



DELIVERING FOR CUSTOMERS AND COMMUNITY

2023 RATE REQUEST



Stakeholder & Community Engagement Final Report

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INTRODUCTION

PUBLIC ENGAGEMENT FOR OUR EVOLVING UTILITY

This report highlights community and stakeholder engagement as part of CPS Energy's 2023 proposed rate request. On August 28, 2023, the CPS Energy Board of Trustees and San Antonio City Council received a [letter](#) highlighting the ongoing rate request discussions and the need to continue to execute the plan laid out two years ago to invest in our operations to serve our community. Our focus remains the same - to make thoughtful investments in the things that matter: infrastructure resiliency, community growth, technology and security, and our people.



INFRASTRUCTURE RESILIENCY:

Aging infrastructure needs to be upgraded to limit the impact of outages. Inflation is also increasing the cost of existing materials like poles, power lines and transformers.



GROWTH:

The population of San Antonio and its surrounding counties is expected to increase by 30% by 2030. With growth comes additional investments to maintain and improve reliability.



TECHNOLOGY & SECURITY:

Our core business operating system is 20 years old and must be fully replaced. Similarly, we need to invest in security systems for onsite safety and cybersecurity.



PEOPLE:

We are preparing for 30% of our team members to retire over the next 5 years. Another 30% of our team have less than 2 years in their role, so we need to invest in succession planning.

As part of the rate request process, CPS Energy connected and engaged with customers through a series of events and outreach activities to increase awareness of the need to invest in our community-owned utility and provided space for our community to be part of the discussions.

Additionally, the [2023 Rate Request Community Input Working Group](#) was formed to offer feedback to CPS Energy management on specific matters pertaining to our 2023 rate request. The group of 19 community members met in October and November 2023. Meetings were open to the community with time allocated for public comment after each meeting.

This report includes an overview of the 2023 rate request engagement strategy and tactics, engagement efforts, media coverage, and a summary of touchpoints. Engagement and touchpoint totals included in this report reflect the work executed between August and December 2023.

ENGAGEMENT AND OUTREACH STRATEGY

Throughout the 2023 proposed rate increase process, CPS Energy actively engaged stakeholders through diverse methods of outreach. In collaboration with our external partners and internal business units, CPS Energy successfully connected with key groups to keep them informed.

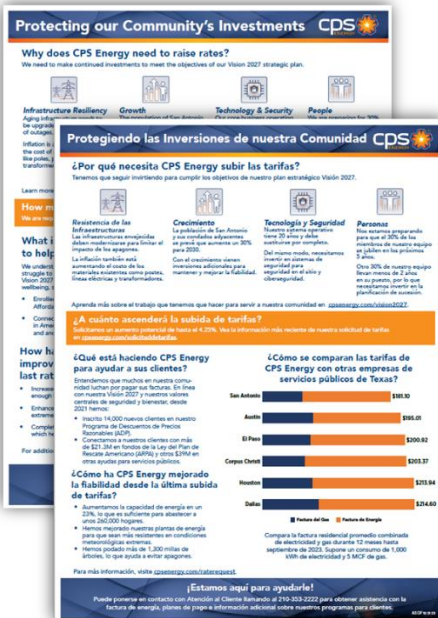
We concentrated our engagement efforts on reaching the general public and key stakeholder groups. Marketing and communication collateral include digital media (website, e-blast, social media), print media (flyers and door hangers), earned media (TV and digital news coverage), and advertising tactics (sponsored articles and ads). All material was available in English and Spanish.

A survey to gather customer preferences on community investments was hosted on cpsenergypublicinput.com to gain insight into our customers' priorities related to ongoing and future investment needs. Communication toolkits that include materials stakeholders can easily share with their networks were distributed to reach customers through diverse channels. Additionally, a Community Value Letter was sent to over 886,300 customers.

