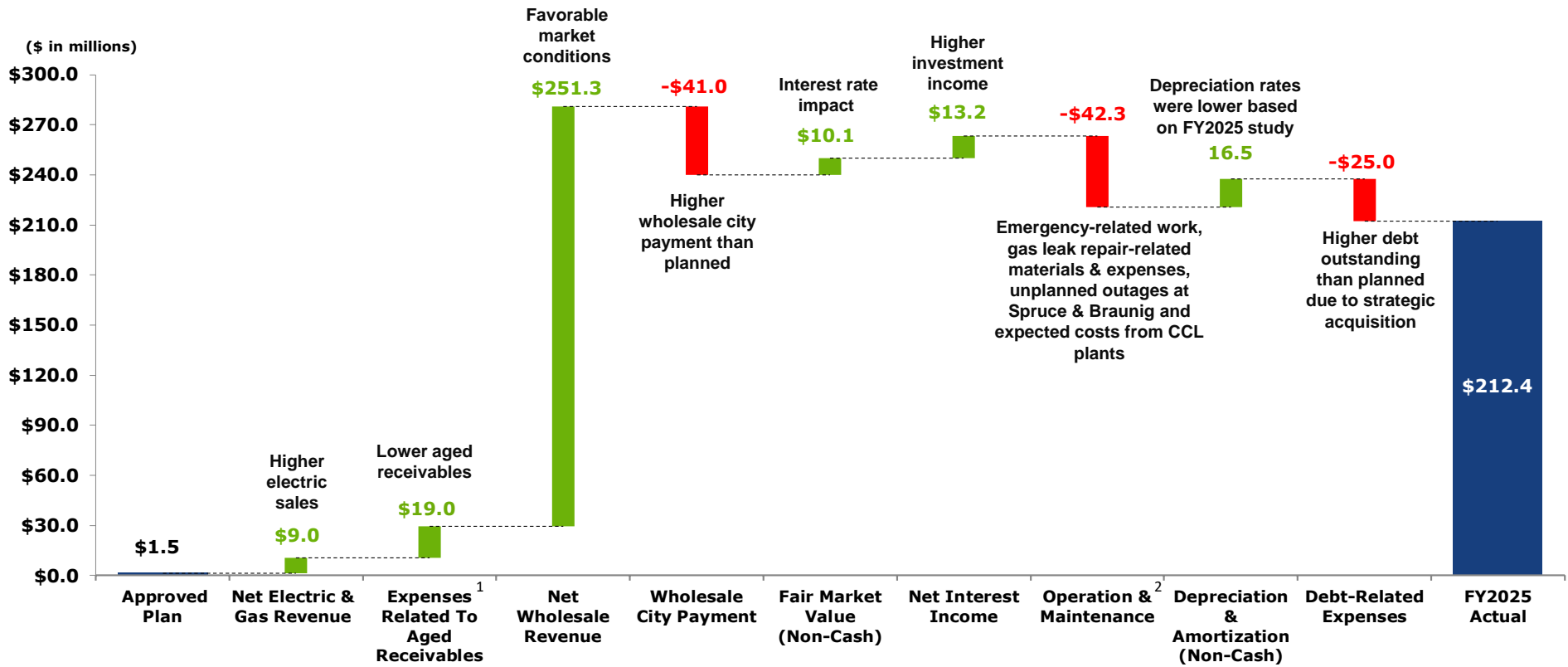
- **Total Revenues & Contribution**
  - Higher local sales and additional wholesale revenue from the CCL acquisition increased revenues, and total R&R contributions exceeded plan
- **Operation & Maintenance**
  - Over plan primarily due to emergency-related work, gas leak repair-related materials and expenses, unplanned outages at Spruce and Braunig, and the expected costs from the CCL plants
- **Debt Service**
  - Debt-related expenses were over plan due to the expected interest payments related to the CCL acquisition
- **Capital**
  - Transmission capital was over plan primarily due to carryover cost for Howard Rd. Switchyard and Elm Creek Reactor from FY2024 to FY2025, acceleration of project timing for ERCOT/South San Reliability, and large load customer projects

<sup>1</sup> January YTD bad debt expense of \$1.0M vs \$20.0M for plan which is \$19.0M under plan.

<sup>2</sup> The \$785M initial purchase price is comprised of \$779.4M of capital; the remaining \$5.6M consists of working capital and a congestion revenue rights portfolio.

# FY2025 FULL-YEAR NET INCOME

## PLAN TO ACTUAL WALK-FORWARD



<sup>1</sup> 'Net electric & gas revenue' is net of gross revenue (billed & unbilled), net TCOS revenues, fuel & reg, & core business city payment.

<sup>2</sup> O&M and debt-related costs due to CCL acquisition were considered during due diligence process. Variances compared to the approved FY2025 plan were expected this fiscal year.



# KEY FINANCIAL METRICS

## PRELIM RESULTS VS. PLAN

	<u>Year-end Results</u>	<u>Plan</u>
<b>Adjusted Debt Service Coverage Ratio</b> (Higher is better)	<b>1.94</b>	<b>1.60- 1.99</b>
<b>Debt Capitalization Ratio</b> (Lower is Better)	<b>61.8%</b>	<b>55% - 64%</b>
<b>Days Cash On Hand</b> (Higher is Better)	<b>182</b>	<b>150 - 199</b>
<b>Days Liquidity On Hand</b> (Higher is Better)	<b>450</b>	<b>&gt;=275</b>
<b>Fiscal Resiliency Score</b> (Higher is Better)	<b>3.15</b>	<b>&gt;=3.00</b>

Our year-end financial metrics came in line with the plan.



