



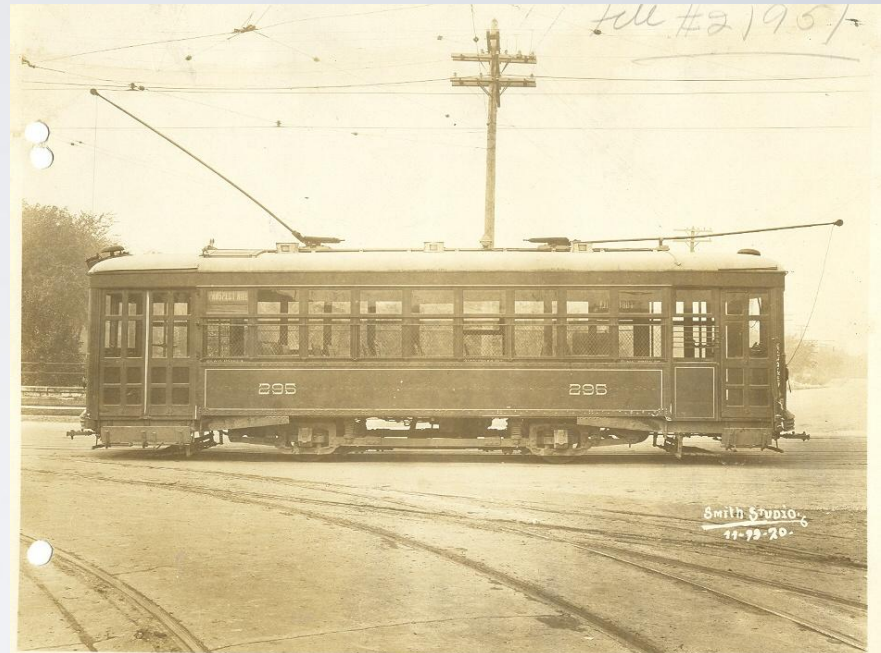
Senate Committee on Business and Commerce

July 10, 2012

Doyle N. Beneby, President & CEO

Early History

- **Forerunner of CPS Energy began as San Antonio Public Service Co. (SAPSCo) in 1917**
 - Owned by American Light and Traction Co.
 - Ran city's power plants, gas network and streetcar lines
- **Purchased by City of San Antonio (COSA) in 1942**
 - \$34 million sale price
 - Financed by revenue bonds
 - Sold transportation division
 - Became City Public Service Board of San Antonio
 - Became CPS Energy in 2003
- **Texas' oldest utility company**
 - Gas system originated in 1860



Who We Are Today

- **Nation's largest municipally owned energy company providing both**
 - Electricity
 - Natural gas
- **We serve over 1 million customers in Bexar County and seven adjoining counties**
 - Over 1,500-square-mile service area
 - 728,000 electric customers
 - 328,000 natural gas customers
- **\$2.3 billion in revenue; \$10 billion in total assets**
 - High revenue bond ratings
- **Approximately 3,600 employees**
 - Payroll for FY 2012 = \$247.5 million