STAKEHOLDER GROUPS



RATE REQUEST COMMUNICATIONS



[Residential](#) and [Small Commercial](#) Bill Estimator

[Rate Request One Page Summary](#)



English Webpage



Spanish Webpage



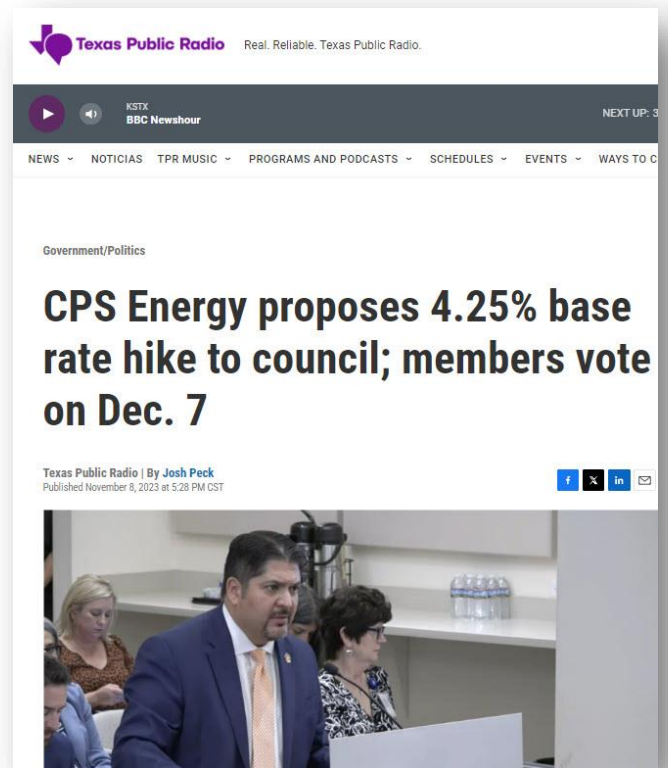
[Rate Request Webpage](#)

The rate request webpage had over 17,000 views and the Community Input Working Group webpage drew over 2,100 visitors.

MEDIA COVERAGE

CPS Energy worked diligently with local media to ensure the information covered by media channels was accurate and timely. CPS Energy proactively shared information about the rate request with the media and earned over 90 news segments during the rate request process.

Aug. 10, 2023	<u>Express-News</u>
Aug. 28, 2023	<u>SA Report</u>
Aug. 29, 2023	<u>SABJ</u>
Sept. 5, 2023	<u>KSAT</u>
Sept.13, 2023	<u>TPR</u>
Sept.14, 2023	<u>SA Current</u>
Sept. 26, 2023	<u>Express-News</u>
	<u>SABJ</u>
	<u>SA Current</u>
Oct. 18, 2023	<u>KSAT 12</u>
	<u>SA Report</u>
	<u>KSAT 12</u>
	<u>ExpressNews</u>
Oct. 19, 2023	<u>Express-News</u>
Nov. 1, 2023	<u>KSAT 12</u>
Nov. 8, 2023	<u>KSAT 12</u>
	<u>SA Report</u>
	<u>Express-News</u>
	<u>KENS 5</u>
	<u>MySA</u>
	<u>KENS 5</u>
	<u>TPR</u>
	<u>WOAI</u>
	<u>KENS 5</u>
Nov. 9, 2023	<u>Radio 1200 WOAI</u>
	<u>SABJ</u>
	<u>Express-News</u>
Nov. 14, 2023	<u>Express-News</u>
Nov. 15, 2023	<u>KSAT 12</u>
Nov. 16, 2023	<u>AXIOS</u>
	<u>SA Report</u>
Nov. 24, 2023	<u>Spectrum News</u>
Nov. 28, 2023	<u>KSAT 12</u>
Nov. 29, 2023	<u>KTSA</u>
	<u>KSAT 12</u>
	<u>TPR</u>
	<u>Telemundo</u>



Nov. 30, 2023

[KENS 5](#)
[SA Report](#)

[WOAI](#)
[KSAT 12](#)
[SEAN](#)

Dec. 1, 2023

[Spectrum News](#)
[SEAN](#)
[Telemundo](#)

Dec. 3, 2023

[TPR](#)