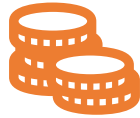
# FY2025 BY THE NUMBERS<sup>1</sup>

## RESULTS



**1,710 MW**

**Purchase of  
CCL Plants**



**\$251M**

**In Wholesale  
Revenue Above Plan**



**Proactively  
Maintained Strong  
Credit Ratings**



**27 Miles**

**Cable Rehabilitation**



**\$22M**

**In Assistance  
to Customers**



**35,856**

**New Electric and  
Gas Meter Sets**



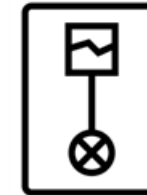
**1,477**

**Gas Leak Repair**



**5,835MW**

**New Peak  
Summer Demand**



**160**

**Reclosers Installed**



**1K**

**Miles of  
Vegetation  
Management**



**92**

**Large  
Pad Mount  
Transformers  
Installed**



**1,251**

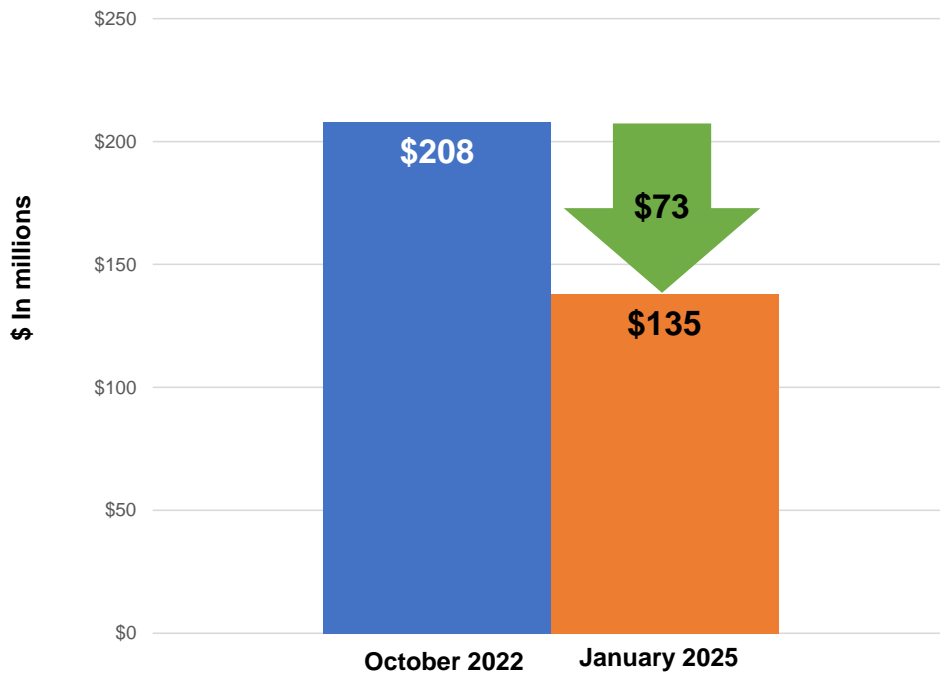
**Poles Attached**

<sup>1</sup> As of 1/31/2025



# PAST-DUE CUSTOMER BALANCE

## REDUCING OUR RISK PROFILE

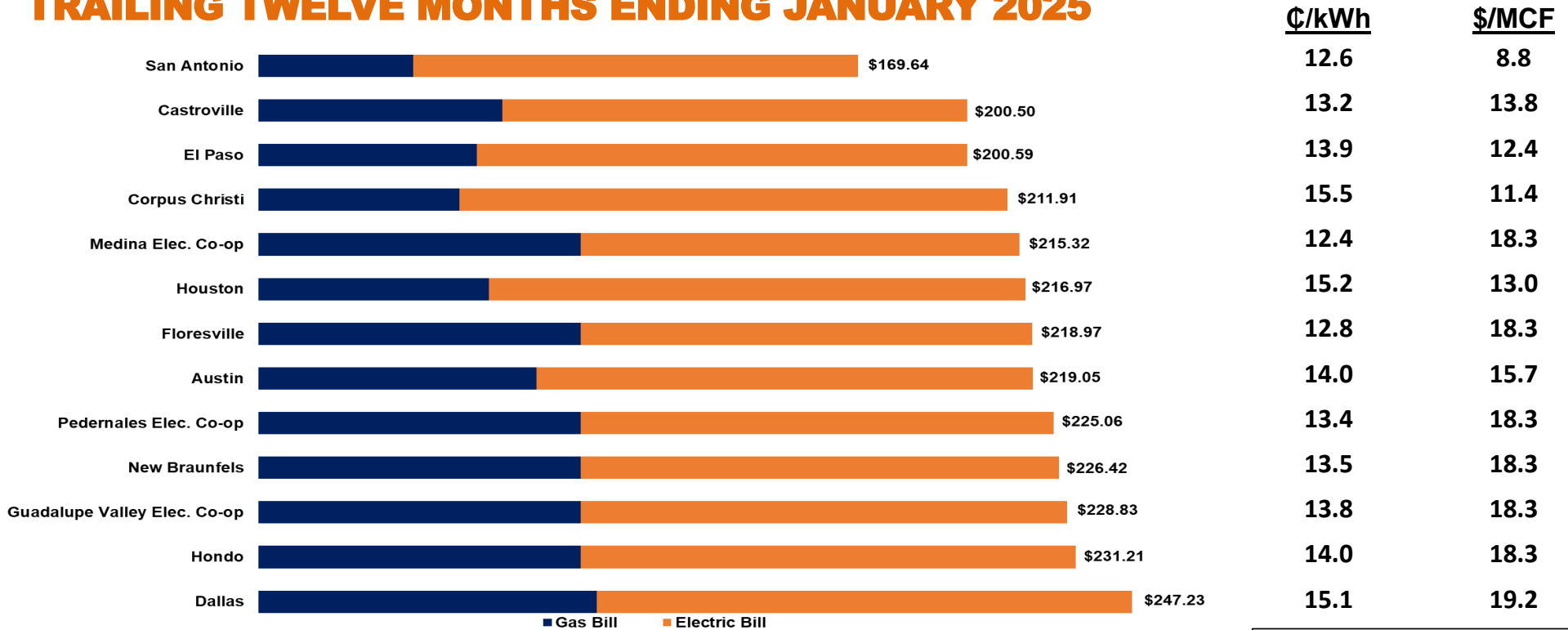


- Total past-due balance has decreased by 35%
- The proportion of the total past-due balance on payment plans has increased by 35%
- Our success rate with payment plans has increased to 80%

