



Citizens Advisory Committee Quarterly Meeting Notes 4th Quarter 2021

October 13, 2021

On Wednesday, October 13, 2021 the Citizens Advisory Committee (CAC) held its regularly scheduled monthly meeting via WebEx.

Rudy Garza, Chief Customer & Stakeholder Engagement Officer, started off by updating the Committee on CPS Energy's community engagement activities. He mentioned the current facilitated efforts with a market research firm to get direct feedback from the community on their thoughts of CPS Energy. There are six focus group sessions planned, both in English and Spanish, for residential and business customers.

Mr. Garza then moved on to discuss the role of the CAC in the rate case process. The CAC and the Rate Advisory Committee (RAC) have formal opportunities to provide feedback on the potential rate increase to the CPS Energy Board of Trustees and the Board expects to hear from both entities.

Cory Kuchinsky, Chief Financial Officer & Treasurer, provided an update and overview of the engagement process and recapped the budget evaluation process, which includes developing a revenue forecast then a comprehensive view of revenue requirements. He summarized the drivers of the financial position and provided details on the impacts to revenue, both in terms of sources and uses of revenue. Cory also spoke about the potential impact of Winter Storm Uri fuel costs.

November 10, 2021

On Wednesday, November 10, 2021 the CAC held its regularly scheduled monthly meeting via WebEx.

Rudy Garza, Interim President & CEO, gave an update on the Leadership Transition. He stated that he will focus on rebuilding trust, and intends to be heavily engaged in the community and with elected officials. His

number one priority at the moment is to get the utility through the rate request process.

Paul Barham, Chief Grid Optimization & Resiliency Officer and Frank Almaraz, Chief Energy Supply & Sustainability Officer gave an update on Winter Preparedness. Paul explained how CPS Energy was focused on adding more circuits into the load shed program this summer to make controlled outages less impactful to customers.

Frank discussed the enhanced weatherization on the power generation side of the utility to the extent of \$21 million. He mentioned that CPS Energy changed the plant outage schedule to improve maximum availability during winter, as well as summer peaks, with no planned plant outages occurring in January or February. He also shared that CPS Energy has taken several steps to ensure sufficient natural gas supplies, such as increasing the amount of natural gas withdrawn in a single day and purchasing more baseload gas. Frank also stated that by early December, the winter readiness mitigation activities would be completed.

Kelly Kuhle, Director Marketing, and Unity Puente, Manager Executive Brand & Stakeholder Engagement, gave an update on community engagement. Unity mentioned that as of September 15 CPS Energy had over 20 speaking opportunities focused on the pre-rate increase discussion, with approximately 13,000 customers reached. Kelly presented feedback received from the focus groups held September 27-29. CPS Energy will continue gathering feedback from customers and share the outcome with CPS Energy leadership and stakeholders.

Cory Kuchinsky, Chief Financial Officer & Treasurer, provided an update on the pre-rate increase consideration period. Cory informed the CAC that the rate percentage has changed since he last presented in October, and the number is still being refined as CPS Energy continues to work with the City of San Antonio. Two significant changes CPS Energy made over the past month were to not recover funds associated with past due accounts nor costs associated with Winter Storm Uri that are still under litigation. CPS Energy continues to assess the actual percentage increase needed to sustain operations and will return to the Board of Trustees later this fall with an amount that more accurately reflects a percentage needed to stabilize the utility.

December 8, 2021

On Wednesday, December 8, 2021 the CAC held its regularly scheduled monthly meeting via WebEx.

Per the bylaws, the Committee will consider the proposed slate of officers for the 2022 calendar year. Chair Luisa Casso, representing the Executive Committee, proposed the following slate of officers:

Chairman – Bill Day
Chair Elect – Allie Watters
Vice Chair – John Kelly

Cory Kuchinsky, Chief Financial Officer & Treasurer, provided an update on the proposed rate request. Cory reminded the Committee that the rate request will not cover funds associated with past due accounts or disputed fuel costs associated with Winter Storm Uri that are still in litigation, nor will it cover future generation decisions or changes to the rate design.

Cory also addressed the funding received from the City of San Antonio through the American Rescue Plan Act (ARPA). CPS Energy received \$20M from the City of San Antonio, which will go directly towards paying off customers' utility bills.

Bill Day, on behalf of the Executive Committee asked for authorization to draft a resolution reflective of the Committee's decision, and solicited volunteers from the CAC to assist drafting the resolution.