Dec. 4, 2023

[KSAT 12](#)
[KSAT 12](#)
[SAEN](#)
[KSAT 12](#)
[SA Report](#)
[FOX SA/WOAI](#)

[KENS 5](#)
[KENS 5](#)
[SAEN](#)
[Univision](#)
[Univision](#)
[Telemundo](#)

Dec. 5, 2023

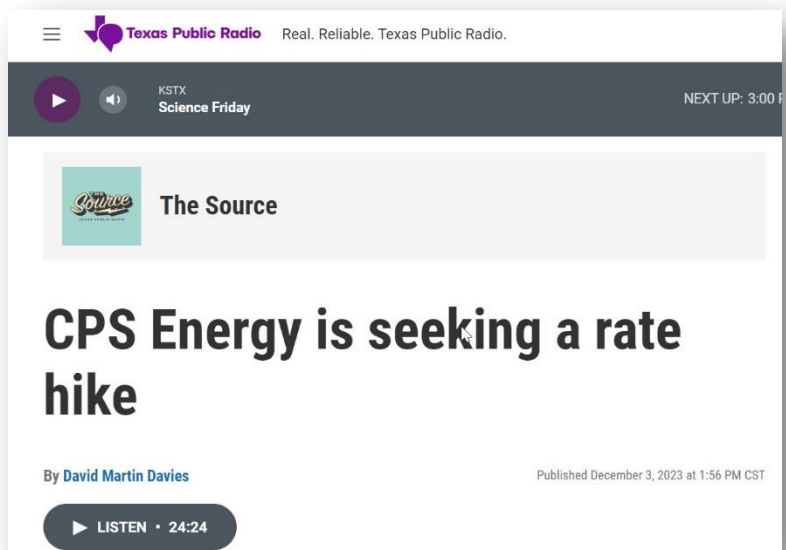
[KTSA](#)
[Hoodline](#)
[MySA](#)
[SABJ](#)
[SAEN](#)
[SA Current](#)
[KSAT 12](#)
[Telemundo](#)
[Puro Politics](#)

Dec. 6, 2023

[SEAN](#)

Dec. 7, 2023

[KSAT 12](#)
[SA Report](#)
[KSAT 12](#)
[FOX SA/KABB](#)
[WOAI](#)
[SAEN](#)
[SA Report](#)
[MySA](#)
[KTSA](#)
[San Antonio Current](#)
[AXIOS](#)
[Community Impact](#)
[Spectrum News](#)
[SABJ](#)
[TPR](#)



Dec. 8, 2023

Dec. 12, 2023

Dec. 14, 2023

Dec. 15, 2023

Dec. 18, 2023

[Hoodline](#)
[Energy Portal](#)

[KENS 5](#)

[News 4](#)

[Univision](#)

[Telemundo](#)

[Telemundo](#)

[TPR Espanol](#)

[Telemundo](#)

[Univision](#)

[News Radio 1200 WOAI](#)

[SEAN](#)

[News 4 SA/KABB/WOAI](#)

[SA Report](#)

[SA Report](#)



COMMUNITY VALUE LETTER

Over 886,300 residential and commercial customers received a Community Value Letter in December 2023. The letter informed customers of the need for a rate increase and the value CPS Energy provides and will continue to provide for our growing community. Each letter was personalized based on energy usage. Customers received the letter by mail or via email based on their preference on how they receive their monthly energy bill.

Residential Letter English & Spanish

Commercial Letter English & Spanish



JOE CUSTOMER
125 FRONTAGE ROAD
SAN ANTONIO, TX 78201

ACCOUNT NUMBER: 3001234567

These are transformative years for your energy provider, and we want to share an update on how we're serving you. Please call us 24/7/365 at 210-353-2222 for customer assistance.

Your Energy Use October 2022 - September 2023

Avg. xxx kWh
per month



Average Electric Bill
per month
\$xxxxx

Avg. xxx ccf
per month



Average Gas Bill
per month
\$xxxxx

SEE THE DETAILS

A free online tool is conveniently located in your Manage My Account at cpsenergy.com. This tool allows you to dive into your bill and compare weather and details about your usage.