**The composition of the past-due receivables has a reduced risk profile.**

# TEXAS & LOCAL CITIES COMBINED RESIDENTIAL BILL COMPARISON

**TRAILING TWELVE MONTHS ENDING JANUARY 2025**



**1,000 kWh & 5 MCF**

Note: Deregulated markets electric data from powertochoose.org (Term 12 mos.; 4&5 star rated REPs).  
San Antonio & Castroville are the only cities that have a single electric & gas provider.



# **FY2025 ENTERPRISE SCORECARD**



# FY2025 ENTERPRISE SCORECARD

## DRIVING ACTIONS TO DELIVER ON OUR MISSION

VISION 2027 OBJECTIVES



OPERATIONAL EVOLUTION

FINANCIAL STABILITY

CUSTOMER EXPERIENCE

TEAM CULTURE

COMMUNITY PARTNERSHIP & GROWTH

Strategic Execution - Forward Looking Progress Towards Vision 2027

Power Generation Plan		System Resiliency & Growth		EVOLVE: Enterprise Resource Planning		Customer Experience	
Milestone	Status	Milestone	Status	Milestone	Status	Milestone	Status
Execute Power Purchase Agreement(s) (PPA) pursuant to Storage Request for Proposal (RFP)	Completed	Commission Tejas and Westcreek station gas supply projects	Completed	Finalize Enterprise Resource Planning (ERP) technology contract	Completed	Target outreach and messaging by customer preference	Completed
Start procurement for Peaking Project 1	Completed	Begin routing process to build San Antonio South Reliability Transmission Line, complete Howard Rd substation site work expansion	Completed	Select system implementation partner	Completed	Create Customer Experience (CX) Championship Team <sup>1,4</sup>	On Track
Notify and seek ERCOT response on intent to retire Braunig 1, 2, and 3	Completed	Complete ADMS hardware deployment, EMS functional acceptance testing and ADMS/GIS utility network final data conversion <sup>1,3</sup>	At Risk	Establish comprehensive change management and communication strategy	Completed	<b>Target completion in FY2026</b>	
Execute new acquisition integration plan <sup>1,2</sup>	On Track					Expand customer equity programs qualification and enrollment approach	Completed
<b>Target completion in FY2026</b>		<b>Target completion in FY2026</b>				Enhance customer offerings and service offerings	Completed

Enterprise Measure Targets (red highlight indicates Year-End target was Not Achieved; details on FY2025 ENTERPRISE MEASURE RESULTS slide)



Milestones and measures are aligned with our Mission, Vision 2027, and Strategic Objectives.

<sup>1</sup> Multi-Year Milestone <sup>2</sup> On-going status details to be found in the Appendix: Power Generation <sup>3</sup> On-going status details to be found in the Appendix: System Resiliency & Growth <sup>4</sup> On-going status details to be found in the Appendix: Customer Experience

# FY2025 ENTERPRISE MEASURE RESULTS

## AS OF JANUARY 31, 2025



Strategic Objective	Measure Name	Measure Frequency	FY/CY	Unit	Target Indicator	Historical Actuals		Current Year (FY2025 / CY2024)		Year-End Result
						FY2023	FY2024	Year-End Actual	Year-End Target	
						CY2022	CY2023			
Operational Evolution	<b>Average Customer Outage Duration</b> (System Average Interruption Duration Index - SAIDI)	Monthly	CY	#	↓	59.81	61.19	61.80	57.68	Not Achieved
	<b>Plant Availability</b> <sup>1</sup> (Critical Months Equivalent Availability Factor - CMEAF)	Monthly	CY	%	↑	88.9	94.4	89.5	90.5	Not Achieved
	<b>Gas Safety</b> (Leaks Remaining at End of Year Per 1,000 Customers)	Monthly	CY	#	↓	0.58	0.61	0.23	0.54	Achieved
Financial Stability	<b>Fiscal Resiliency</b> <sup>2</sup> (Index of Key Financial Measures)	Monthly	FY	#	↑	3.13	3.71	3.15	≥3.0	Achieved
Customer Experience	<b>Customer Perception</b> (Residential Engaged Customer Relationship – ECR)	Quarterly	CY	#	↑	682	699	687	699	Not Achieved
Team Culture	<b>Living Mission &amp; Values</b> (Gallup 12+ Index)	Annually	FY	#	↑	NT <sup>3</sup>	4.12	4.15	4.15	Achieved
	<b>Safety Performance</b> (Enterprise Recordable Incident Rate - RIR)	Monthly	FY	#	↓	1.49	0.85	1.19	1.12	Not Achieved
Community Partnership & Growth	<b>Strategically Investing in the Community</b> (Local Spend Percentage)	Quarterly	FY	%	↑	73.97	74.78	74.58	70.00	Achieved

<sup>1</sup> Critical month calculation includes January, February, and June through September; <sup>2</sup> More information about this measure can be found in the Monthly Financial update; <sup>3</sup> NT signifies no historical results in FY2023 because measure was not tracked



