CPS ENERGY BOARD OF TRUSTEES MEETING
TO BE HELD ON OCTOBER 26, 2026, AT 1:00 PM
LOCATION: CPS ENERGY BOARD ROOM (500 MCCULLOUGH AVE)
LIVESTREAM: CPS ENERGY BOARD OF TRUSTEES MEETING LIVESTREAMS

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. To note, the Public Comment Registration period runs the Tuesday prior to the Board of Trustees meeting at 5:00 PM through 12:30 PM on the day of the meeting via our online registration form in addition to the ability to register via phone from the Tuesday prior to the Board of Trustees meeting at 5:00 PM through the Friday prior at 1:00 PM.

AGENDA

ITEM	TOPIC	ACTION	PRESENTER/ SPONSOR
1	**CALL TO ORDER**	Execute	Dr. Francine Romero
2	**SAFETY MESSAGE, INVOCATION, & PLEDGE OF ALLEGIANCE**	Execute	Mr. Michael Chambers
3	**PUBLIC COMMENT**	Discuss	Dr. Francine Romero
UPDATE ON CHAIR'S PRIORITIES			
4	**CHAIR'S REMARKS**	Discuss	Dr. Francine Romero
5	**INTERIM PRESIDENT & CEO RECOGNITION AND REMARKS**	Discuss	Mr. Frank Almaraz
CONSENT AGENDA			
6	**APPROVAL OF CONSENT ITEMS:** A. Payment to the City of San Antonio for September 2026 B. Minutes from the Regular Board Meeting, held on September 28, 2026 C. Annual Financial Policies Review D. Approval of New Treasurer and Assistant Treasurer	Vote	Dr. Francine Romero

	E. **Procurement Items:** 1. **General Services:** Gas System Survey Services 2. **General Services:** Microsoft Azure Cloud Services 3. **Commodity & Material Goods**: Wire & Cable 4. **Commodity & Material Goods**: Power Transformers		
REGULAR AGENDA			
7	**BOARD COMMITTEE REPORTS:** A. Operations Oversight Committee Meeting held September 8, 2026 B. CEO Search Committee Meeting held September 15, 2026 C. Audit & Finance Committee (A&F) Meeting held September 21, 2026 D. Employee Benefits Oversight Committee (EBOC) Meeting held September 21, 2026 E. Technology & Innovation Committee (T&I) Meeting held on September 23, 2026 **COMMUNITY INPUT COMMITTEE REPORTS:** F. Customer Relations and Communications Working Group Meeting held October 14, 2026 G. Finance and Business Working Group Meeting held October 14, 2026 H. Power and Technology Working Group Meeting held October 14, 2026	Discuss	Dr. Francine Romero
8	**UPDATE ON APPROVAL OF CONTRACT FOR MR. FRANK ALMARAZ AS PRESIDENT AND CEO**	Discuss	Dr. Francine Romero
9	**RESILIENCY PROGRAM OVERVIEW**	Discuss	Mr. Jose G. Treviño
10	**AUGUST 28 STORM RESPONSE BENCHMARK AND ASSESSMENT** (Mr. Rob Earle, First Quartile Consulting)	Discuss	Ms. Elaina Ball

11	**RATE REQUEST DEFERRAL TO 2027**	Discuss	Ms. Debra Wainscott
CONVENE TO EXECUTIVE SESSION			
12	**EXECUTIVE SESSION:** A. Attorney Client Matters (§551.071) & Competitive Matters (§551.086) B. Personnel - Duties, Employment and Evaluation of Interim President & CEO (§551.074)	Discuss	Dr. Francine Romero
	C. Competitive Matters (§551.086) Generation Unit Improvement (Mr. Jose Treviño)	Vote	
RECONVENE TO OPEN SESSION			
ADJOURNMENT			
13	**ADJOURNMENT**	Execute	Dr. Francine Romero
If the Board meeting has not adjourned by 4:00 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.			

Approval of Payment to the City of San Antonio for September 2026

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 September 2026 is based on actual gross revenue per the New Series Bond Ordinance of $392,587,554.56, less applicable exclusions. The revenue for the month of September 2026 is calculated as follows:

Gross revenue per CPS Energy financial statements		
Electric revenue	$406,259,368.76	
Gas revenue	13,360,416.78	
Other operating revenue	348,680.26	
Interest and other income	873,226.26	
Gross revenue per CPS Energy financial statements	420,841,692.06	
Excluded revenue		
School and hospital revenue per City Ordinance 55022	(12,955,409.28)	
LVG revenue per City Ordinance 100709	(39,914.30)	
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(58,577,523.25)	
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	43,318,709.33	
Total excluded revenue	(28,254,137.50)	
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	$392,587,554.56	
City payment per Bond Ordinance for September 2026 based upon September 2026 revenue	$54,962,257.64	
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	2,989,994.85	
City Payment reduction per gas customer billing adjustment MOU	(12,500.00)	
City payment per Bond Ordinance plus adjustments for MOU	57,939,752.49	**A**
Utility services provided to the City for September 2026	(3,224,353.34)	
Net amount to be paid from September 2026 revenue to the City in October 2026	$54,715,399.15	

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)

September 2026	Actual	Budget	Variance	
Current Month **A**	$57,940	$55,834	$2,106	3.8%
Year-to-Date	$381,723	$389,977	($8,254)	-2.1%

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 $54,715,399.15 representing 14% of applicable system gross revenues for the month of September 2026, such payment being net of City utility services ($3,224,353.34), is hereby approved."

CPS ENERGY
MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES
HELD ON SEPTEMBER 28, 2026

The Regular Meeting of the Board of Trustees of CPS Energy for the month of September was held on Monday, September 28, 2026, 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 1:00 p.m.

Present were Board members:
Dr. Francine Romero, Chair
Dr. Willis Mackey, Vice Chair
Ms. Janie Gonzalez
Mayor Gina Ortiz Jones (arrived at 1:32 p.m.)

Absent:
Dr. Erika Gonzalez

Also present were:
Mr. Frank Almaraz, Interim President & CEO
Ms. Shanna M. Ramirez, Chief Legal & Ethics Officer, General Counsel & Board Secretary
CPS Energy staff members

II. SAFETY MESSAGE, INVOCATION AND PLEDGE OF ALLEGIANCE

A safety message, invocation, and the Pledge of Allegiance were delivered by Mr. Will Avila, Analyst Product Development.

III. PUBLIC COMMENT

There were no members of the public wishing to provide public comment.

IV. CHAIR'S REMARKS

Chair Romero recognized September as National Preparedness Month and encouraged members of the public to visit the CPS Energy website for preparedness resources and to sign up for alerts. She also announced the upcoming Resiliency Open House, scheduled for Monday, November 9, from 5:00 – 7:00 p.m. Additionally, she highlighted upcoming events where customers can learn more about available bill assistance programs.

V. INTERIM CEO REMARKS

Mr. Frank Almaraz, Interim President & CEO, recognized the first quarter CEO Core Value Honorees, acknowledging employees who exemplify CPS Energy's core values through their dedication and contributions. He also recognized the Supplier Development team for its efforts to strengthen engagement and foster relationships with local and small businesses.

Additionally, Mr. Almaraz highlighted key items on the meeting agenda.

VI. CONSENT AGENDA

On a motion by Vice Chair Dr. Mackey, seconded by Trustee Gonzalez, and upon the affirmative vote of all members present, the following items on the Consent Agenda were approved 3-0, with Mayor Jones and Trustee Dr. Gonzalez being absent from the dais:

A. Approval of Payment to the City of San Antonio for August 2026

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 August 2026 is based on actual gross revenue per the New Series Bond Ordinance of $390,753,965.74, less applicable exclusions. The revenue for the month of August 2026 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	$464,051,578.45
Gas revenue	10,095,177.79
Other operating revenue	591,390.96
Interest and other income	5,450,974.53
Gross revenue per CPS Energy financial statements	480,189,121.73
Excluded revenue	
School and hospital revenue per City Ordinance 55022	(10,500,143.95)
LVG revenue per City Ordinance 100709	0.00
Fuel cost component of off-system nonfarm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(70,545,426.48)
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled Revenue	(8,389,585.56)
Total excluded revenue	(89,435,155.99)
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	$390,753,965.74

City payment per Bond Ordinance for August 2026 based upon August 2026 revenue	$54,705,555.20	
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	2,672,144.72	
City Payment reduction per gas customer billing adjustment MOU	(12,500.00)	
City payment per Bond Ordinance plus adjustments for MOU	57,365,199.92	**A**
Utility services provided to the City for August 2026	(3,167,036.51)	
Net amount to be paid from August 2026 revenue to the City in September 2026	$54,198,163.41	

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)

August 2026	Actual	Budget	Variance	
Current Month **A**	$57,365	$68,581	($11,216)	-16.4%
Year-to-Date	$323,783	$334,143	($10,360)	-3.1%

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 $54,198,163.41 representing 14% of applicable system gross revenues for the month of August 2026, such payment being net of City utility services ($3,167,036.51), is hereby approved."

B. Minutes from the Regular Board Meeting held on August 31, 2026

VII. BOARD COMMITTEE REPORTS

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

Community Input Committee Reports

A. Customer Relations and Communications Working Group Meeting held on August 12, 2026. This report is Attachment "A" to the meeting minutes.
B. Finance and Business Working Group Meeting held on August 12, 2026. This report is Attachment "B" to the meeting minutes.
C. Power and Technology Working Group Meeting held on August 12, 2026. This report is Attachment "C" to the meeting minutes.
D. Community Input Committee (CIC) Meeting held on September 9, 2026. This report is Attachment "D" to the meeting minutes.

VIII. EXECUTIVE SESSION

At approximately 1:13 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 the following:

A. Attorney Client Matters (§551.071) & Competitively Sensitive Matters (§551.086)
B. Security Personnel or Devices (§551.076) & Critical Infrastructure (§551.0761)
C. Personnel - Duties, Employment and Evaluation of Interim President & CEO (§551.074)

The Board reconvened in open session at 2:11 p.m. The quorum was re-established with four members present. Ms. Ramirez reported that only the matters cited above, and no others were discussed, and no votes were taken in Executive Session.

IX. CEO SEARCH COMMITTEE UPDATE & RECOMMENDATION TO PROCEED WITH CONTRACT NEGOTIATION

Chair Romero stated that the Board had discussed the qualifications and requirements for the next President & CEO. She noted that, throughout the search process, additional factors emerged, including rapidly evolving regulatory changes and the unique responsibilities associated with CPS Energy's municipally owned utility model. Chair Romero expressed her confidence in Mr. Almaraz's leadership, stating that he meets the established qualifications and possesses the experience necessary to lead CPS Energy at this time.

Chair Romero made a motion to suspend the 30-day search and initiate a 30-day negotiation period with Mr. Frank Almaraz. Vice Chair Dr. Mackey seconded the motion, expressing his support for Mr. Almaraz's leadership. The motion was approved by a 4-0 vote.

Mr. Almaraz expressed his appreciation for the Board's confidence and stated that he looked forward to further discussions with the Board. He reaffirmed his commitment to serving our community and advancing CPS Energy's mission as a public power utility.

X. COMMUNITY INPUT COMMITTEE (CIC) CANDIDATE NOMINATIONS & APPROVAL FOR D3, D7, AND Q3

Ms. Kathy Garcia, Chief External Relations Officer & Chief of Staff, presented the nominations for the Community Input Committee (CIC) representing District 3 (D3), District 7 (D7), and Quadrant 3 (Q3). She provided an overview of the CIC's composition and membership and introduced the following nominees:

- Q3: Mr. Wayne Eddington
- D3: Ms. Julie Rodriguez
- D7: Mr. John W. Watson

Board approval was requested of the nominees. Vice Chair Dr. Mackey moved to approve the nominations, and Trustee Gonzalez seconded the motion. The nominations were unanimously approved by a vote of 4-0, with Trustee Dr. Gonzalez absent.