How You've Made A Better Tomorrow

From October 2022 to September 2023, you have contributed \$xxxxx to our Sustainable Tomorrow Energy Plan (STEP).

Go to cpsenergy.com

Choose

Pay

Connect

Connect with

f x i



JOE CUSTOMER
125 FRONTAGE ROAD
SAN ANTONIO, TX 78201

NÚMERO DE CUENTA: 3001234567

Estos son años de transformación para su proveedor de energía, y queremos compartir una actualización de cómo le estamos sirviendo. Llámennos 24 horas al día, 7 días a la semana, 365 días al año al 210-353-2222 para asistencia al cliente.

Su consumo de energía octubre 2022 - septiembre 2023

Promedio xxx kWh
por mes



Promedio Factura Eléctrica
por mes
\$xxxxx

Promedio xxx ccf
por mes



Promedio Factura de Gas
por mes
\$xxxxx

VEA LOS DETALLES

Una herramienta gratuita en línea está convenientemente ubicada en su Administrar Mi Cuenta en cpsenergy.com. Esta herramienta le permite bucear en su factura y comparar tarifas y detalles sobre su consumo.

Cómo Usted Ha Hecho un Mañana Mejor

De octubre de 2022 a septiembre de 2023, usted ha contribuido \$xxxxx a nuestro Plan de Energía Sostenible para Mañana (STEP).

¡Vaya a cpsenergy.com/STEP para ver su impacto!

Elija un programa de facturación que se adapte a sus necesidades

Respaldar Plan de pago Votar: cpsenergy.com/opcionesdepagos

Conéctese con nosotros: cpsenergy.com/newsroom

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Why does CPS Energy need to raise rates?

We need to make continued investments through regular, incremental rate increases to keep our service strong and reliable for future generations.



Infrastructure Resiliency
Aging infrastructure needs to be upgraded to limit the impact of outages. Inflation is also increasing the cost of existing materials like poles, power lines and transformers.



Growth
The population of San Antonio and its surrounding counties is expected to increase by 30% by 2030. With growth comes additional investments to maintain and improve reliability.



Technology & Security
Our core business operating system is 20 years old and must be replaced so we can better serve our customers. Similarly, we need to invest in cybersecurity and on-site security to protect our customers' information.



People
We are preparing for 30% of our team members to retire over the next 5 years. Another 30% of our team are new to their roles, so we need to invest in training so there are no impacts to customer service.

Learn more about the work we need to do to serve our community now and in the future at cpsenergy.com/vision2027.

How much will the rate increase be?

We are requesting an increase up to 4.25% to be effective Feb 1, 2024. Scan the QR code to learn more and access our bill calculator.

What is CPS Energy doing to help its customers?

We understand that many in our community struggle to pay their bills. In alignment with our Vision 2027 and our core values of safety and wellbeing, since 2021 we have:

¿Por qué necesita CPS Energy subir las tarifas?

Necesitamos realizar inversiones continuas mediante aumentos regulares de tarifas incrementales para mantener nuestro servicio sólido y confiable para las generaciones futuras.



Resiliencia de las Infraestructuras
Es necesario modernizar la infraestructura envejecida para limitar el impacto de los apagones. La inflación también está aumentando el costo de los materiales existentes como postes, líneas eléctricas y transformadores.



Crecimiento
La población de San Antonio y condados a sus alrededores se prevé que aumente un 30% para 2030. Con el crecimiento vienen inversiones adicionales para mantener y mejorar la fiabilidad.



Tecnología & Seguridad
Nuestro sistema operativo tiene 20 años y debe ser sustituido para que podamos servir mejor a nuestros clientes. Similarmente, necesitamos invertir en seguridad cibernética y seguridad presencial para proteger la información de nuestros clientes.