**THANK YOU**



# APPENDIX

# GLOSSARY / DEFINITIONS



ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
ADMS	Advanced Distribution Management System	Debt Service	In the Flow of Funds, the annual amount of principal and interest payments due to bond holders
ADP	Affordability Discount Program	DLOH	Days Liquidity on Hand
Adjusted Debt Service Coverage Ratio (ADSC)	Measurement of available cash flow to pay current debt obligations	ECR	Engaged Customer Relationship
CapEx	Capital Expenditure	EIT	Enterprise Information Technology
CCF	100 Cubic Feet of Gas	EMS	Emergency Management System
CCL	Corpus Christi and Laredo (natural gas plants)	EPC	Engineer, Procure, Construct
CMEAF	Critical Months Equivalent Availability Factor	ERCOT	Electric Reliability Council of Texas
CP	City Payment	ERP	Enterprise Resource Planning
CY	Calendar Year	EVOLVE	Program for implementing ERP system
Days Cash on Hand (DCOH)	Represents the number of days a company can continue to pay its operating expenses with current cash available	FPL	Federal Poverty Level
Debt Capitalization Ratio	Measurement that shows the proportion of debt a company uses to finance its assets, relative to the amount of cash (equity) used for the same purpose	FY	Fiscal Year

# GLOSSARY / DEFINITIONS CONT'D.



ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
GIS	Geographic Information System	SAIDI	System Average Interruption Duration Index
GRIP	Grid Resilience and Innovation Partnerships	SAIFI	System Average Interruption Frequency Index
kWh	Kilowatt-hour	SCADA	Supervisory Control and Data Acquisition
MCF	1000 Cubic Feet of Gas	STP	South Texas Project
MW	Megawatt	TCOS	Transmission Cost of Service
O&M	Normal costs incurred to keep business operations ongoing (Operating & Maintenance)	UN	Utility Network
PPA	Power Purchase Agreement	WRAP	Weatherization Repair Assistance Program
R&R	A restricted cash account which may be used to fund construction costs (Repair & Replacement account)	YTD	Year-to-Date
RFP	Request for Proposal		
RIR	Recordable Incident Rate		
RMR	Reliability Must Run		

# ELECTRIC SALES

## BY CUSTOMER SEGMENT – JANUARY FY2025\*



Customer Sector	Sales vs. Budget	% of Total Load	% Impact on Total Usage
Residential	-5.8%	44.7%	-2.6%
Churches & Services	9.5%	5.6%	0.5%
Manufacturing	-2.2%	1.9%	0.0%
Retail	-1.1%	4.8%	-0.1%
Educational Services	0.9%	4.1%	0.0%
Hotel & Food Services	-0.2%	3.9%	0.0%
Other**	-5.5%	35.0%	-1.9%
<b>Total System</b>		<b>100.0%</b>	<b>-4.1%</b>

\*Billed January actual performance to plan.

\*\*Other sector includes other commercial sectors, data centers, food & wood product manufacturing, lighting, etc.



# ELECTRIC SALES

## BY CUSTOMER SEGMENT – YEAR-END FY2025\*

Customer Sector	Sales vs. Budget	% of Total Load	% Impact on Total Usage
Residential	0.1%	44.1%	0.1%
Churches & Services	5.1%	6.2%	0.3%
Manufacturing	3.7%	2.0%	0.1%
Retail	2.4%	5.1%	0.0%
Educational Services	3.5%	4.8%	0.1%
Hotel & Food Services	2.0%	4.3%	0.1%
Other**	-0.6%	33.5%	0.0%
<b>Total System</b>		<b>100.0%</b>	<b>0.7%</b>

\*Billed January actual year-end performance to plan.

\*\*Other sector includes other commercial sectors, data centers, food & wood product manufacturing, lighting, etc.

# NET INCOME

## PRELIM RESULTS VS. PLAN



(\$ in millions) Description	FY2025		
	Plan	Actuals	Variance: (Under Plan) Over Plan
<b>Revenue available for nonfuel expenses</b>			
Electric	\$ 2,967.4	\$ 3,360.0	\$ 392.6
Gas	260.8	215.9	(44.9)
<b>Total operating revenue</b>	<b>3,228.2</b>	<b>3,575.9</b>	<b>347.7</b>
<b>Less:</b>			
Electric fuel, distribution gas and regulatory	1,173.5	1,251.8	78.3
Payments to the City of San Antonio	425.3	456.4	31.1
<b>Net operating revenue</b>	<b>1,629.4</b>	<b>1,867.7</b>	<b>238.3</b>
Nonoperating revenue	80.3	103.6	23.3
<b>Total revenue available for nonfuel expenses</b>	<b>1,709.7</b>	<b>1,971.3</b>	<b>261.6</b>
<b>Nonfuel expenses</b>			
Operation & maintenance	889.7	932.0	42.3
Depreciation, amortization & decommissioning	557.5	540.9	(16.6)
Interest & debt-related	261.0	286.0	25.0
<b>Total nonfuel expenses</b>	<b>1,708.2</b>	<b>1,758.9</b>	<b>50.7</b>
<b>Net Income (Loss)</b>	<b>\$ 1.5</b>	<b>\$ 212.4</b>	<b>\$ 210.9</b>

### Highlights:

- **Operating Revenue**
  - Higher local sales and additional wholesale revenue from the CCL acquisition increased revenues and total R&R contributions exceeded plan
- **Non-Operating Revenue**
  - Primarily driven by higher investment income and fair market value
- **Operation & Maintenance**
  - Over plan due to emergency-related work, gas leak repair-related materials & expenses, unplanned outages at Spruce & Braunig, and expected costs from CCL plants
- **Interest & debt-related**
  - Driven by higher debt outstanding than planned due to strategic acquisition of CCL plants
- **Net Income**
  - Ended up over plan due to higher wholesale performance because of the CCL acquisition

Non-cash items such as investment fair value adjustments do not impact financial metrics such as ADSC or DCOH. These items only impact net income and by extension the equity portion of the debt / capitalization metric.

Full-Year bad debt expense of \$1.0M vs \$20.0M for plan which was \$19.0M under plan.

Full-Year Interest and debt-related expense actuals include STP defined benefit plan funding obligations of +\$6.5M.