System Statistics

CPS Energy Electrical System

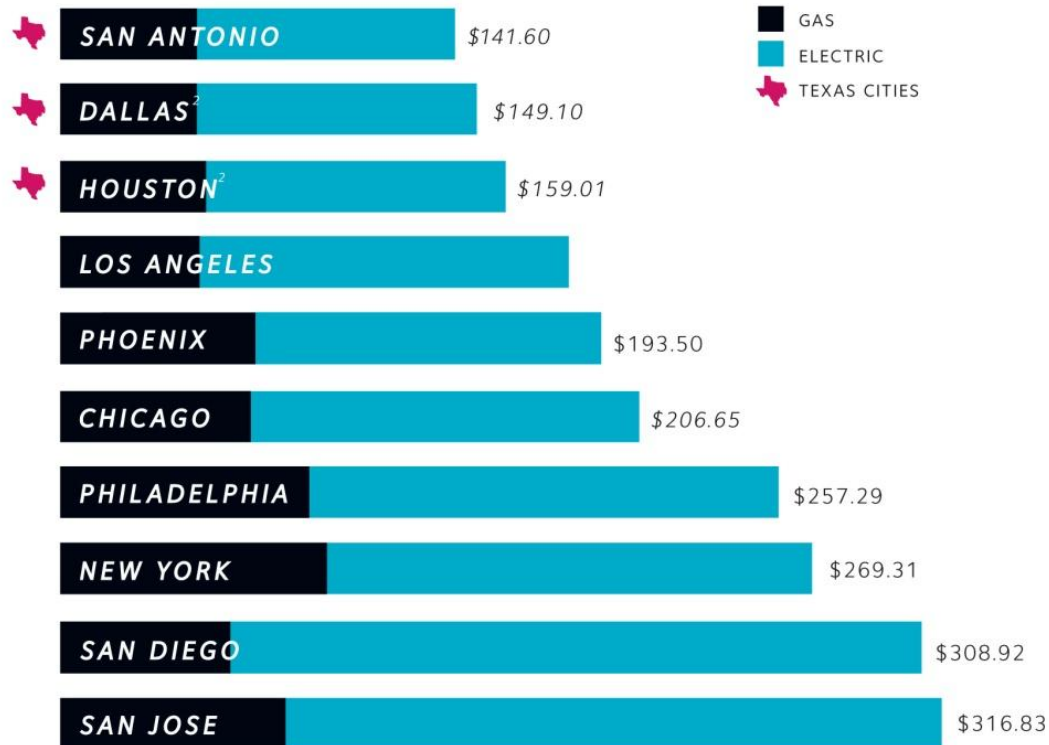
- Overhead lines = 7,682 miles
- Underground lines = 4,593 miles
- Transmission lines = 1,489 miles

CPS Energy Gas System

- Distribution mains = 5,140 miles
- Transmission mains = 86 miles

10 Largest Cities Comparison

of Average Residential Electric and Gas Bills



¹ Monthly average for 12 months ended January 2012 based on 1,000 kWh and 5 mcf.

² The electric amounts used for Dallas and Houston are an average of all REPS in their area.

Governance

- **Independent Board of Trustees**
 - Four members representing each quadrant of the utility's service area
 - New members are selected and ratified by existing members of the Board and approved by Council
 - Mayor serves as ex-officio fifth member
 - Trustees must reside within the CPS Energy quadrant that they represent
 - Trustees serve a term of five years and are eligible to serve an additional term
 - Trustees receive an annual stipend of \$2,000; Chair receives \$2,500

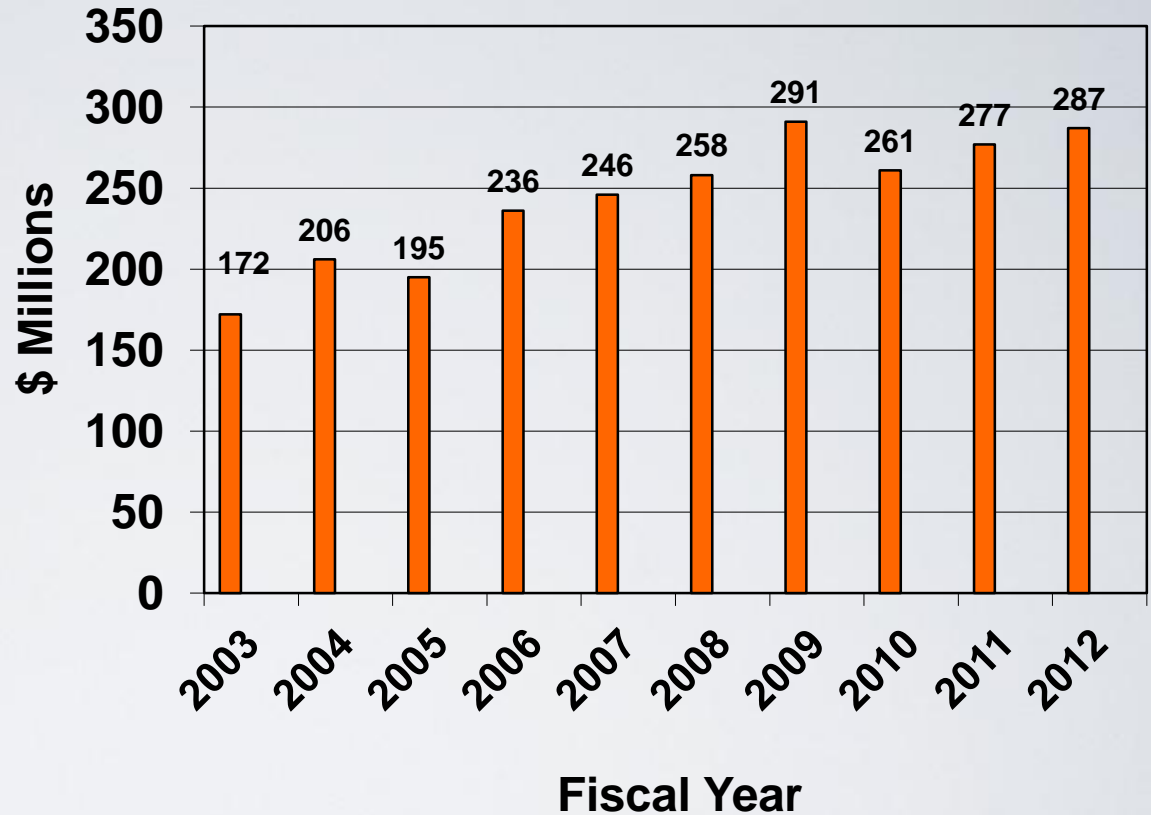
- **Per CPS Energy's Bond Ordinance, the City Council must approve the following types of actions:**
 - Issuance of Debt
 - Eminent Domain
 - Rates (set locally)
 - Ratification of Board Nominees, as applicable