Personas
Nos estamos preparando para que el 30% de nuestro equipo se jubilen en los próximos 5 años. Otro 30% de nuestro equipo son nuevos en sus funciones, así que necesitamos invertir en capacitación para que no haya impactos a servicio al cliente.

Aprenda más sobre el trabajo que tenemos que hacer para servir a nuestra comunidad en cpsenergy.com/vision2027.

¿A cuánto aumentará la tarifa?

Solicitamos un aumento de hasta el 4.25% que entrará en efecto el 1 de febrero de 2024. Escanee el código QR para obtener más información y acceder a nuestra calculadora de facturas.

¿Qué está haciendo CPS Energy para ayudar a sus clientes?

Entendemos que muchos en nuestra comunidad se esfuerzan por pagar sus facturas. En línea con nuestra Visión 2027 y nuestros valores de seguridad y bienestar, hemos hecho lo siguiente desde 2021:

- Inscribimos a 14,000 nuevos clientes en nuestro Programa de Descuentos Accesibles (ADP).
- Conectamos a nuestros clientes con más de \$21.3M en fondos de Ley del Plan de Rescate Americano (ARPA) y otros \$40M en otra asistencia de servicios públicos.

¿Cómo ha mejorado CPS Energy la fiabilidad?

- Aumentamos nuestra capacidad energética para abastecer a unos 260,000 hogares más.
- Hemos mejorado nuestras plantas de energía para que sean más resilientes en condiciones meteorológicas extremas.
- Se han podado más de 1,200 miles de árboles, lo que contribuye a reducir la probabilidad y el impacto de los cortes de electricidad.

Para más información, visite cpsenergy.com/solicitudetarifas.



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Go to cpsenergy.com/step to see your impact!

How Can We Help?

WATER THERM-STAT DISCOUNT PROGRAM COMMERCIAL SAVINGS EXPERT

• Premium 1-8-0000 now customers into our Affordability



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¿Cómo podemos ayudar?

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APROVECHE NUESTROS REEMBOLSOS Y PROGRAMAS

Visite: cpsenergy.com/commercialrebatos

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Para más información, visite cpsenergy.com/solicitudetarifas.

SUMMARY OF TOUCHPOINTS

CPS Energy reached and engaged customers with over 5,613,000 touchpoints through rate request focused engagement and communication outreach executed between August 2023 and December 2023. CPS Energy hosted several community events, including two community-wide Tele Town Halls – one before the formal rate request ask and a second during the rate request process. Other partner and community events covered all 10 San Antonio City Council Districts and several suburban cities to ensure accessibility to all customers.

TOUCHPOINTS BREAKDOWN (Date Range: August 2023 – December 2023)