# FY2025 FISCAL RESILIENCY SCORE

## AS OF JANUARY 31, 2025



Enterprise Measure	Component Name	Index Weight	Unit	Target Indicator	Historical Actuals		Current Year (FY2025 / CY2024)		
					FY2023	FY2024	Year-End Target	Year-End Actual	Year-End Target
					CY2022	CY2023			
Fiscal Resiliency	Adjusted Debt Service Coverage (ADSC)	33.0%	#	↑	1.89	2.21	1.67	1.94	1.60 - 1.99x
	Debt Capitalization	27.0%	%	↓	61.8	60.8	61.7	61.8	55% - 64%
	Days Cash on Hand (DCOH)	15.0%	#	↑	166	201	188	182	150 - 199
	Days Liquidity on Hand (DLOH)	15.0%	#	↑	305	432	397	450	200 - 274
	Non-Fuel Revenue w/OSS RnF	5.0%	\$	↑	1,460.5	1,784.1	1,666.2	1,936.5	-5.00% to +4.99%
	O&M	2.5%	\$	↓	688.7	787.6	889.7	932.0	+/- 2.01% to 5.00%
	Capital Budget (Gross of CIAC)	2.5%	\$	↓	788.3	1,004.6	937.4	1749.7	+/- 2.01% to 10.00%
<b>Fiscal Resiliency Weighted Index Score</b>							3.20	<b>3.15</b>	≥3.0

The Fiscal Resiliency Score includes the new asset acquisitions and ended up >=3.0.



# YEAR-OVER-YEAR CHANGE IN RESIDENTIAL BILL

**Combined Residential Electric & Gas Bill**  
January 2024 to January 2025



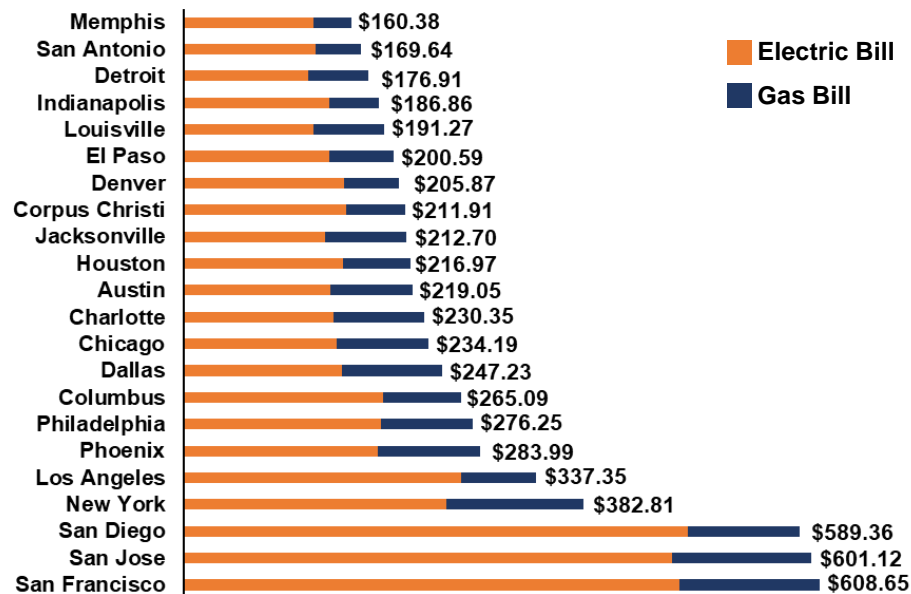
AVERAGE RESIDENTIAL USAGE			
	<u>January 2024</u>	<u>January 2025</u>	<u>Variance</u>
Electric (kWh)	980	984	4
Gas (CCF)	60	56	-4

**Bills are lower on a year-over-year basis due to lower fuel costs.**



# MAJOR CITIES RESIDENTIAL BILL COMPARISON TRAILING TWELVE MONTHS ENDING JANUARY 2025

**Average Residential Bill @1,000 kWh & 5 MCF**

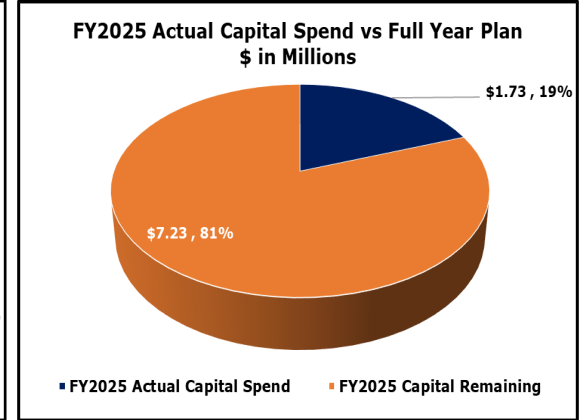
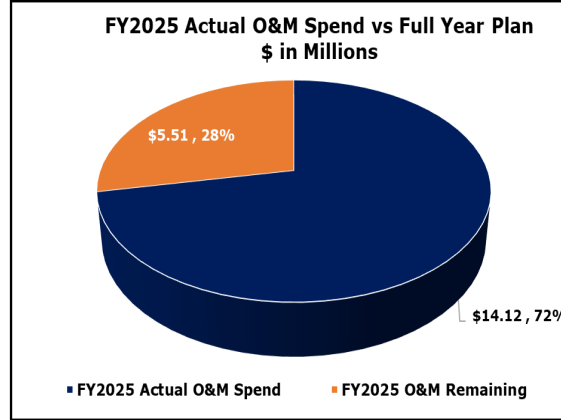
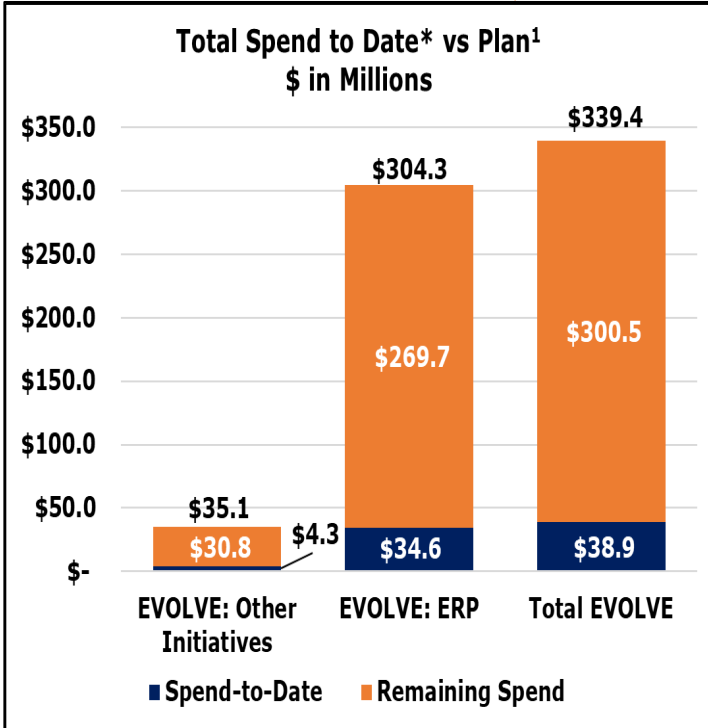