- **Citizens Advisory Committee established in 1997**
 - 15 members, one from each San Antonio City Council district and five at-large
 - Liaison between CPS Energy and its customers
 - Provides input to CPS Energy Board and staff

General Fund Transfer

- **Up to 14% of gross revenues (electric & gas) conveyed to COSA monthly**
 - \$5.2 billion since 1942

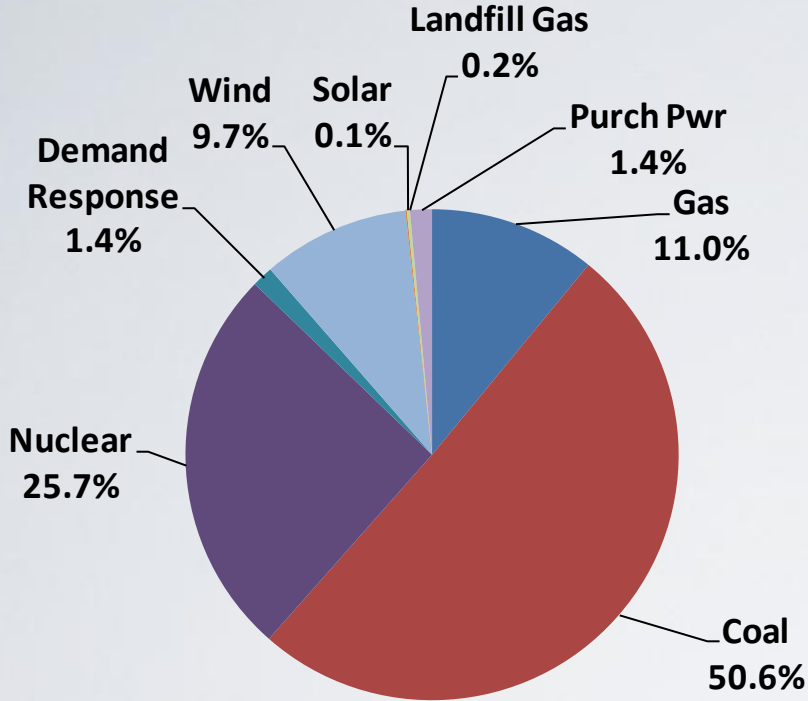
- **Provides 25-30% of the City's general operating budget**
 - Police & Fire
 - Infrastructure
 - Libraries
 - Streets
 - Parks