XI. TEXAS SMARTBUY UPDATE (RESOLUTION)

Mr. Bert Hargesheimer, Vice President of Operational Support Services, provided an overview of the Texas SmartBuy program, a membership-based e-commerce platform and cooperative purchasing program. Vice Chair Dr. Mackey moved to approve the resolution, and it was seconded by Chair Romero. The Board of Trustees discussed and asked questions, focusing on aspects of the program. The resolution was unanimously approved 4-0, with Trustee Dr. Gonzalez absent.

XII. STEP UPDATE: PROGRAM YEAR 4

Mr. Benjamin Jordan, Interim VP Corporate Development, provided an overview of the presentation, noting that the STEP program is a component of our generation plan.

Ms. Ana Lozano, Director Technology & Product Innovation, provided STEP's goals, performance metrics, and progress through Program Year 4. The Board of Trustees discussed and asked questions focused on the future of the program, potential new initiatives, policy objectives, and participation in the program.

XIII. OPERATIONAL ASSESSMENT: AUGUST 28 WEATHER EVENT

Ms. DeAnna Hardwick, Chief Customer Strategy Officer, provided an overview of the importance of customer engagement during storm response efforts.

Mr. Jose G. Trevino, Interim Chief Operating Officer, provided an overview of the August 28 weather event, highlighting the severe nature of the storm with high winds, resulting in infrastructure damage and service outages. He reviewed examples of specific damage, CPS Energy's outage restoration priorities, and infrastructure investments designed to improve system resiliency and minimize outages throughout the service area. He also summarized all restoration efforts and acknowledged the challenges experienced by customers who endured extended outages.

Ms. Hardwick provided an overview of the customer support and outreach efforts to assist customers during an outage, including customer communications, distribution of emergency meals and bottles of water, support of managed accounts, and call center activity. She emphasized that these efforts only represent a portion of CPS Energy's broader commitment to supporting customers throughout the restoration process.

In conclusion, Mr. Trevino and Ms. Hardwick outlined the lessons learned and ongoing improvement initiatives, including damage assessment, mutual assistance, technology, including communications and community partnerships.

The Board of Trustees discussed and asked questions focused on storm preparedness, damage assessment procedures, outage restoration prioritization, community outreach and coordination with customers, crew staffing size, registration of critical care customers, potential impacts of federal funding, and the methods used to communicate information to customers.

XIV. STORM RESPONSE BENCHMARKING

This item was deferred until next month.

XV. ADJOURNMENT

Chair Romero asked Ms. Ramirez to review the requested action items. 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 4:04 p.m. by Chair Romero.

_____
Shanna M. Ramirez
Secretary of the Board

DRAFT

Executive Summary
CPS Energy Financial Policies Annual Approval
October 26, 2026, Board Consent Agenda Item

ACTION REQUIRED:

- Board annual approval of CPS Energy Financial Policies Resolutions.
- Should you have any questions or need any additional information, please contact:
  - Gautam Shringarpure at 210-353-2710 (office)/210-793-6002 (cell)
  - Cory Kuchinsky at 210-353-5176 (office)/210-415-2941 (cell).

ATTACHMENTS (A-F) SUMMARY OF CHANGES TO THE FINANCIAL POLICIES:

Due to the volume of pages related to the Financial Policies, the full details of the proposed changes were sent previously in a Board email and were not included with the documents as part of the Board materials. Further information is available for your review upon request.

BACKGROUND:

At least once a year, CPS Energy Management presents the following Financial Policies to the Board of Trustees for review and approval. Below is a high-level summary of the extent of the changes that are being proposed.

ATTACH	POLICY	OWNER	TYPE OF CHANGE			
			Administrative	Organizational	Procedural	Substantive
A	CPS Energy Investment Policy	Cash & Liquidity Mgmt.	None[1]			
B	Nuclear Decommissioning Trust (NDT) Investment Policy	Cash & Liquidity Mgmt.	✓ [2]	None		
C	Financial Authorizations & Approvals Policy [3]	Cash & Liquidity Mgmt.	✓ [4]	None		
D	Collateral Policy [3]	Cash & Liquidity Mgmt.	None[1]			
E	Master Interest Rate Mgmt. Policy	Debt Mgmt.	✓ [5]	None		
F	Energy Price Risk Mgmt. (EPRM) Policy	Enterprise Risk Mgmt.	✓ [6]	None		

[1] No changes proposed other than update of effective date to January 31, 2027.
[2] Updates to reflect additional STP ownership percentage, clarifying existing language for ease of readability, and effective date to January 31, 2027.
[3] These policies are included as appendices to the CPS Energy Investment Policy.
[4] Updates to reflect additional STP acquired interest and effective date to January 31, 2027.
[5] Updates to clarify existing language, counter-party thresholds, and effective date to January 31, 2027.
[6] Updating titles and effective date to January 31, 2027.

DRAFT

DRAFT

Executive Summary
CPS Energy Financial Policies Annual Approval
October 26, 2026, Board Consent Agenda Item

- The Texas Public Funds Investment Act (PFIA) and other State Laws require a public entity's investment policy to be reviewed at least annually.
- All Financial Policies were last brought to the Board for review/approval at the November 17, 2025, Board Meeting.
- Changes to the Master Interest Rate Mgmt. Policy are administrative in nature, intending to simplify or clarify language and document existing processes.
- The proposed changes will not alter the overall investment strategy and operations of CPS Energy.
- See the attachments for further details of the changes.

DRAFT

DRAFT

ATTACHMENT A

Summary of Changes to the CPS Energy Investment Policy
October 26, 2026 Board Consent Agenda Item

BACKGROUND:

This Investment Policy (Policy):

- Sets forth formal guidelines for the investment and management of CPS Energy Funds, based on rules mandated by the Texas Public Funds Investment Act (PFIA). The funds governed by this Policy are the operational funds for CPS Energy and are invested over a short time horizon (less than 10 years).
- Establishes primary investment objectives: preservation and safety of principal, liquidity, yield of investment, competitive pricing, diversification and control of assets.
- Outlines overall investment strategy: to earn market yields, to maintain appropriate diversification and liquidity of investments, and to select maturities that match projected cash requirements.
- Requires controls to help ensure investments made comply with established guidelines; addresses written administrative procedures; controls against collusion; and provides for separation of functions, security safekeeping, delegation of authority and written confirmations and approvals.

SUMMARY OF CHANGES: There are no recommended changes to the CPS Energy Investment Policy other than updating the effective date as a result of the annual renewal. The CPS Energy Investment Committee has reviewed the Policy and recommends approval.

The following is a high-level summary of the extent of the changes that are being proposed herein:

Administrative	Organizational	Procedural	Substantive
None	None	None	None

CONTENTS:

- Board Resolution: CPS Energy's "Investment Policy."

DRAFT

DRAFT

INVESTMENT POLICY RESOLUTION

The following resolution relating to the investment activities of the City of San Antonio, Texas acting by and through City Public Service Board ("CPS Energy") was presented for consideration and approval by the CPS Energy Board of Trustees ("Board"):

WHEREAS, Texas Government Code Section 1502.070 vests management and control of the CPS Energy gas and electric systems in the Board, including management and control over the purchasing activities of the systems; and

WHEREAS, the Board is responsible for the prudent handling and control of funds and investments of CPS Energy; and

WHEREAS, the Texas Public Funds Investment Act ("PFIA") requires that the governing body of a local government review its investment policies and investment strategies not less than annually during the fiscal year; and

WHEREAS, CPS Energy Management has no proposed changes to the Policy other than effective date; and

WHEREAS, CPS Energy desires the approval of a resolution a) acknowledging that a review of the Policy has been completed and b) adopting the Policy with the proposed changes; and

WHEREAS, CPS Energy Management has verified and represents to the Board that the Policy as attached hereto is in compliance with the requirements of the CPS Energy operating procedures, the PFIA, the Bond Ordinances and the Commercial Paper Ordinances.

NOW THEREFORE BE IT RESOLVED that the Board hereby approves and adopts the Policy, as attached hereto, effective January 31, 2027.

_____

Shanna M. Ramirez
Secretary of the Board

DRAFT

ATTACHMENT B
Summary of Changes to the CPS Energy South Texas Project (STP) Nuclear Decommissioning Trust (NDT) Investment Policy October 26, 2026 Board Consent Agenda Item

BACKGROUND:
This NDT Investment Policy (Policy):

- Sets forth formal guidelines for the investment and management of the NDT funds and related activity, based on rules mandated by the Texas Public Funds Investment Act (PFIA). The funds governed by this Policy are invested over a long period of time to provide for the eventual decommissioning of CPS Energy's 42% interest in the STP nuclear facility.
- Establishes primary investment objectives: preservation and safety of principal, liquidity, yield of investment, competitive pricing, diversification and control of assets consistent with the long-term goals of the Trusts.
- Outlines overall investment strategy: to earn market yields, to maintain appropriate diversification and liquidity of investments, and to select maturities that match projected cash requirements.
- Requires controls to help ensure investments comply with established guidelines; addresses written administrative procedures; and provides for separation of functions, security safekeeping, delegation of authority and written confirmations and approvals.

SUMMARY OF CHANGES: Recommended changes to the CPS Energy STP NDT Investment Policy reflect the new ownership percentage, update effective date as a result of the annual renewal, and clarify existing language for improved readability. The CPS Energy NDT Investment Committee has reviewed the Policy and recommends approval.

The following is a high-level summary of the extent of the changes that are being proposed herein:

Administrative	Organizational	Procedural	Substantive
✓	**None**	**None**	**None**

CONTENTS:
- Board Resolution: CPS Energy's "NDT Investment Policy."

Prepared By: Cash & Liquidity Management 09/30/2026

DRAFT

DRAFT

NUCLEAR DECOMMISSIONING TRUST INVESTMENT POLICY RESOLUTION

The following resolution relating to the Nuclear Decommissioning Trust ("NDT") activities of the City of San Antonio, Texas acting by and through the City Public Service Board ("CPS Energy") was presented for consideration and approval by the CPS Energy Board of Trustees (the "Board"):

WHEREAS, Texas Government Code Section 1502.070 vests management and control of the CPS Energy gas and electric system in the Board, including management and control over the purchasing activities of the systems; and

WHEREAS, the Board is responsible for the prudent handling and control of funds and investments of CPS Energy, the City Public Service Decommissioning Master Trust for the South Texas Project (the "28% Trust"), and the City Public Service Decommissioning Master Trust Agreement Related to the South Texas Project Interest Acquired from AEP Texas Central Company and Constellation South Texas, LLC (the "14% Trust (TCC Funded)"); and

WHEREAS, the Texas Public Funds Investment Act ("PFIA") requires that the governing body of a local government review its investment policies and investment strategies not less than annually during the fiscal year; and

WHEREAS, CPS Energy Management has proposed changes to the CPS Energy South Texas Project NDT Investment Policy ("Policy") to update the effective date, reflect the new ownership percentage and clarify existing language for improved readability; and

WHEREAS, CPS Energy desires the approval of a resolution a) acknowledging that a review of the Policy has been completed and b) adopting the Policy with the proposed changes; and

WHEREAS, CPS Energy management has verified and represents to the Board that the Policy as attached hereto complies with the requirements of the U.S. Nuclear Regulatory Commission, the Public Utility Commission of Texas, the PFIA, the Texas Property Code Subtitle B, Title 9, where applicable and the requirements of the 28% Trust and the 14% Trust (TCC Funded).

NOW THEREFORE BE IT RESOLVED that the Board hereby approves and adopts the Policy as attached hereto, effective January 31, 2027.

_____
Shanna M. Ramirez
Secretary of the Board

DRAFT

ATTACHMENT C
Summary of Changes to the CPS Energy Financial Authorizations & Approvals Policy for Banking, Investing & Hedging ("FAAP") October 26, 2026 Board Consent Agenda Item

BACKGROUND:

This Policy:

- Designates CPS Energy officers ("Officers") and other staff who are authorized to approve various banking, investing and hedging transactions and relationships.
- Designates Investment Officers for CPS Energy, as defined by the Texas Public Funds Investment Act ("PFIA").
- Authorizes Officers to act in the name of CPS Energy to perform duties such as establishing, maintaining and closing bank accounts; authorizing or approving investment and banking transactions; and establishing, maintaining and closing trading authorizations for the investment of a) CPS Energy and the b) South Texas Project Nuclear Decommissioning Trusts funds.