Largest Cities @1,000 kWh & 5 MCF					
City	¢/kWh	\$/MCF	Electric Bill	Gas Bill	Total Bill
Memphis	12.4	7.28	\$123.98	\$36.40	\$160.38
San Antonio	12.6	8.76	\$125.82	\$43.82	\$169.64
Detroit	11.8	11.69	\$118.45	\$58.46	\$176.91
Indianapolis	13.9	9.66	\$138.57	\$48.29	\$186.86
Louisville	12.4	13.39	\$124.34	\$66.93	\$191.27
El Paso	13.9	12.36	\$138.81	\$61.78	\$200.59
Denver	15.3	10.57	\$153.00	\$52.87	\$205.87
Corpus Christi	15.5	11.39	\$154.95	\$56.96	\$211.91
Jacksonville	13.5	15.48	\$135.29	\$77.41	\$212.70
Houston	15.2	13.03	\$151.82	\$65.15	\$216.97
Austin	14.0	15.72	\$140.44	\$78.61	\$219.05
Charlotte	14.3	17.49	\$142.91	\$87.44	\$230.35
Chicago	14.6	17.59	\$146.25	\$87.94	\$234.19
Dallas	15.1	19.17	\$151.40	\$95.83	\$247.23
Columbus	19.1	14.88	\$190.70	\$74.39	\$265.09
Philadelphia	18.9	17.46	\$188.93	\$87.32	\$276.25
Phoenix	18.6	19.65	\$185.75	\$98.24	\$283.99
Los Angeles	26.6	14.36	\$265.56	\$71.79	\$337.35
New York	25.2	26.25	\$251.55	\$131.26	\$382.81
San Diego	48.2	21.47	\$482.02	\$107.34	\$589.36
San Jose	46.7	26.84	\$466.91	\$134.21	\$601.12
San Francisco	47.5	26.75	\$474.91	\$133.74	\$608.65

Note: Based on an average of 1,000 kWh/month & 5 MCF/month; Bills reflect 12-month average pricing from February 2024 through January 2025 in all markets.

# EVOLVE FINANCIAL SUMMARY

## AS OF JANUARY 31, 2025



FY2025 O&M & Capital Spend			
\$ in Millions	Actual Spend	Full Year Plan	Variance
O&M	\$14.12	\$19.63	(\$5.51)
Capital	\$1.73	\$8.96	(\$7.23)
Total	\$15.85	\$28.59	(\$12.74)

\* Includes FY2021-FY2024 Actuals and FY2025 Actuals thru Period 12

<sup>1</sup> Plan is based on EIT's total estimated costs for EVOLVE of \$339M and ERP of \$304M through FY2029. Total EVOLVE Plan will change once FY2030 is added.

Accenture was approved as our implementation partner in January 2025.

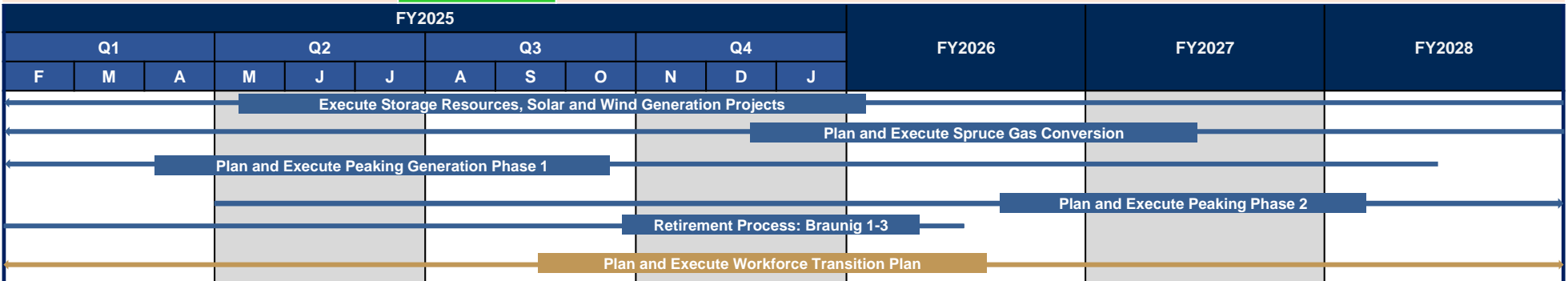
(1) Visuals do not include any adjustments for contingencies.  
 (2) Visuals include all EVOLVE initiatives. ERP is the largest effort within EVOLVE.  
 (3) Total estimate informed by current known variables, to be refined based on future organizational, technology and market conditions.  
 (4) Independent verification & validation partner approval is planned in the first quarter of FY2026.