Community Value Letter: 886,337

- Digital Reach: 641,470 / Non-Digital: 244,867

Community Fairs: 13

Community Fairs Attendance: ~900

Partner Events: 45

Partner Events Attendance: 1,776

Neighborhood Block Walking/Door Knocking: 3,240 Interactions

Commercial Customers' Webinar Attendance: 96

July 13 Tele Town Hall Attendance: 3,638

November 30 Tele Town Hall Attendance: 1,578

Community Engagement Team Flyer Distribution: 1,046 flyers

Public Input Speakers (over the course of 6 meetings): 9

- CPS Energy Board of Trustees (3 meetings): 8

- 2023 Rate Request Community Input Working Group (3 meetings): 1

Views/Livestream Public Meetings: 957

- CPS Energy Board of Trustees (3 meetings): 353

- 2023 Rate Request Community Input Working (3 meetings): 325

- Citizen Advisory Committee (CAC) (6 meetings): 291

QR Code Scans from Flyers (English & Spanish): 172

Social Media Organic Reach/Impressions: 56,344

Rate Request Webpage Visits: 17,061

Community Input Working Group Webpage Visits: 2,199

Public Input Rate Request Webpage Visits (cpsenergypublicinput.com): 19

Media Inquiries: 11

Media Coverage: 98 news stories

Employee Newsletter: 47 rate increase stories

Employee Town Halls: 1,562 views

Total Rate Request Focused Digital Toolkits Distributed: 3

Digital Toolkits Distribution Reach: 4,884

CEO Engage Newsletter Reach: 1,895

Suburban City Summit Attendance: ~25

Bill Estimator Uses (commercial): 987

Bill Estimator Uses (residential): 8,687

Total CAC Meetings: 6

CAC Meeting Attendance (6 meetings): 121

Customer Investment Preferences Survey Participants: 103

Paid Media Impressions/Reach: 4,620,132

CUSTOMER INVESTMENT PREFERENCES SURVEY RESULTS

CPS Energy actively sought community feedback on future investment needs to gain insight into our community's preferences for power generation resources, infrastructure upgrades, and customer programs. The survey opened to the public on July 11, 2023 and was accessible on cpsenergypublicinput.com through December 8, 2023. Below are the final results.

TOTAL PARTICIPATION: 103

Q1: Looking out over the next two (2) years, I feel the most important energy considerations are:

- Ranked 1: Energy Reliability
- Ranked 2: Energy Resiliency
- Ranked 3: Affordability
- Ranked 4: Safety
- Ranked 5: Environmental Responsibility
- Ranked 6: Security

Q2: Households with a high energy burden are those that spend 6% or more of their total household income on electricity and gas costs (American Council for an Energy-Efficient Economy). Based on data from 2022, approximately 140,000 CPS Energy customers experience a high energy burden. As a customer, I am willing to pay _____ a month to help fund programs that address high energy burden customers. Energy Burden = Annual Utility Bills / Annual Household Income.

- 50%: \$0-2
- 36%: \$3-6
- 7%: Other
- 7%: \$7-10
- 0%: \$11-14

Q3: The following are ongoing investments made by CPS Energy to meet the increase in population within our service area and to keep up with the modernization of aging infrastructure. As a customer, I feel the most important investment considerations are:

- Ranked 1: Infrastructure Resiliency
- Ranked 2: Technology
- Ranked 3: People
- Ranked 4: Growth

Q4: When it comes to supporting a CPS Energy rate structure, as a customer, I value the following investments:

Ranked 1: Resiliency

Ranked 2: Bill Relief

Ranked 3: Energy Efficiency & Conservation

Ranked 4: Renewables

Ranked 5: Electric Vehicles

Ranked 6: New Technology Solutions

5. Please provide any additional comments or feedback you would like to share regarding your investment preferences or how you feel CPS Energy can bring additional value to the community.

See appendix (page 16) for customer verbatim comments

COMMUNITY INPUT WORKING GROUP

Executive Summary

On August 28, 2023, the CPS Energy Board of Trustees passed a [Resolution](#) on Community Input Committees directing CPS Energy to convene a 2023 Rate Request Community Input Working Group (Working Group). The purpose of the Working Group was to offer thoughtful feedback to CPS Energy about the 2023 rate request. All three meetings were open to the public, live-streamed, recorded, and placed on our website at <https://www.cpsenergy.com/en/about-us/who-we-are/rate-request-community-input-working-group-2023/rate-request-working-group-agendas-presentations.html>

The focus of the meetings was:

- Meeting #1 - Thursday, October 12, 2023, from 5:00 to 7:00 pm. This meeting provided a historical perspective on rate increases and the necessity for continued rate support.
- Meeting # 2 – Thursday, October 16, 2023, from 5:00 to 7:00 pm. This meeting reviewed the recent cost-of-service study and our current revenue requirements.
- Meeting #3 – Wednesday, November 2, 2023, from 5:00 to 7:00 pm. This meeting provided the anticipated base rate increase, answered questions, and requested feedback.

The meetings were successful. The main feedback themes were:

- Keep your messaging simple.
- Be transparent.
- Clearly explain the drivers of the additional revenue needed.

After each meeting, we incorporated the Working Group's feedback and updated our messaging. The result yielded clear messaging for our customers. For example, we simplified the messaging in our Rate Request Flyer and website to better explain why our rate increase is necessary.