SUMMARY OF CHANGES: Recommended changes to the FAAP to update the effective date of the Policy as a result of the annual renewal and to reflect new acquired interest of the South Texas Project.

The following is a high-level summary of the extent of the changes that are being proposed herein:

Administrative	Organizational	Procedural	Substantive
✓	**None**	**None**	**None**

CONTENTS:

- Board Resolution: CPS Energy's "Financial Authorizations & Approvals Policy for Banking, Investing & Hedging."

DRAFT

DRAFT

FINANCIAL AUTHORIZATIONS AND APPROVALS POLICY FOR BANKING, INVESTING AND HEDGING RESOLUTION

The following resolution relating to the banking, investing and hedging activities of the City of San Antonio, Texas acting by and through City Public Service Board ("CPS Energy") was presented for consideration and approval by the Board of Trustees ("Board"):

WHEREAS, the Board of Trustees of the City Public Service Board of San Antonio, Texas, is required to designate and authorize specific CPS Energy Officers and staff to conduct financial transactions on behalf of CPS Energy, the City Public Service Restated Decommissioning Master Trust for the South Texas Project, the City Public Service Decommissioning Master Trust Agreement Related to the South Texas Project Interest Acquired from AEP Texas Central Company and Constellation South Texas, LLC; and Hedge Instrument transactions on behalf of CPS Energy; and

WHEREAS, a CPS Energy Financial Authorizations and Approvals Policy for Banking, Investing and Hedging ("the Policy") must be provided to banks, investment firms, brokers and other counterparties in order to conduct transactions in the daily operations of CPS Energy; and

WHEREAS, CPS Energy Management has proposed minor changes to the Financial Authorizations and Approvals Policy to update the effective date and to reflect the new acquired interest of the South Texas Project.

NOW THEREFORE BE IT RESOLVED that the Board hereby approves the attached CPS Energy Financial Authorizations and Approvals Policy for Banking, Investing and Hedging, effective January 31, 2027.

_____

Shanna M. Ramirez
Secretary of the Board

DRAFT

ATTACHMENT D

Summary of Changes to the CPS Energy Collateral Policy
October 26, 2026 Board Consent Agenda Item

BACKGROUND:

The Policy:

- Requires that deposits of CPS Energy funds in a bank or other financial institution be collateralized in accordance with the CPS Energy Collateral Policy (the "Policy") and the Texas Public Funds Collateral Act.
- Sets forth certain requirements regarding collateral pledged to CPS Energy to secure the deposits of public funds and collateral owned by CPS Energy and investments which are collateralized.

SUMMARY OF CHANGES: There are no recommended changes to the Policy, other than updating the effective date of the Policy as a result of the required annual renewal.

The following is a high-level summary of the extent of the changes that are being proposed herein:

Administrative	Organizational	Procedural	Substantive
None	None	None	None

CONTENTS:

- Board Resolution: CPS Energy's "Collateral Policy."

DRAFT

DRAFT

COLLATERAL POLICY RESOLUTION

The following resolution relating to the collateral activities of the City of San Antonio, Texas acting by and through City Public Service Board ("CPS Energy") was presented for consideration and approval by the Board of Trustees ("Board"):

WHEREAS, Texas Government Code Section 2257.023 requires that CPS Energy adopt a policy concerning the collateral pledged to secure the deposit of CPS Energy funds in a depository bank or other financial institution; and

WHEREAS, CPS Energy Management has no proposed changes to the Collateral Policy other than the effective date.

NOW THEREFORE BE IT RESOLVED that the Board hereby approves the attached CPS Energy Collateral Policy, effective January 31, 2027.

_____

Shanna M. Ramirez
Secretary of the Board

DRAFT

Attachment E
Summary of Changes to the CPS Energy Master Interest Rate Management Policy October 26, 2026 Board Consent Agenda Item

BACKGROUND:

This Master Interest Rate Management Policy (the "Policy"):

- Sets forth guidelines by which CPS Energy may actively manage its interest rate exposure to help protect and provide balance within its debt portfolio. Interest rate management transactions could be used primarily to hedge against the risk of rising interest rates. **While this Policy authorizes CPS Energy to utilize various interest rate hedging products, each transaction / program must be approved by both the CPS Energy Board of Trustees (Board) and the San Antonio City Council. Today's approval is renewal of the Policy only.**
- Was first approved by the Board in 2011, the Policy is presented annually to the Board for approval.

SUMMARY OF CHANGES: The recommended changes to the Policy are administrative in nature such as clarifying existing language, updating the effective date as a result of the required annual approval, and increasing counter-party thresholds.

The following is a high-level summary of the extent of the changes that are being proposed herein:

Administrative	Organizational	Procedural	Substantive
✓	**None**	**None**	**None**

CONTENTS:

- Board Resolution: CPS Energy's "Master Interest Rate Management Policy."

Prepared By: Debt Management 09/30/2026

DRAFT

DRAFT

MASTER INTEREST RATE MANAGEMENT POLICY RESOLUTION

The following resolution relating to interest rate management agreements and transactions of the City of San Antonio, Texas acting by and through City Public Service Board ("CPS Energy") was presented for consideration and approval by the CPS Energy Board of Trustees ("Board"):

WHEREAS, Texas Government Code Section 1371.056, requires that the City Council (the "*City Council*") of the City of San Antonio, Texas (the "*City*"), adopt a risk management policy governing entering into and managing interest rate management agreements and transactions in anticipation of, related to, or in connection with the authorization, issuance, security, purchase, payment, sale, resale, redemption, remarketing, or exchange of debt obligations of the City as a condition to the execution of any such agreement or transaction; and

WHEREAS, Texas Government Code Section 1502.070 and various ordinances of the City Council vests management and control of the CPS Energy electric and gas systems (the "*Systems*") in the Board; and

WHEREAS, it is in the best interests of the customers of the Systems that the Board and the City be authorized to enter into interest rate management agreements to manage the net interest expense borne by debt obligations of the City issued and to be issued to finance or refinance eligible costs of Systems' projects and/or other permitted costs and payable from revenue of the Systems; and

WHEREAS, on November 28, 2011, the Board approved the Master Interest Rate Management Policy, which has subsequently been updated; and

WHEREAS, CPS Energy Management desires to modify the Master Interest Rate Management Policy, as attached, with non-substantive changes that are administrative in nature and include:

- Clarifying existing language,
- Updating the effective date, and
- Increasing counter-party thresholds;

NOW THEREFORE BE IT RESOLVED that the Board hereby ratifies and approves the attached CPS Energy Master Interest Rate Management Policy, as revised, effective January 31, 2027.

_____

Shanna M. Ramirez
Secretary of the Board

DRAFT

ATTACHMENT F
Summary of Changes to the CPS Energy Energy Price Risk Management (EPRM) Policy October 26, 2026 Board Consent Agenda Item

BACKGROUND:

This Policy:

- Sets forth formal guidelines for the execution of financial hedge transactions in connection with fuel price and power generation exposure.
- The guidelines are established in part based on rules mandated by the Texas Public Funds Investment Act (PFIA).
- Hedge Instrument transactions are allowed for the sole purpose of managing risks of financial uncertainty or loss associated with adverse volatility in the pricing of CPS Energy fuel purchases and wholesale electric sales in an effort to optimize the value of these assets for the benefit of CPS Energy customers.

SUMMARY OF CHANGES: The recommended changes to the Energy Price Risk Management Policy are to update titles and change the effective date of the Policy as a result of the annual renewal. The Energy Portfolio Strategy Committee has reviewed the Policy and recommends approval.

The following is a high-level summary of the extent of the changes that are being proposed herein:

Administrative	Organizational	Procedural	Substantive
✓	**None**	**None**	**None**

CONTENTS:

- Board Resolution: CPS Energy's "Energy Price Risk Management Policy Resolution."

DRAFT

DRAFT

ENERGY PRICE RISK MANAGEMENT POLICY RESOLUTION

The following resolution relating to the investment and hedging activities of the City of San Antonio, Texas acting by and through City Public Service Board ("CPS Energy") was presented for consideration and approval by the CPS Energy Board of Trustees ("Board"):

WHEREAS, Texas Government Code Section 1502.070 vests management and control of the CPS Energy gas and electric systems in the Board, including management and control over the purchasing activities of the systems; and

WHEREAS, the Board is responsible for the prudent handling and control of energy hedge instruments; and

WHEREAS, the Texas Public Funds Investment Act ("PFIA") requires that the governing body of a local government review its investment policies and investment strategies not less than annually; and

WHEREAS, by policy, the Board shall review CPS Energy's Energy Price Risk Management ("EPRM") Policy on an annual basis and approve any changes thereto; and

WHEREAS, CPS Energy Management has proposed changes to the EPRM Policy to update titles and change the effective date; and

WHEREAS, CPS Energy desires the approval of a resolution a) acknowledging that a review of the Policy has been completed and b) adopting the Policy with the proposed changes; and

WHEREAS, CPS Energy Management has verified and represents to the Board that the Policy as attached hereto is in compliance with the requirements of the PFIA.

NOW THEREFORE BE IT RESOLVED that the Board hereby approves and adopts the Policy, as attached hereto, effective January 31, 2027.

_____

Shanna M. Ramirez
Secretary of the Board

DRAFT

RESOLUTION APPROVING APPOINTMENT OF TREASURER AND ASSISTANT TREASURER FOR THE CPS ENERGY BOARD

WHEREAS, the CPS Energy Board of Trustees is required to designate and authorize specific officers and staff to conduct transactions on behalf of CPS Energy, and

WHEREAS, Cory Kuchinsky, who served as Treasurer to the Board of Trustees, has left CPS Energy after 20 years of service, effective October 16, 2026; and,

WHEREAS, Julie Johnson, who serves as an Assistant Treasurer and as the Vice President, Business Excellence, will be leaving CPS Energy after more than 30 years of service; and,

WHEREAS, effective November 1, 2026, Debra Wainscott, who currently serves as Chief Financial Officer, will assume the responsibilities as Treasurer and Lizeth Oliver, who currently serves as Senior Director & Controller, will assume responsibilities as Assistant Treasurer. In their new assignments, the Treasurer and Assistant Treasurer will manage and direct certain financial transactions requiring Board of Trustee approval and will provide support to the Board related to these financial matters; and,

WHEREAS, Julie Johnson will continue to serve as an Assistant Treasurer to the Board of Trustees through October 31, 2026, to assist in the transition of Lizeth Oliver as an Assistant Treasurer; and,

WHEREAS, San Juanita Loredo and Gautam Shringarpure will continue to serve as Assistant Treasurers to the Board of Trustees; and,

WHEREAS, one Treasurer and three Assistant Treasurers will facilitate effective and timely financial transaction coverage.

NOW THEREFORE BE IT RESOLVED that the CPS Energy Board of Trustees hereby approves the appointment of Debra Wainscott as Treasurer and Lizeth Oliver as an Assistant Treasurer to the Board of Trustees, effective November 1, 2026.

I, Shanna M. Ramirez, Secretary of the Board of Trustees of CPS Energy, do hereby certify the foregoing as a true and exact copy of a resolution which was passed and approved at the meeting of the Board of Trustees of CPS Energy, held on October 26, 2026, at which a quorum was present.

WITNESS MY HAND AND SEAL OF THE CPS ENERGY BOARD OF TRUSTEES ON

_____ day of _____ 2026.

_____
Shanna M. Ramirez
Secretary of the Board

CPS Energy Board of Trustees Meeting
October 26, 2026
APPROVAL of PROCUREMENT ITEMS
Table of Contents

1.	**Item Description:**	**Active PO Funding Increase: Gas System Survey Services**
	Purchase Category:	**General Services**
	Supplier:	Alisto Engineering Group, Inc.
	Committee Presentations:	Operations Oversight Committee – September 8, 2026 Audit & Finance Committee – September 21, 2026
2.	**Item Description:**	**Active PO Extension & Funding Increase: Microsoft Azure Cloud Services**
	Purchase Category:	**General Services**
	Supplier:	SHI-Government Solutions, Inc.
	Committee Presentations:	Operations Oversight Committee – September 8, 2026 Audit & Finance Committee – September 21, 2026
3.	**Item Description:**	**Wire and Cable**
	Purchase Category:	**Commodity & Material Goods**
	Supplier:	Anixter, Inc. KBS Electrical Distributors, Inc. Techline, Inc. Texas Electric Cooperatives, Inc.
	Committee Presentations:	Operations Oversight Committee – September 8, 2026 Audit & Finance Committee – July 13, 2026

4.	**Item Description:**	**Power Transformers**
	Purchase Category:	**Commodity & Material Goods**
	Supplier:	Fortune Electric Co., Ltd.
		E-Flow Electric, Inc.