# POWER GENERATION PLAN

**Goal: Transition power generation portfolio to reduce emissions while providing reliable and affordable energy to meet growing community needs**

FY2025 Milestones	Status	Updates
Execute PPA pursuant to Storage RFP	Completed	<ul style="list-style-type: none"> <li>Executed contracts for a total capacity of 470 MW of 4-hour storage capacity for FY2025</li> </ul>
Start procurement for Peaking Project 1	Completed	<ul style="list-style-type: none"> <li>Generator Step Up (GSU) specifications complete (138kV and 345kV)</li> <li>Engine/Generator/Original Equipment Manufacturer (OEM) equipment specifications complete and RFP documents submitted to procurement</li> <li>Engineering, Procurement, and Construction (EPC) specifications complete and lack only site-specific requirements</li> <li>Separate 345kV GSU procurement in progress - better lead time assumed</li> </ul>
Notify and seek ERCOT response to intent to retire Braunig 1, 2, and 3	Completed	<ul style="list-style-type: none"> <li>Finalizing Braunig 3 Reliability Must Run (RMR) contract with ERCOT</li> <li>Attended ERCOT Board meeting and addressed questions</li> <li>Finalizing Braunig 3 RMR outage planning and scheduling</li> </ul>
Execute new acquisition integration plan <sup>1</sup>	On Track	<ul style="list-style-type: none"> <li>Wave 2 execution is ongoing, focusing on "new ways of working"</li> <li>Training plans are being executed for CCL plant operators and maintenance staff</li> <li>Site/system/equipment assessments and planning activities are being completed</li> <li>FY2026 performance metrics and budget have been developed</li> <li>Continued work on the 5-year plan</li> </ul>



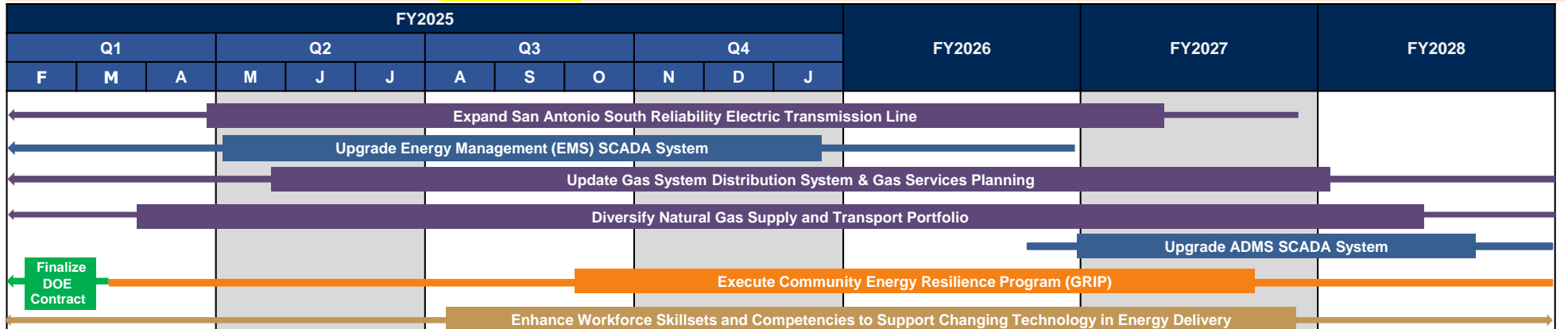
<sup>1</sup> Multi-Year Milestone



# SYSTEM RESILIENCY & GROWTH

**Goal: Support safe and responsible growth through enhancing resilient, safe, responsive and modern electric and gas services**

FY2025 Milestones	Status	Updates
Commission Tejas Station and Westcreek station gas supply projects	Completed	<ul style="list-style-type: none"> <li>Tejas Station: Commissioned 7/23/2024</li> <li>Westcreek: Commissioned in Q4 of FY2025</li> </ul>
Begin routing process to build San Antonio South Reliability Transmission Line, complete Howard Rd substation site work expansion	Completed	<ul style="list-style-type: none"> <li>Howard to San Miguel routing underway, Certificate of Convenience &amp; Necessity (CCN) application submitted to PUC on 10/4/2024</li> <li>Routing Howard to Leon Creek nearing completion and received Board approval on 11/18/2024</li> <li>The Howard Rd station site work was completed on 11/22/2024</li> </ul>
Complete Advanced Distribution Management System (ADMS) hardware deployment, Emergency Management System (EMS) functional acceptance testing, and ADMS/Geographic Information System (GIS) utility network final data conversion <sup>1</sup>	At Risk	<ul style="list-style-type: none"> <li>SCADA Transformation on track for ADMS and GIS Utility Network (UN) Phase 1</li> <li>EMS Project Milestone delayed 2 months due to overall hardware deployment</li> <li>Completion of Functional Acceptance Testing for EMS SCADA Project delayed to end of March 2025</li> <li>To mitigate milestone at risk, project team will monitor schedule and/or look for opportunities to get the effort on track in other testing phases in FY2026</li> </ul>