Annual Payments to the City of San Antonio

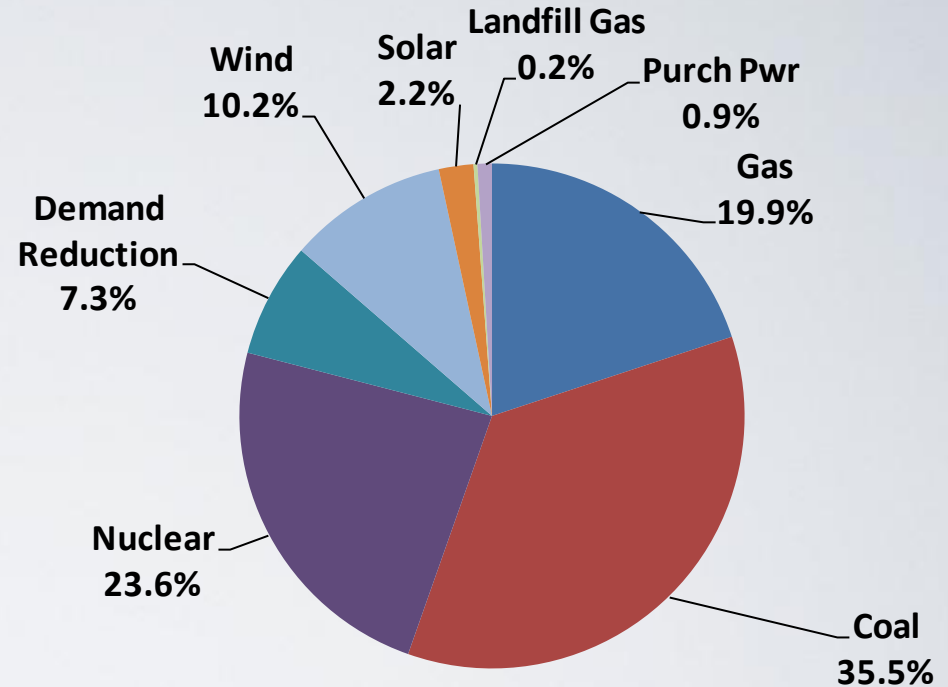
Generation Portfolio

2011 Generation



Traditional sources = 87.2%
 Renewable sources = 10.0%
 Demand Reduction, Purchases = 2.8%

Projected Generation 2020



Traditional sources = 79.0%
 Renewable sources = 12.7%
 Demand Reduction, Purchases = 8.3%