Committee Presentations: Operations Oversight Committee – September 8, 2026
Audit & Finance Committee – September 21, 2026

Approval: Lewis, Lisa D Digitally signed by Lewis, Lisa D Date: 2026.10.16 10:52:58 -05'00'

Lisa D. Lewis, Chief Administrative Officer

Approval: Frank Almaraz Digitally signed by Frank Almaraz Date: 2026.10.20 15:24:53 -05'00'

Frank T. Almaraz, Interim President & CEO

CPS Energy Board of Trustees Meeting
October 26, 2026
Procurement Form 1

RESILIENCE/ RELIABILITY

VISION 2027 GENERATION PLAN

Item Description		Active PO Funding Increase: Gas System Survey Services
Original Cumulative Purchase Order Value	**(A)**	$8,900,000
Previously Added Funds	**(B)**	$0
Additional Funds Requested	**(C)**	**$23,000,000**
Projected Cumulative Purchase Order Value	**(D)**	**$31,900,000**
Purchase Category		General Services
Department		Gas Solutions
Interim Chief Operating Officer		Jose Trevino

Detailed Description

CPS Energy staff recommend that additional purchase order funding be approved for an existing contract for gas system survey services. This contract was previously awarded to Alisto Engineering Group, Inc., a local/small firm, as the respondent who provided the goods or services at the best value for CPS Energy based on the evaluation criteria set forth below.

Additional purchase order funding is being requested to support expanded leak survey requirements, regulatory compliance, infrastructure replacement programs, and in anticipation of a three-year contract renewal prior to the current expiration on February 22, 2027.

Subcontracting Opportunities

Alisto Engineering Group, Inc. has 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.

Evaluation Criteria	Points
Experience and qualifications to perform the Services	53
The overall cost	15
Safety records and training program	20
Legal and compliance requirements	2
Economic Development (Local and Small business consideration)	10
TOTAL	**100**

CPS Energy Board of Trustees Meeting
October 26, 2026
Procurement Form 1

RESILIENCE/ RELIABILITY

VISION 2027 GENERATION PLAN

Recommended Respondent(s) & Award					
Vendor Name	**SBA Classification & Details**	**Original PO Value**	**Previously Added or Reallocated Funds**	**Additional Funds Requested**	**PO#**
Alisto Engineering Group, Inc.[1]	Small & Local	$8,900,000	$0	$23,000,000	2216745
		(A)	**(B)**	**(C)**	
	Totals	**$8,900,000**	**$0**	**$23,000,000**	
	Projected Cumulative Purchase Order Value (D)			**$31,900,000**	

[1] Incumbent supplier for 3 years.

Annual Funds Budgeted						
Corporate Annual Budget	Funding Method	Projected FY2027 PO Spend	% of FY2027 Annual Corp Budget	Projected FY2028 PO Spend	Projected FY2029 PO Spend	Projected FY2030 PO Spend
$1,664,388,329	Capital	$0	0%	$0	$0	$0
$1,061,000,000	Non-Fuel O&M	$1,600,000	0.15%	$8,900,000	$8,900,000	$8,900,000

Our current approved budget and latest estimates support this additional purchase order increase.

CPS Energy Board of Trustees Meeting
October 26, 2026
Procurement Form 2

RESILIENCE/ RELIABILITY

Item Description		Active PO Extension & Funding Increase: Microsoft Azure Cloud Services
Original Cumulative Purchase Order Value	**(A)**	$9,250,000
Previously Added Funds	**(B)**	$0
Additional Funds Requested	**(C)**	**$11,000,000**
Projected Cumulative Purchase Order Value	**(D)**	**$20,250,000**
Purchase Category		General Services
Department		Enterprise Information Technology
Chief Information Officer		Evan O'Mahoney

Detailed Description

CPS Energy staff recommend that additional purchase order funding be approved for Microsoft Azure Cloud Services. This contract was previously awarded to SHI-Government Solutions, Inc. as the Texas Department of Information Resources (DIR) respondent who provided the goods or services at the best value.

Additional purchase order funding is being requested to serve ongoing cloud consumption for existing technology platforms and to support future growth. This contract was initiated on March 1, 2026 and will be extended by seven months to September 30, 2027.

Subcontracting Opportunities

None at this time.

CPS Energy Board of Trustees Meeting
October 26, 2026
Procurement Form 2

RESILIENCE/ RELIABILITY

Recommended Respondent(s) & Award					
Vendor Name	**SBA Classification & Details**	**Original PO Value**	**Previously Added or Reallocated Funds**	**Additional Funds Requested**	**PO#**
SHI-Government Solutions, Inc.[1]		$9,250,000	$0	$11,000,000	2231980
		(A)	**(B)**	**(C)**	
	Totals	**$9,250,000**	**$0**	**$11,000,000**	
	Projected Cumulative Purchase Order Value (D)			**$20,250,000**	

[1] Incumbent supplier for 4 years.

Annual Funds Budgeted						
Corporate Annual Budget	Funding Method	Projected FY2027 PO Spend	% of FY2027 Annual Corp Budget	Projected FY2028 PO Spend	Projected FY2029 PO Spend	Projected FY2030 PO Spend
$1,664,388,329	Capital	$1,500,000	0.09%	$1,500,000	$0	$0
$1,061,000,000	Non-Fuel O&M	$9,250,000	0.85%	$8,000,000	$0	$0

Our current approved budget and latest estimates support this additional purchase order increase.

CPS Energy Board of Trustees Meeting
October 26, 2026
Procurement Form 3

Item Description	**Wire and Cable**
Purchase Order Value	**$190,000,000**
Purchase Category	Commodity & Material Goods
Department	Energy Delivery Services
Interim Chief Operating Officer	Jose Trevino

Detailed Description

CPS Energy staff recommend that contracts be awarded to Techline, Inc., KBS Electrical Distributors, Inc., both local/small firms, Texas Electric Cooperatives, Inc. and Anixter, Inc., both local firms, as the respondents who will provide the goods at the best value for CPS Energy based on the evaluation criteria set forth below.

These contracts are for the supply and delivery of various sizes and types of electric wire and cable to support transmission, distribution, substation, and service installations. These contracts will allow CPS Energy to secure availability, improve supply chain resiliency, and provide competitive pricing.

These contracts will expire on October 31, 2029.

Subcontracting Opportunities

None at this time.

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
The overall cost	40
Experience, warranty, quality control, and contingencies	30
Legal and compliance requirements	20
Economic Development (Local and Small business consideration)	10
TOTAL	**100**

CPS Energy Board of Trustees Meeting
October 26, 2026
Procurement Form 3

ELECTRIC SYSTEM GROWTH

Recommended Respondent(s) & Award					
Respondent Name	**SBA Classification & Details**	**Score**	**PO Value**	**PO #**	**Comments**
Techline, Inc.	Small & Local	88	$93,000,000	TBD	**Corporate headquarters based in San Antonio Metropolitan Area** Incumbent supplier for 25 years.
KBS Electrical Distributors, Inc.	Small & Local	85	$77,000,000	TBD	Incumbent supplier for 10 years.
Texas Electric Cooperatives, Inc.	Local	72	$10,000,000	TBD	Incumbent supplier for 6 years.
Anixter, Inc.	Local	70	$10,000,000	TBD	New supplier for this scope.
		TOTAL	**$190,000,000**		

Annual Funds Budgeted						
Corporate Annual Budget	Funding Method	Projected FY2027 PO Spend	% of FY2027 Annual Corp Budget	Projected FY2028 PO Spend	Projected FY2029 PO Spend	Projected FY2030 PO Spend
$1,664,388,329	Capital	$14,400,000	0.9%	$56,700,000	$56,700,000	$43,200,000
$1,061,000,000	Non-Fuel O&M	$1,600,000	0.2%	$6,300,000	$6,300,000	$4,800,000

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

CPS Energy Board of Trustees Meeting
October 26, 2026
Procurement Form 4

ELECTRIC SYSTEM GROWTH

RESILIENCE/ RELIABILITY

Item Description	Power Transformers
Purchase Order Value	**$290,000,000**
Purchase Category	Commodity & Material Goods
Department	Energy Delivery Services
Interim Chief Operating Officer	Jose Trevino

Detailed Description

CPS Energy staff recommend contracts be awarded to Fortune Electric Co., Ltd., a small firm, and E-Flow Electric Co. Inc., a small/local firm, as the respondents who will provide the goods at the best value for CPS Energy based on the evaluation criteria set forth below.

These contracts are for the supply of substation power transformers which are used to step down transmission voltage to a distribution-level voltage. Power transformers are critical for efficient power transformation, voltage regulation, system reliability and flexibility, as well as protecting end-user equipment and infrastructure. These contracts will allow CPS Energy to secure production slots for long-lead units that support CPS Energy's multi-year planning, reduce project delays and guarantee production priority to mitigate procurement risk for critical projects.

These contracts will expire on October 31, 2031.

Subcontracting Opportunities

None at this time.

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, Factory Capabilities, Warranty, Factory Location, and Modes of Transportation Relating to the Supply of Goods	45
The overall cost	25
Legal and compliance requirements	20
Economic Development (Local and Small business consideration)	10
TOTAL	**100**

CPS Energy Board of Trustees Meeting
October 26, 2026
Procurement Form 4

ELECTRIC SYSTEM GROWTH | RESILIENCE/ RELIABILITY

Recommended Respondent(s) & Award					
Respondent Name	**SBA Classification & Details**	**Score**	**PO Value**	**PO #**	**Comments**
Fortune Electric Co., Ltd	Small	79	$190,000,000	TBD	Incumbent supplier for 9 years.
E-Flow Electric Inc.	Small & Local	75	$100,000,000	TBD	**Corporate headquarters based in San Antonio Metropolitan Area** Incumbent supplier for 9 years.
		TOTAL	**$290,000,000**		

Annual Funds Budgeted						
Corporate Annual Budget	Funding Method	Projected FY2027 PO Spend	% of FY2027 Annual Corp Budget	Projected FY2028 PO Spend	Projected FY2029 PO Spend	Projected FY2030 PO Spend
$1,664,388,329	Capital	$0	0%	$11,000,000	$17,000,000	$32,000,000
$1,061,000,000	Non-Fuel O&M	$0	0%	$0	$0	$0

Purchase Orders will extend through FY32.

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

CPS Energy Board of Trustees Meeting
October 26, 2026
Procurement Form 3

ELECTRIC SYSTEM GROWTH

Recommended Respondent(s) & Award					
Respondent Name	**SBA Classification & Details**	**Score**	**PO Value**	**PO #**	**Comments**
Techline, Inc.	Small & Local	88	$93,000,000	TBD	**Corporate headquarters based in San Antonio Metropolitan Area** Incumbent supplier for 25 years.
KBS Electrical Distributors, Inc.	Small & Local	85	$77,000,000	TBD	Incumbent supplier for 10 years.
Texas Electric Cooperatives, Inc.	Local	72	$10,000,000	TBD	Incumbent supplier for 6 years.
Anixter, Inc.	Local	70	$10,000,000	TBD	New supplier for this scope.
		TOTAL	**$190,000,000**		

Annual Funds Budgeted						
Corporate Annual Budget	Funding Method	Projected FY2027 PO Spend	% of FY2027 Annual Corp Budget	Projected FY2028 PO Spend	Projected FY2029 PO Spend	Projected FY2030 PO Spend
$1,664,388,329	Capital	$14,400,000	0.9%	$56,700,000	$56,700,000	$43,200,000
$1,061,000,000	Non-Fuel O&M	$1,600,000	0.2%	$6,300,000	$6,300,000	$4,800,000

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

OPERATIONS OVERSIGHT COMMITTEE (OOC) MEETING

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE SEPTEMBER 8, 2026 MEETING PREPARED FOR COMMITTEE CHAIR, MS. JANIE GONZALEZ FOR REPORT AT THE OCTOBER 26, 2026 BOARD OF TRUSTEES MEETING

The Operations Oversight Committee met on September 8, 2026. As part of the agenda, the Committee:

A. Received an update on the Spruce 2 Natural Gas Conversion Project that included:
    a. Conversion of Spruce Unit 2 from coal to 100% natural gas while preserving 785 MW of dispatchable generation,
    b. Alignment with the Generation Plan Refresh and reliability, affordability, and sustainability goals,
    c. A multi-phased contracting strategy, key risks and mitigations, and a target completion in 2029, and
    d. The conversion is expected to retain jobs, lower emissions, and deliver affordable, reliable power for CPS Energy customers.