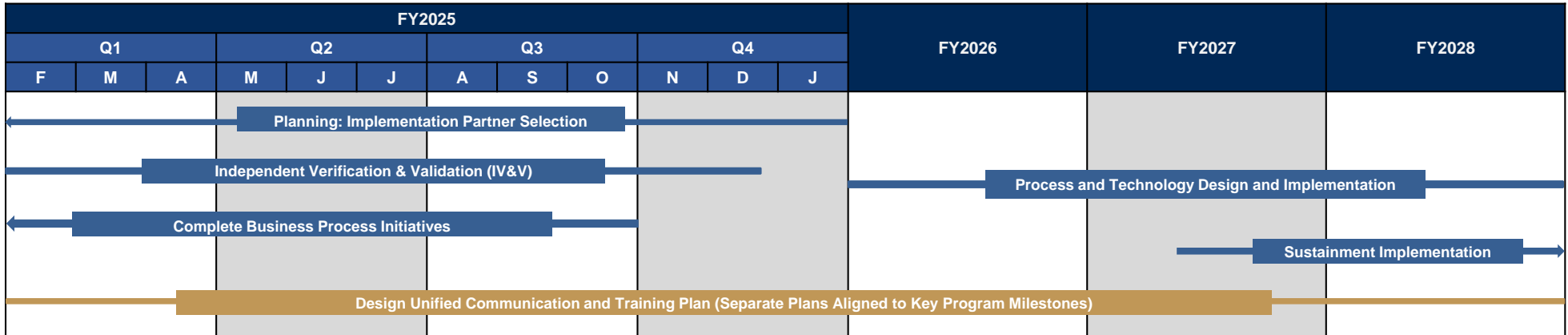
<sup>1</sup> Multi-Year Milestone

# EVOLVE: ENTERPRISE RESOURCE PLANNING



**Goal: Provide a technology foundation that supports operational evolution through enhanced experiences for customers and employees**

FY2025 Milestones	Status	Updates
Finalize ERP technology contract	Completed	<ul style="list-style-type: none"> <li>Oracle America, Inc. selected as the technology vendor with approved 10-year term contract valued at \$70 million</li> <li>Program budget of \$304M supports this technology contract</li> </ul>
Select system implementation partner	Completed	<ul style="list-style-type: none"> <li>Bid package for implementation partner issued in July</li> <li>Conducted comprehensive evaluation, due diligence, and negotiation process</li> <li>Funding allocation via IT Services Framework to support the implementation services was approved by the Board of Trustees on 1/31/2025</li> </ul>
Establish a comprehensive change management and communication strategy	Completed	<ul style="list-style-type: none"> <li>Change management vendor onboarded in September</li> <li>Workshops completed resulting in high-level business outcomes</li> <li>Successfully completed in December FY2025</li> </ul>



# CUSTOMER EXPERIENCE



**Goal: Enhance CPS Energy's reputation, satisfaction and revenue through better employee engagement and positive customer experiences**

FY2025 Milestones	Status	Updates
Target outreach and messaging by customer preference	Completed	<ul style="list-style-type: none"> <li>Providing targeted on-going information to Bexar County for customers needing assistance</li> </ul>
Create Customer Experience (CX) Championship Team <sup>1</sup>	On Track	<ul style="list-style-type: none"> <li>Customer Experience Strategic Consultant selected and onboarded</li> <li>Project kick off planned for Q1 FY2026</li> </ul>
Expand customer equity programs qualification and enrollment approach	Completed	<ul style="list-style-type: none"> <li>The Affordability Discount Program (ADP) received Board &amp; Council approval to increase the Federal Poverty Level (FPL) income qualifier from 125% to 150% from 6/1/24 – 6/1/26</li> </ul>
Enhance customer offerings and service offerings	Completed	<ul style="list-style-type: none"> <li>WRAP supported 550+ homes with over \$700k in funding for its first year</li> <li>Formalized partnerships with 4 organization to strengthen program accessibility</li> <li>Expanded outreach efforts, increasing engagements as well as the number of cases handled</li> </ul>

FY2025												FY2026	FY2027	FY2028
Q1			Q2			Q3			Q4					
F	M	A	M	J	J	A	S	O	N	D	J			
← Complete Residential and Commercial Segmentation and mapping of Customer Journey														
← Identify Requirements in Evolve for CX Improvements														
← Establish a Customer Experience (CX) Championship Team and define CX and set CS goals and metrics														
← Increase Employee, Stakeholder and Community Communication														
← Enhance New Products / Services / Rates														

<sup>1</sup> Multi-Year Milestone

# END OF YEAR MEASURE UPDATE

## YEAR-END TARGET NOT ACHIEVED



### Average Customer Outage Duration (System Average Interruption Duration Index - SAIDI)

- Final performance was impacted by:
  - Severe weather patterns, including an ice event in January and record-setting rainfall throughout April 2024
  - 10 Storm days (over 10K customers affected)
    - Two qualifying as Major Event days
  - Equipment failure and tree outages
- Continue to address poor-performing reliability circuits with enhanced inspections to identify maintenance and tree-trimming needs
- Continue to use drone technology to support inspection programs
- Continue investments with CapEx reliability programs

# END OF YEAR MEASURE UPDATE

## YEAR-END TARGET NOT ACHIEVED



### Plant Availability (Critical Months Equivalent Availability Factor - CMEAF)

#### • Drivers:

- Spruce 2 boiler tube leaks - 25% driver
- Spruce 1 induced draft fan shaft crack and broken coupling repairs - 16% driver
- Sommers 2 condensate pump magnetic coupling failure. Motor repaired offsite and reinstalled - 12% driver

#### • Mitigations:

- Unit Perspective (Spruce 2) – Replacing/upgrading boiler tube assemblies, enhancing boiler instrumentation for increased monitoring, and evaluating operational adjustments to prevent localized overheating
- Fleet Perspective – Reprioritization of overhaul services to enhance outage planning and execution
- Continued investments in CapEx reliability programs

# END OF YEAR MEASURE UPDATE

## YEAR-END TARGET NOT ACHIEVED



### Customer Perception (Residential Engaged Customer Relationship - ECR)

- Adjustments to communications focus created solid recovery in the areas of decline from the third-quarter, but it was insufficient to meet our year-end target
- Continue to focus on awareness and engagement of Horizon 2050 by emphasizing our long-term commitment to a reliable, affordable, and clean energy future
- Continue to focus on communicating the value we provide to our community through evergreen messaging campaigns highlighting safety & reliability and ongoing updates related to the availability of our assistance and support programs



### Safety Performance (Enterprise Recordable Incident Rate - RIR)

- Final results were impacted by one fatality and 39 recordable incidents
- Continue to incorporate high energy (controlling the uncontrollable) into Safety Tailboards, identifying energy sources through safety observations, and continue to enhance medical surveillance programs