CITIZENS ADVISORY COMMITTEE

The Citizens Advisory Committee (CAC) is made up of 15 committee members and acts as an interface between CPS Energy and its customers. The CPS Energy Board of Trustees appoints all members to the committee.

The CAC meets monthly with the primary goal of providing judicious advice from a customer perspective on utility-related projects and programs. During the rate request process, CAC members were informed and briefed on ongoing rate request efforts. Below is a summary of the meetings where CAC members were briefed on the following rate request related information and utility-related initiatives and programs.

- June 14, 2023: Post 88th Legislative Session and Energy Market Reform
- July 12, 2023: Energy Burden: Bill Relief Through Customer Assistance Programs
- August 9, 2023: EVOLVE: Enterprise Resource Planning (ERP)
- September 13, 2023: Financial Performance Update
- October 11, 2023: Multi-Year Financial Strategy
- November 16, 2023: FY2025 Rate Request Briefing

The primary feedback on the rate request included:

- Customers need to know “what is in it for me.”
- Appreciation for the addition of the energy burden standard to the Affordability Discount Programs.
- Appreciation of the amount of outreach done because this is very complex.
- Concern about the unpaid customer accounts.

RATE REQUEST VOTE RESULTS

CPS Energy received approval from Board of Trustees on December 4, 2023 and the City of San Antonio City Council on December 7, 2023. Rates will increase up to 4.25% beginning February 1, 2024.

Residential customers will begin to see an impact of about \$4.45 for their monthly electric and gas bill, and small commercial customers will see a \$17.80 increase for electric and a \$24.40 increase for combined electric and gas bills.

As part of the approved rate increase, CPS Energy will raise the monthly bill discount available through the [Affordability Discount Program \(ADP\)](#) from \$16.14 to \$18.36. ADP assists low-income customers' electric and gas services.

Currently, the ADP program has 65,000 residential customers and this rate increase includes plans to grow enrollment by at least 15,000, resulting in over 80,000 customers.

As the rate increase takes effect, CPS Energy will continue to inform customers of programs and assistance available to them.

News Releases:

[San Antonio City Council Approves CPS Energy's Rate Request](#)

[CPS Energy Board of Trustees Approves Rate Request](#)

[CPS Energy Rate Increase Goes Into Effect February 1, 2024](#)

APPENDIX

The following are customer verbatim comments submitted through question 5 of our Customer Investment Preferences Survey.

5. Please provide any additional comments or feedback you would like to share regarding your investment preferences or how you feel CPS Energy can bring additional value to the community.

- Quit asking for help to pay for other people's electric bills. Supply electricity, not politics. Bring back Deely!!!
- I do not support the rate increase. In a short time, our rates continue to be raised, and yet, I have seen no improvement. The bonuses and behavior of cps leadership is ridiculous
- Thank you CPS Energy for always investing in our futures reliability
- "Renewables" are NOT capable of meeting San Antonio's energy needs. Another Coal or Nuclear plant MUST be built ASAP.
- We need reasonable rates with a strong and safe power grid. I am middle class but in times even today my energy bill is high. My house is pretty new and new appliances so we cannot blame it on that. Just gas for our 2 vehicles is between \$600 to \$1000 per month depending on gas prices. Then in summer my electric bill is about \$600 per month for 1200 square foot home. That is dumb. And yes I keep my t stat at 78 summer and 67 winter. We got a new ac unit 18 mo ago. Your rates are too high already on top of the costs to live. Oh and my food bill for my family is about \$600 a month and no we do not eat out. Lower costs help people. Oh and I have 3 masters degrees if you are looking at demographics and I am a social worker in the community.
- I want a choice of my power company not a monopoly. No to your increase.
- I understand and support your upcoming rate increase. I have been and remain happy with CPS and your efforts to serve your customers. Thank you for your service.
- I would love to see in investment into virtual power plants as well where customers can be paid to help supply power in times of need.
- Keep trying to educate people about the services CPS Energy provides, the ERCOT market & the PUC. Many customers take for granted having a municipal-owned utility, until they live somewhere else and have an IOU and pay more.