B. Received an update on Future Reliability Measures that included:
    a. An update on the transition from traditional system-centric measures to an approach that also incorporates customer experience,
    b. Vision 2030 visibility into reliability at the system and customer levels, and
    c. The organization is evaluating additional measures to strengthen localized impact assessment and benchmarking while continuing to utilize recognized industry standards.

C. Received a Procurement Preview that included:
    a. A new contract/rebid for substation construction services,
    b. A new contract/rebid for power transformers,
    c. A new contract/rebid for wire and cable,
    d. A funding increase for the comprehensive streetlight program,
    e. A funding increase for gas system survey activities, and
    f. An extension and additional funding request for Microsoft Azure Cloud Services.

The next Operations Oversight Committee Meeting is scheduled for November 2, 2026.

CEO SEARCH COMMITTEE

EXECUTIVE SUMMARY AND CHAIR REPORT FROM SEPTEMBER 15, 2026 MEETING
PREPARED FOR COMMITTEE CHAIR DR. FRANCINE ROMERO
FOR REPORT AT THE OCTOBER 26, 2026, BOARD OF TRUSTEES MEETING

The CEO Search Committee met on September 15, 2026. The Committee:

A. Discussed job description and reviewed qualifications;
B. Discussed a timeline for the process.

The next meeting date is not yet scheduled.

AUDIT & FINANCE COMMITTEE (A&F) MEETING

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE SEPTEMBER 21, 2026, MEETING

PREPARED FOR BOARD CHAIR, DR. FRANCINE ROMERO

FOR REVIEW AT THE OCTOBER 26, 2026, BOARD OF TRUSTEES MEETING

The Audit & Finance Committee met on September 21, 2026. As part of the Audit & Finance Committee agenda, the Committee:

A. Approved meeting minutes from the prior meeting, held on July 13, 2026.

B. Received the Audit Services Quarterly Report, including a review of project count, current audit plan and projects progress, and results of completed projects.

C. Reviewed the Blanket Purchase Agreement (BPA) update; including adjustments to the BPA model and funding approvals, recommendation to pre-fund all BPAs, provided additional Board reporting focused on BPA usage, and preview of upcoming BPA-related procurement approval requests to be presented to the Board in December 2026.

D. Received the Procurement Preview related to power transformers; comprehensive streetlight program; and Microsoft Azure cloud services to be presented to the Board in October 2026. Procurement Preview related to gas system survey to be presented to the board in November 2026. Procurement Preview related to overhead electric distribution services to be presented to the Board in December 2026.

E. Spruce 2 Natural Gas Conversion update including the scope and overview of the conversion, type of modifications to the asset, project value to the customer, multi-phased contracting approach, project risks and mitigation plans, and project timeline.

The next meeting of the Audit & Finance Committee will be held in January 2027.

EMPLOYEE BENEFITS OVERSIGHT COMMITTEE (EBOC)

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE SEPTEMBER 21, 2026, MEETING

PREPARED FOR COMMITTEE CHAIR DR. FRANCINE ROMERO

FOR REVIEW AT THE OCTOBER 26, 2026, BOARD OF TRUSTEES MEETING

The Employee Benefits Oversight Committee (EBOC) convened September 21, 2026. During the meeting, the Committee:

A. Approved meeting minutes from the July 13, 2026 meeting.

B. Confirmed there were no outstanding Action Items from the July 13, 2026, meeting.

C. Received a Benefit Plans Administrative & Financial Update, which included a review of the governance framework and the rolling 12-month calendar. The update highlighted the Investment Consultant (IC) Request for Proposal (RFP) process and the Administrative Committee's authority to select the consultant. The Committee also reviewed and proposed non-substantive revisions to the Investment Policy, which were unanimously approved.

D. Received an update on the Benefit Plans IC RFP process, noting five responses were received and a subcommittee was established to evaluate the submissions. Wilshire has served as the Investment Consultant since 2017. The update also emphasized the IC's fiduciary responsibilities and the process for developing final recommendations which are expected in January.

E. Received an Investment Performance Update, highlighting strong year-to-date investment performance, driven primarily by gains in U.S. equities and Master Limited Partnerships (MLPs). Preliminary August reflected returns of approximately 10% across all Trusts. The Pension Plan continued to exceed the 7% actuarial rate of return across all time horizons presented, attributing success to diversification and strong IC support.

F. The Committee recorded no Action Items for follow-up.

The next meeting of the EBOC will be in January 2027.

TECHNOLOGY & INNOVATION COMMITTEE (T&I) MEETING

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE SEPTEMBER 23, 2026, MEETING

PREPARED FOR BOARD CHAIR DR. FRANCINE ROMERO

FOR REPORT AT THE OCTOBER 26, 2026, BOARD OF TRUSTEES MEETING

The Technology & Innovation Committee met on September 23, 2026. As part of the Technology & Innovation Committee Meeting agenda, the Committee:

A. Approved meeting minutes from the prior meeting, held on May 11, 2026.

B. Received updates on Data Strategy & Artificial Intelligence, the Control and Monitoring Technologies Transformation, and the Evolve: ERP Transformation Program.

C. Four new action items were generated during the meeting.

The next meeting of the Technology & Innovation Committee will be held on January 20, 2027.

Community Input Committee (CIC)
Working Group Report
Customer Relations and Communications

EXECUTIVE SUMMARY REPORT FROM THE OCTOBER 14, 2026, MEETING
PREPARED ON BEHALF OF WORKING GROUP CHAIR, MR. TOM CORSER
FOR REPORT AT THE OCTOBER 26, 2026, BOARD OF TRUSTEES MEETING

The Working Group received an operational assessment regarding the August 28, 2026, weather event.

A. Overview of Severe Weather Development
B. Explanation of Path of Damage from Northeast to Southwest
C. Power Outage Restoration Priority Process
D. Positive Impact and Critical Role of Previous Resiliency Investments
E. Power Outage Restoration Efforts
    A. Over 300,000 Customers Impacted
    B. 1,100 Wire Down Calls
    C. 158 Transformers Replaced
    D. 81 Poles Replaced
F. Customer Support Efforts
    A. 154,100 Calls Received
    B. 283,990 Energy Alerts Sent
    C. 2,890 Customers Assisted
    D. 30,240 Water Bottles Distributed
    E. 1,220 Meals Distributed
G. Lessons Learned and Path Forward

Working Group members received an overview of the August 28, 2026, severe storm and an operational assessment of that event. The presentation included storm impacts, restoration efforts, customer support efforts, and lessons learned. Working Group members requested information about how CPS Energy evaluates resiliency against storms. They also inquired about integrating new technologies and communication alerts, and recommended leveraging health care partners to identify critical care customers in the community.

This report has been distributed to all members of the Community Input Committee.

The next Customer Relations and Communications Working Group meeting will be held in the first quarter of 2027.

Community Input Committee (CIC)
Working Group Report
Finance and Business

EXECUTIVE SUMMARY REPORT FROM THE OCTOBER 14, 2026, MEETING
PREPARED ON BEHALF OF WORKING GROUP CHAIR, MR. BOB ZAPATA
FOR REPORT AT THE OCTOBER 26, 2026, BOARD OF TRUSTEES MEETING

The Working Group received an operational assessment regarding the August 28, 2026, weather event.

A. Overview of Severe Weather Development
B. Explanation of Path of Damage from Northeast to Southwest
C. Power Outage Restoration Priority Process
D. Positive Impact and Critical Role of Previous Resiliency Investments
E. Power Outage Restoration Efforts
    - Over 300,000 Customers Impacted
    - 1,100 Wire Down Calls
    - 158 Transformers Replaced
    - 81 Poles Replaced
F. Customer Support Efforts
    - 154,100 Calls Received
    - 283,990 Energy Alerts Sent
    - 2,890 Customers Assisted
    - 30,240 Water Bottles Distributed
    - 1,220 Meals Distributed
G. Lessons Learned and Path Forward

Working Group members received an overview of the August 28, 2026, severe storm and an operational assessment of that event. The presentation included storm impacts, restoration efforts, customer support efforts, and lessons learned. Members inquired about customer outage reporting and sought clarity on the challenges associated with pole replacements following severe damage. They also expressed their interest in supporting CPS Energy's customer communications during storm events and willingness to help share information with the community and strengthen understanding of resiliency efforts. In addition, members expressed support for CPS Energy's cybersecurity posture while requesting future briefings on cybersecurity and gas operations.

This report has been distributed to all members of the Community Input Committee.

The next Finance and Business Working Group meeting will be held in the first quarter of 2027.

Community Input Committee (CIC)
Working Group Report
Power and Technology

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE OCTOBER 14, 2026, MEETING PREPARED ON BEHALF OF THE WORKING GROUP CHAIR, MR. PETER ONOFRE FOR REPORT AT THE OCTOBER 26, 2026, BOARD OF TRUSTEES MEETING

The Working Group received an operational assessment regarding the August 28, 2026, weather event.

A. Overview of Severe Weather Development
B. Explanation of Path of Damage from Northeast to Southwest
C. Power Outage Restoration Priority Process
D. Positive Impact and Critical Role of Previous Resiliency Investments
E. Power Outage Restoration Efforts
    - Over 300,000 Customers Impacted
    - 1,100 Wire Down Calls
    - 158 Transformers Replaced
    - 81 Poles Replaced
F. Customer Support Efforts
    - 154,100 Calls Received
    - 283,990 Energy Alerts Sent
    - 2,890 Customers Assisted
    - 30,240 Water Bottles Distributed
    - 1,220 Meals Distributed
G. Lessons Learned and Path Forward

Working Group members received an overview of the August 28, 2026, severe storm and an operational assessment of that event. The presentation included storm impacts, restoration efforts, customer support efforts, and lessons learned. Members asked about restoration strategies, financial impacts, and customer communication. They inquired about prioritizing vulnerable residents during restoration efforts and explored various resiliency projects that could assist during future storms of this magnitude. Members also discussed developing and submitting a resiliency project proposal to the new STEP Innovation Hub. The proposal would explore using solar power and battery storage to support residents requiring critical care during power outages. Members also suggested this pilot model could be adapted to support community resiliency hubs in disadvantaged communities, helping ensure access to essential services during outages. Lastly, members encouraged CPS Energy to consider actions that would leverage organizations and individuals within neighborhoods to help improve coordination during severe storm recovery.

This report has been distributed to all members of the Community Input Committee.

The next Power and Technology Working Group meeting will be held in the first quarter of 2027.

RESILIENCY PROGRAM OVERVIEW

PRESENTED BY:

Jose G. Treviño
Interim Chief Operating Officer

October 26, 2026
Informational Update

RESILIENCY PROGRAM OVERVIEW

Our resiliency strategy applies a risk-based, data-driven, system-wide approach to limit outage impacts and improve restoration performance.



VEGETATION MANAGEMENT

Prioritize high-risk circuits

- ☑ Uses vegetation exposure, outage history, and reliability risk.
- ☑ Program investment can be scaled based on reliability goals and funding.
- ☑ Increased investment generally improves reliability outcomes.



SMART SWITCHES

Reduce outage impacts

- ☑ Detect faults, isolate affected sections, and support faster restoration.
- ☑ Deployment has largely reached targeted saturation across the system.
- ☑ Future focus is operations, maintenance, and optimization.