Renewable Projects

Projects in Commercial Operation

Wind	859.0 MW
Landfill Gas	9.6 MW
Solar	34.2 MW
Total	902.8 MW

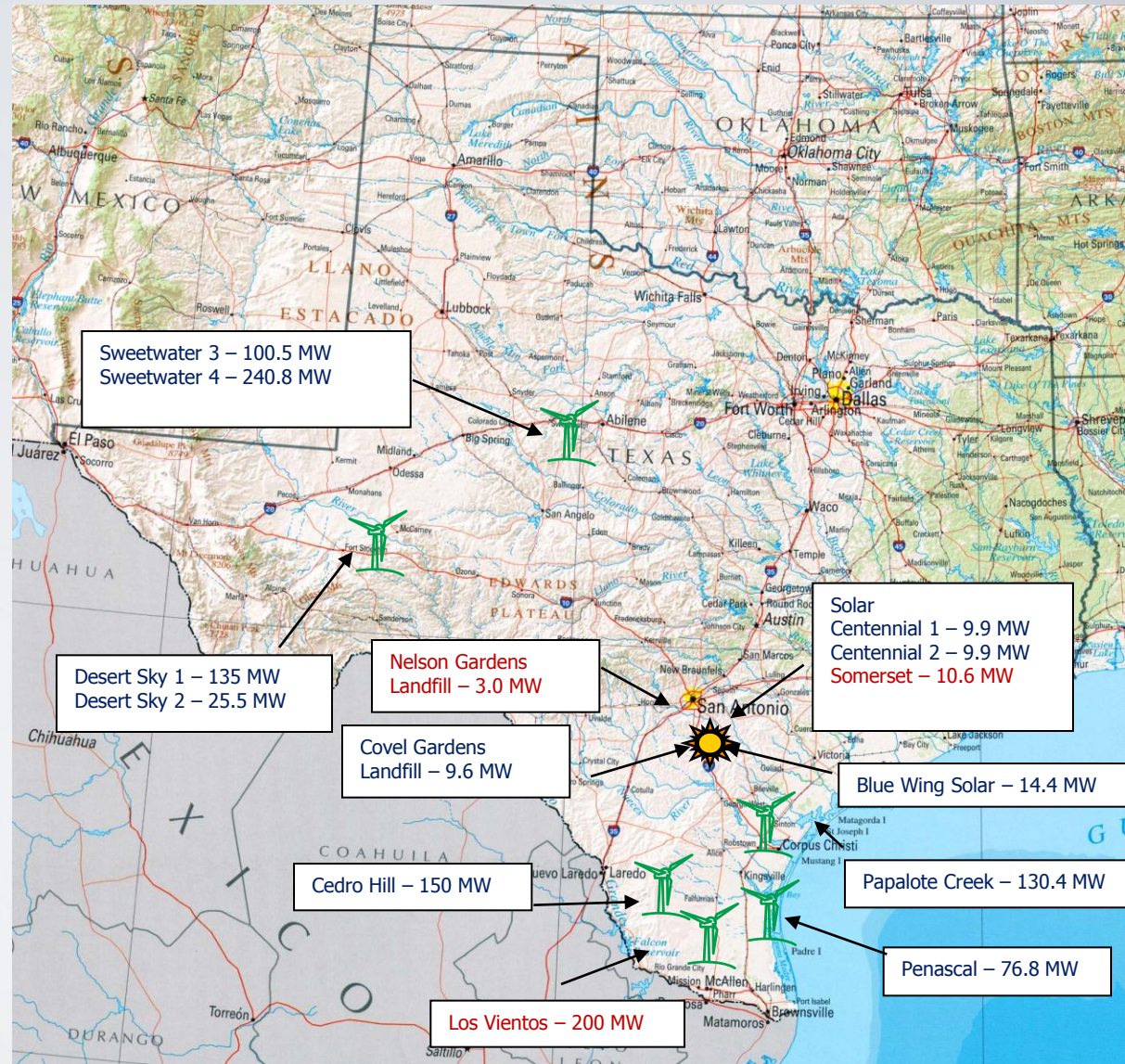
Renewable Projects Under Contract

Wind	1,059.0 MW
Landfill Gas	12.6 MW
Solar	44.8 MW
Total	1,116.4 MW

1,100 MW under Power Purchase Agreements

Projects in Development

Somerset (solar)	10.6 MW
Nelson Gardens (landfill gas)	3.0 MW
Los Vientos (wind)	200.0 MW
Total	213.6 MW



CPS Energy Initiatives

- CPS Energy's Vision 2020 goals are driving specific business decisions that enable CPS Energy to leverage affordable, clean energy development and energy efficiency initiatives to create economic opportunity in San Antonio
- The New Energy Economy supports the plans of SA 2020 to stimulate economic development
 - Demand reduction: 200MW of peak demand reduced by Energy Guard (headquarters relocated to San Antonio, up to 150 Jobs)
 - Clean coal: Signed agreement to purchase 200MW of clean coal (IGCC); project on line in 2015 (regional office will relocate to San Antonio)
 - Natural gas: Rio Nogales acquisition, 800MW NGCC plant
 - LED Lighting: Signed agreement for 25,000 lights (headquarters and manufacturing facility relocated to San Antonio)
 - Solar: 34MW existing, 10MW online in 2014 (regional offices will be in San Antonio), negotiating with OCI for up to 400MW (800 jobs)
 - Nuclear: Remain a partner in STP 3&4; 8% equity owner

CPS Energy Contacts

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Doyle N. Beneby - Bio

Doyle Beneby joined CPS Energy in August of 2010 as the President and Chief Executive Officer. Doyle's background includes senior level positions in power generation, electric power distribution, customer service and labor relations. His most recent position, prior to joining CPS Energy, was as President of Exelon Power.

Under Doyle's leadership CPS Energy has made recent improvements in operational performance and has established partnerships with clean technology companies that will help CPS Energy achieve its goal of becoming a major player in the New Energy Economy.