POLE INSPECTIONS & REPLACEMENT

Proactively manage infrastructure risk

- ☑ Prioritizes inspections using pole age, reliability performance, and customer impact.
- ☑ Identifies and replaces deteriorated poles before failure.
- ☑ Supports public safety, reliability, and storm resiliency.

VEGETATION MANAGEMENT



WHAT IS VEGETATION MANAGEMENT?

VEGETATION MANAGEMENT is a systematic process of trimming, removing, and controlling trees and brush near primary power lines to ensure reliability, safety and long-term grid health.

KEY STRATEGIES

- Tree pruning and removal
- Vegetation control
- Regain rights-of-way
- Enhanced vegetation management (ex: LiDAR)



Vegetation management helps protect the grid from hazards such as animals, wildfire, and extreme weather events.

TREE TRIMMING CYCLES



~8500 MILES ACROSS 884 CIRCUITS

System Infrastructure



~9 YEARS

Trim Cycle



1,000 MILES PER YEAR

Current Annual Trim Rate

BENEFITS

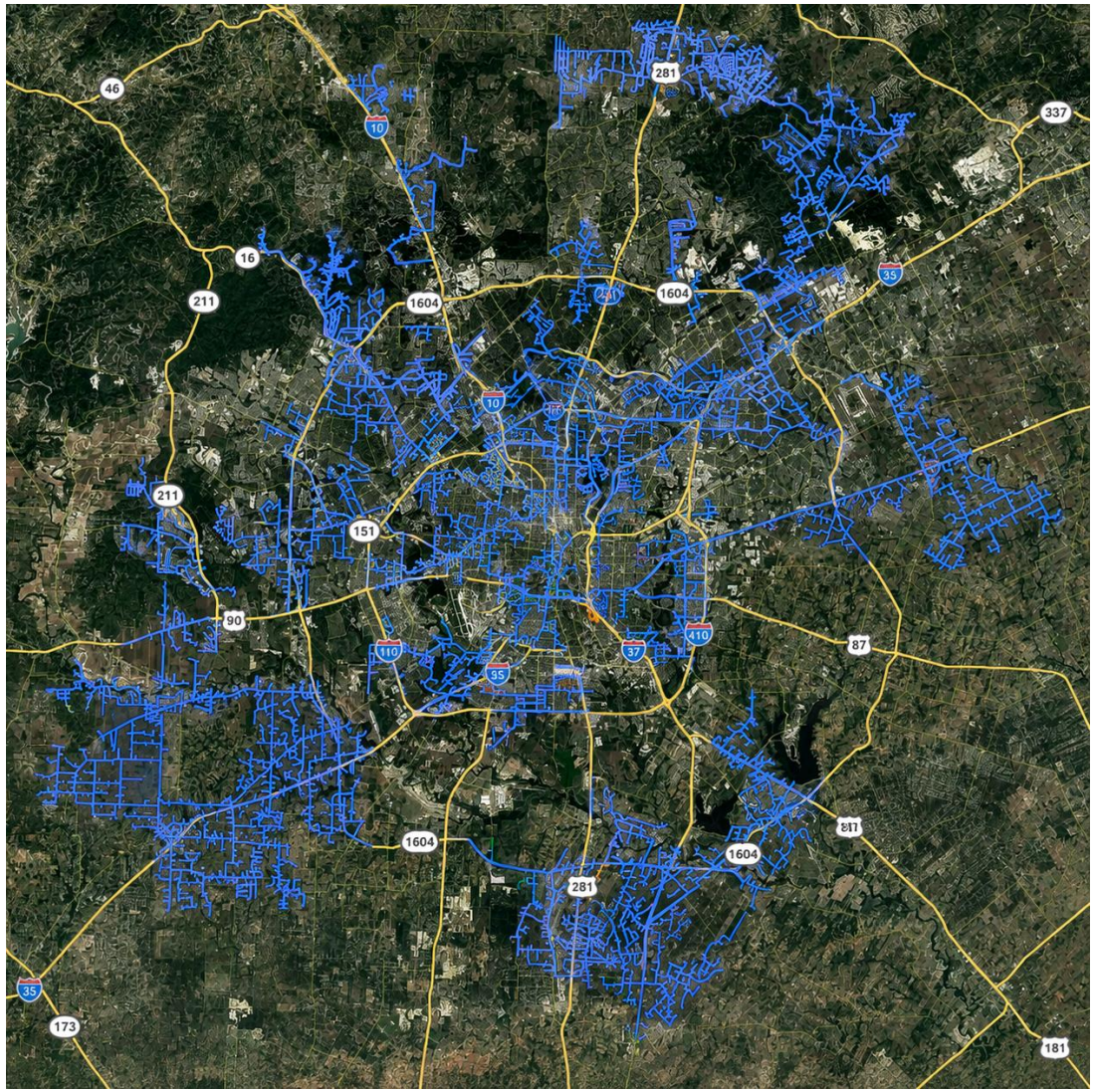
- Improved grid reliability
- Public safety
- Lower long-term infrastructure cost
- Healthier trees
- Crew accessibility & repairs
- Regulatory compliance (House Bill 145)

RISKS

- Biological tree growth in South Texas outpaces 9-year cycle
- High tree growth rate impacts circuits within ~3.5 years
- Longer time leads to more emergency work, outages and higher costs

VEGETATION MANAGEMENT MAP

WHERE WE HAVE TRIMMED 2025 – 2026 YTD



HOW WE CHOOSE LOCATIONS

- Focus on circuits with the greatest reliability risk and customer impact.
- Use outage history, vegetation density, and fault data to identify priority areas.
- Leverage LiDAR technology to detect vegetation encroachments near power lines.
- Review and update priorities regularly to address emerging reliability concerns.

SMART SWITCHES



SMART SWITCHES OVERVIEW

WHAT ARE SMART SWITCHES?

WHAT SMART SWITCHES DO

- Detect faults
- Isolate problem areas
- Restore power when possible (reclosers)
- Reduce outage size

TWO TYPES OF SMART SWITCHES

RE

RECLOSERS (RE)

- Interrupts fault current
- Automatically test the line
- Restore power if the fault clears



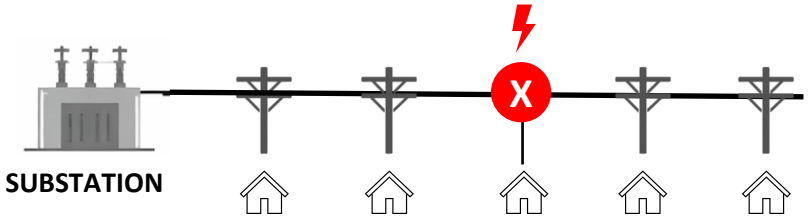
TS

TRIP SAVERS (TS)

- Interrupts faults
- Permanently isolate the faulted section
- Speed repairs and limit customer impact

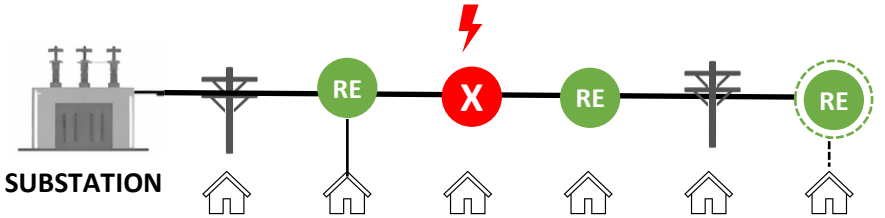


WITHOUT SMART SWITCHES



Entire line out. All customers lose power.

WITH SMART SWITCHES (CURRENT SYSTEM)



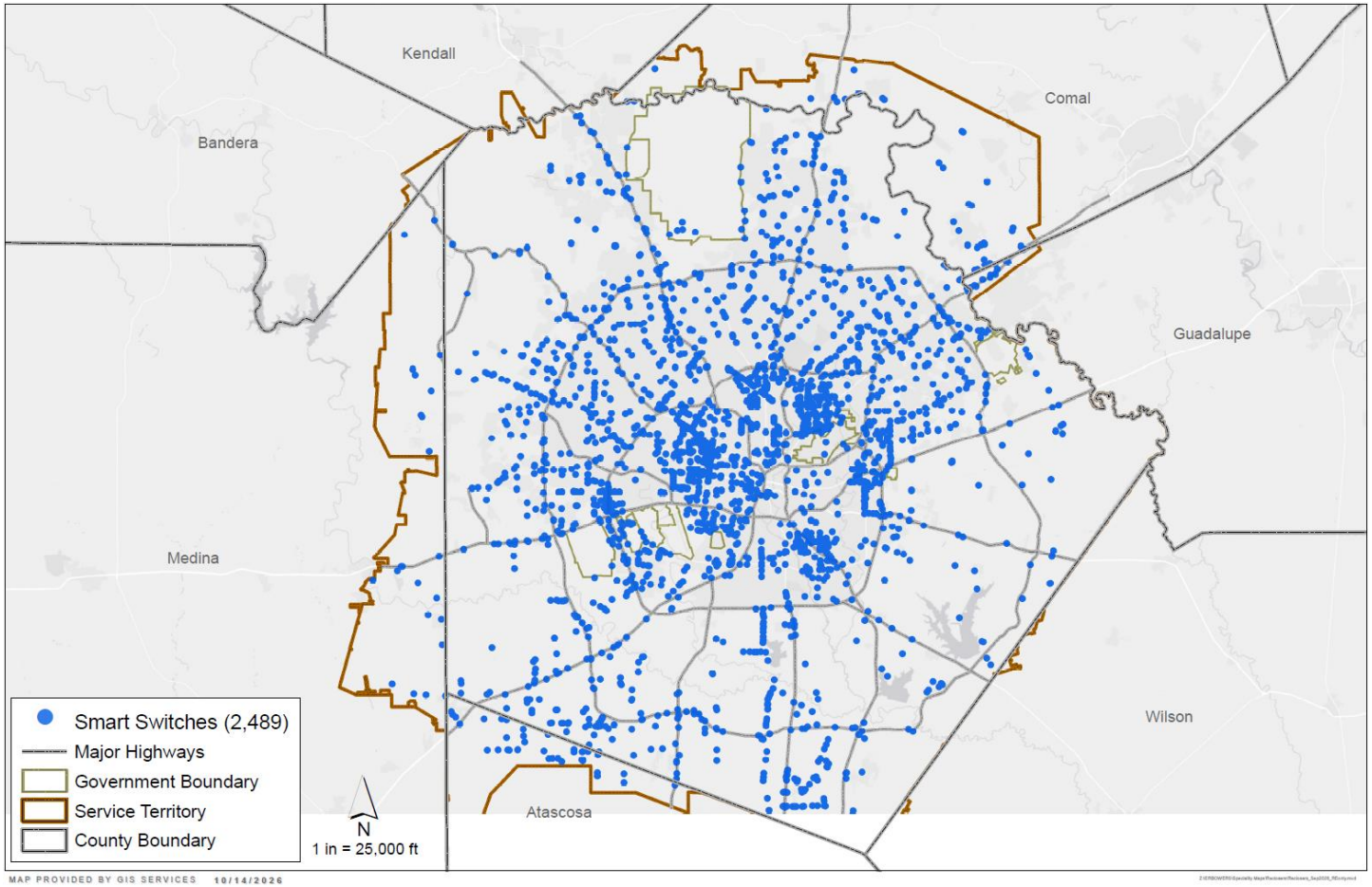
We can remotely tie to other circuits or substations to restore power.

Only the affected section loses power. Others stay on.

Smart switches are critical to the Resiliency Program, helping reduce outage size and speeding restoration.

SMART SWITCH DEPLOYMENT ACROSS THE SYSTEM

WHERE HAVE WE INSTALLED SMART SWITCHES?



HOW WE CHOOSE LOCATIONS

- Divide long circuits into manageable sections
- Prioritize areas with the highest customer impact
- Add switches on branch lines to reduce outage size

WHY THIS MATTERS

- Fewer customers affected
- Quicker restoration
- Improved grid resiliency

CPS Energy has 2,489 smart switches installed in our service area, including reclosers and trip savers. Smart switches are placed where they provide the greatest outage-reduction benefit to our customers.

POLE INSPECTION & REPLACEMENT PROGRAM



POLE INSPECTION & REPLACEMENT

RESILIENCY OVERVIEW

Our pole inspection and replacement program proactively strengthens system reliability and reduces outage risk, especially during severe storms.



INSPECT

Assess pole conditions through visual & resistograph testing.



ASSESS

Evaluate pole condition & structural integrity.



PRIORITIZE

Prioritize poles based on condition & risk to public safety & reliability.

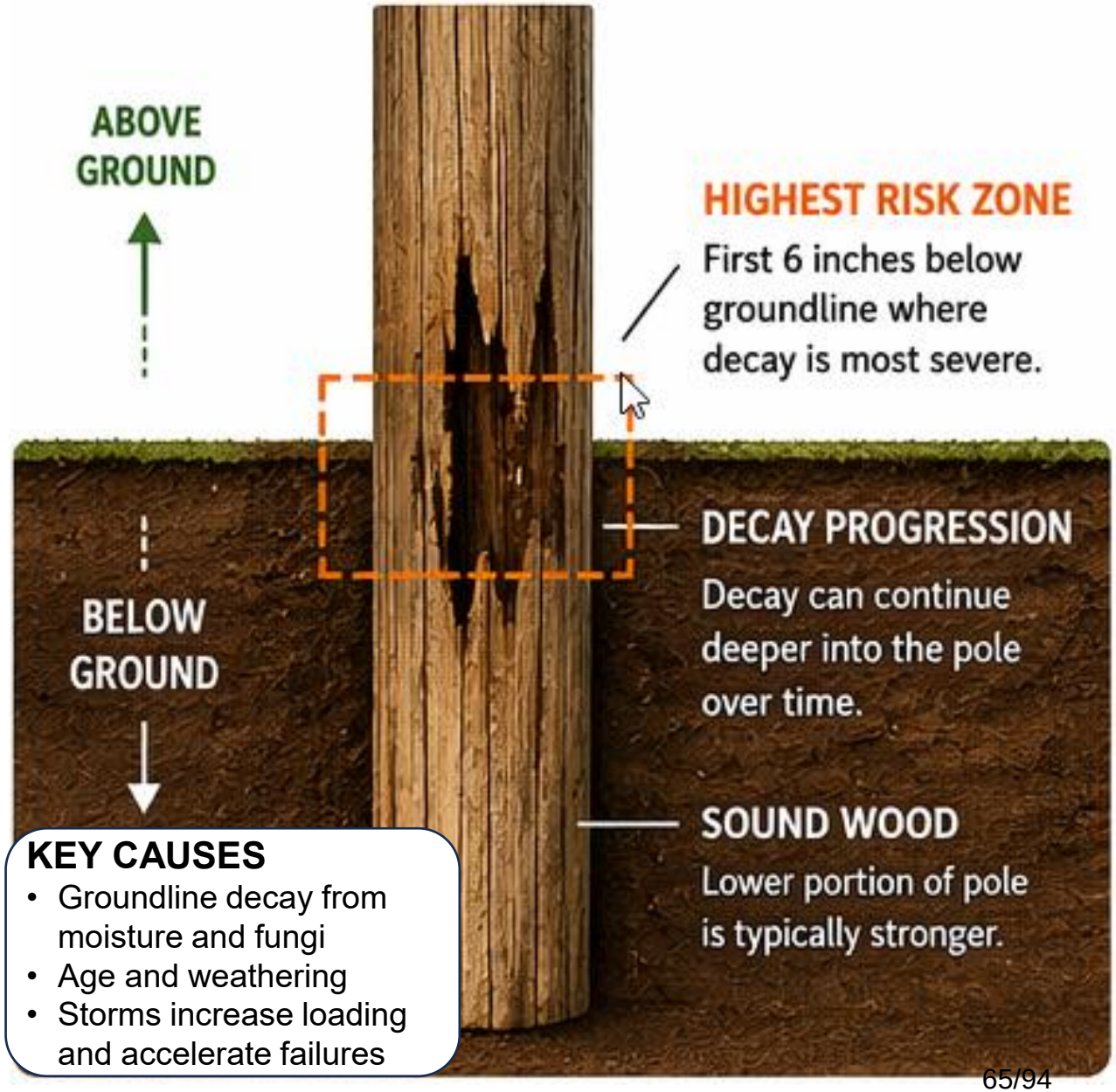


REPLACE

Replace or remediate poles to strengthen the grid & improve resiliency.

Strong pole health is foundational to grid resiliency, public safety, and faster customer restoration.

WHY POLES FAIL & HOW WE MITIGATE RISK



KEY CAUSES

- Groundline decay from moisture and fungi
- Age and weathering
- Storms increase loading and accelerate failures

PASS
Meets strength standards; no significant defects.

REMEDIATE
Can be restored through repair, treatment or other corrective action.

REPLACE
Cannot be reasonably restored; replacement required.

EMERGENCY
Imminent risk of failure and potential threat to public safety

REPLACEMENT PROGRESS & SYSTEM CONDITION

CURRENT STATE



~326,281 wood poles

CPS Energy wood distribution poles +78,854 owned by other companies



Decay Zone 3

Current Inspection Cycle is 15 years



~15,000 inspected

Poles inspected annually



3% need replacement

Of inspected poles require replacement (~600 poles/year)



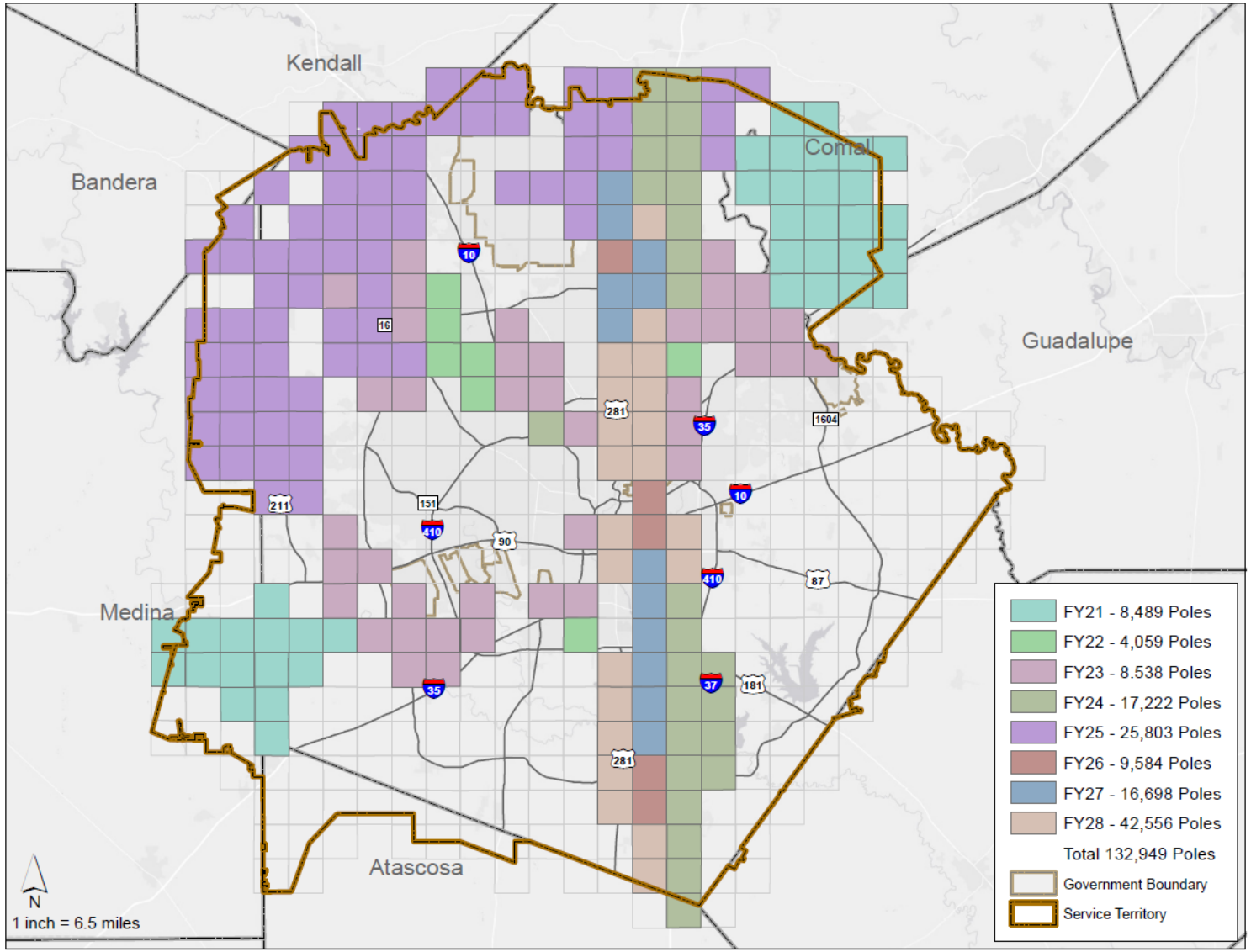
~1,067 replaced

Average number of poles replaced/year

Replacing deteriorated poles before major weather events improves system reliability and reduces customer restoration times.

POLE INSPECTION GRID SYSTEM

HOW WE ORGANIZE AND PRIORITIZE INSPECTIONS



INSPECTION METHODOLOGY

- Inspections organized by grid
- Each grid contains ~879 poles
- New statewide standards require 10-year inspection cycle (~46 grids/year); compared to CPS Energy's previous 15-year cycle

HOW WE PRIORITIZE WORK

- Pole age
- Reliability performance
- Customer impact
- Emerging concerns

NEW STATEWIDE STANDARDS

HIGH-LEVEL OVERVIEW



STATEWIDE INSPECTION STANDARDS

More consistent inspection cycles for wood and non-wood structures across Texas



CONDITION CATEGORIES

Defined serviceability categories (Pass, Remediate, Replace, Emergency) align with our current approach.



POST-STORM INSPECTIONS

Visual inspections expected after qualifying events to identify potential storm-related damage.



ACCOUNTABILITY FOR ALL POLES

Applies to all poles we operate, including those owned by others (shared or joint-use poles).



STRONGER RESILIENCY

These requirements support our goal of reducing pole failures and improving system performance.

The new statewide standards support our dedication to grid resiliency. Under the revised regulation, the inspection cycle will change from every 15 years to every 10 years, along with the addition of new reporting obligations.

BOARD ACTION TIMELINE

NEW STATEWIDE POLE INTEGRITY & INSPECTION STANDARDS

The Public Utility Commission of Texas (PUCT) has adopted new statewide standards for pole inspection, maintenance, remediation, and replacement. These standards apply to CPS Energy.



RULE PUBLISHED

Starts the 120-day adoption window for CPS Energy Board of Trustees action.

BOARD MUST ADOPT THE STATE STANDARDS

Formal Board of Trustees action required to affirm the PUCT standards for CPS Energy.

INITIAL PLAN SUBMISSION TO PUCT

Deadline to file CPS Energy's initial statewide plan.

AFFIDAVIT OR REVISED PLAN SUBMISSION

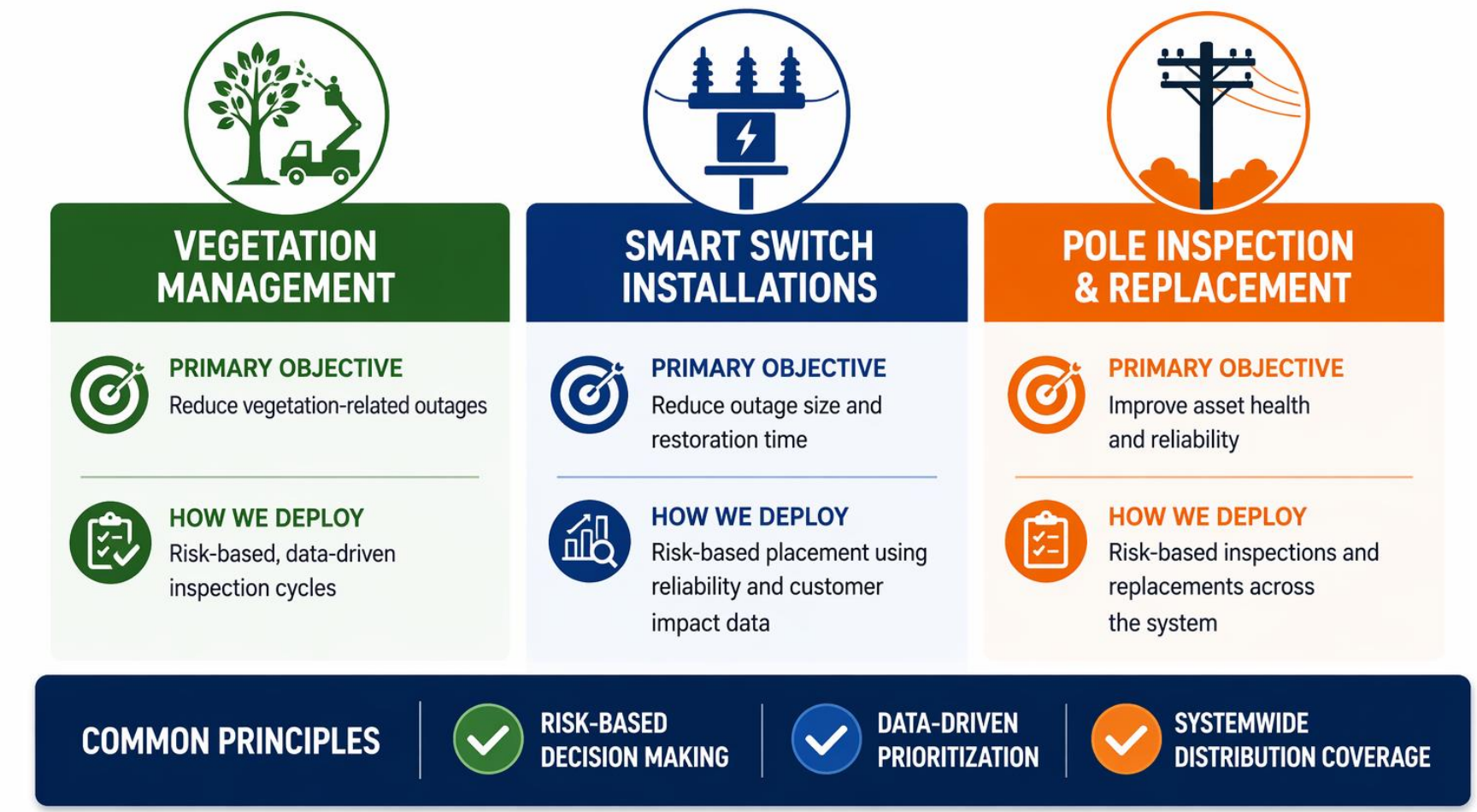
Affirms compliance with PUCT standards or submits a revised plan if required.

120-DAY DEADLINE

If the PUCT revises its standards, the CPS Energy Board of Trustees must adopt the updated standards within 120 days.

Next Steps: Present the final rule text and proposed adoption resolution to the Board of Trustees for consideration and approval.

RESILIENCY PROGRAM SUMMARY



Our strategy combines vegetation management, smart grid technology, and proactive infrastructure renewal to strengthen resiliency across the entire electric system.

THANK YOU

APPENDIX

GLOSSARY / DEFINITIONS

ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
K	Thousand		
kW	Kilowatt		
LiDAR	Light Detection & Ranging		
MW	Megawatt		
PUCT	Public Utility Commission of Texas		
RE	Recloser		
TS	Trip Saver		
YTD	Year to Date		

NATIONAL WEATHER SERVICE OUTLOOK – AUGUST 28 STORM

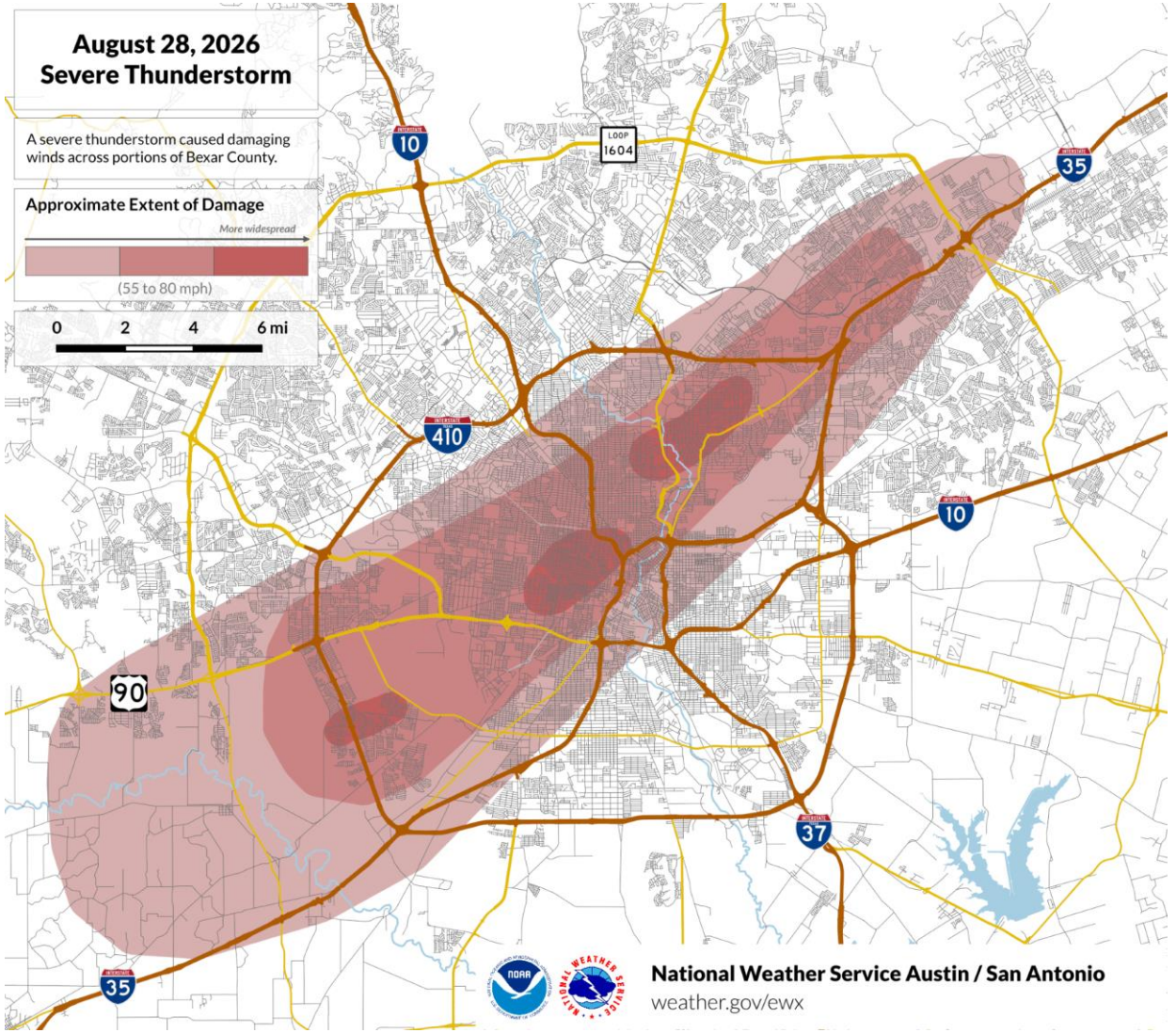
PRESENTED BY:

Elaina Ball
Chief Strategy Officer

October 26, 2026
Informational Update

NATIONAL WEATHER SERVICE

28 AUGUST 2026



THANK YOU

CPS Energy

August 28 Storm Response Benchmark and Assessment

September 28, 2026

Restoration Finished Favorably, but the First Day Lagged Peers

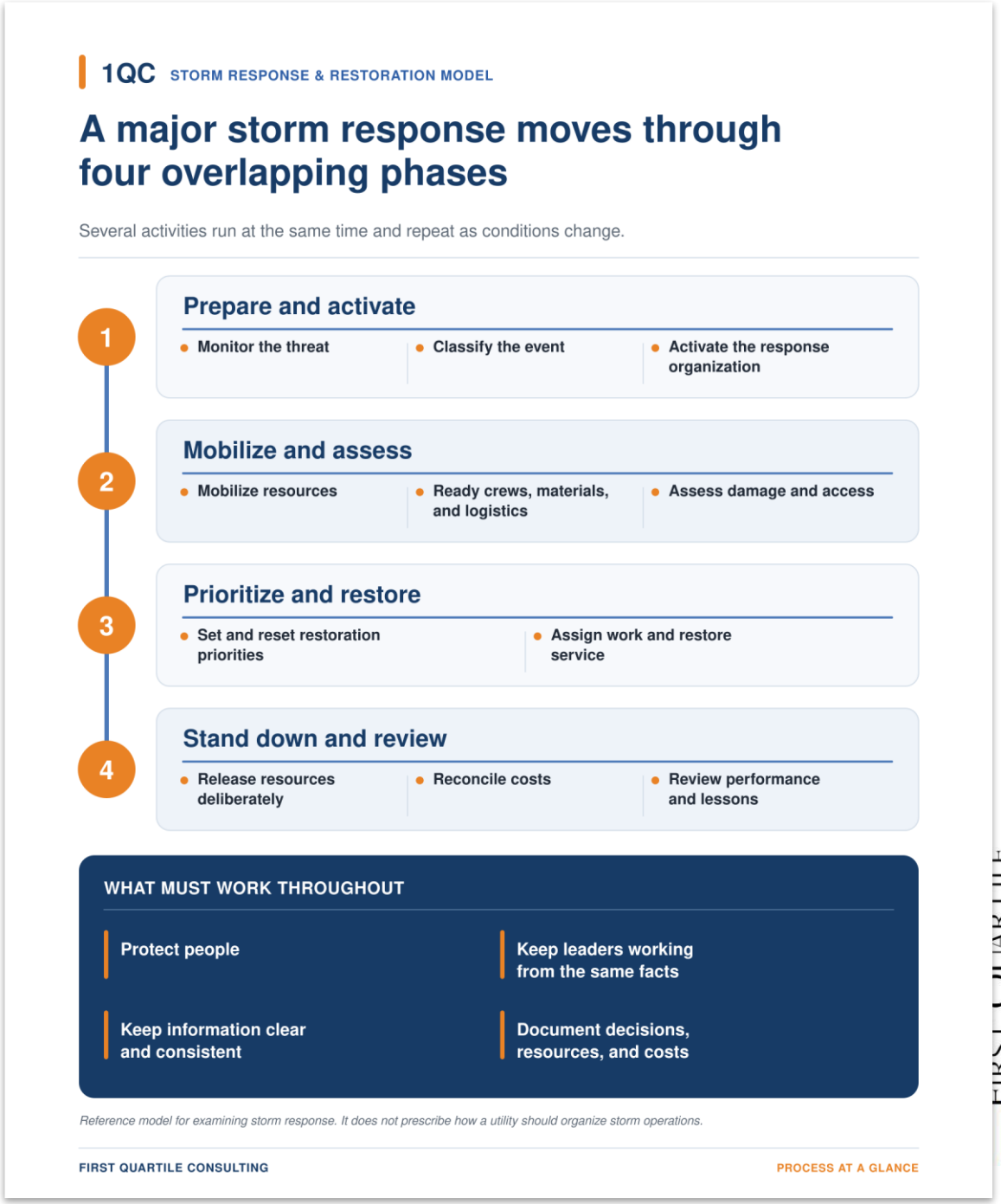
- The storm affected more customers than nearly every comparable event.
- Damaging winds were not forecast, and outages reached their peak within two hours.
- Restoration gained pace and finished well for an event this large.
- The first day points to opportunities for faster command alignment and crew activation.

CPS Energy had response plans in place, supported by mutual aid and bilateral agreements. This uncommon wind event tested how quickly the organization could bring its full response online. The work now is to shorten that activation time when conditions change this rapidly.

First Quartile Consulting

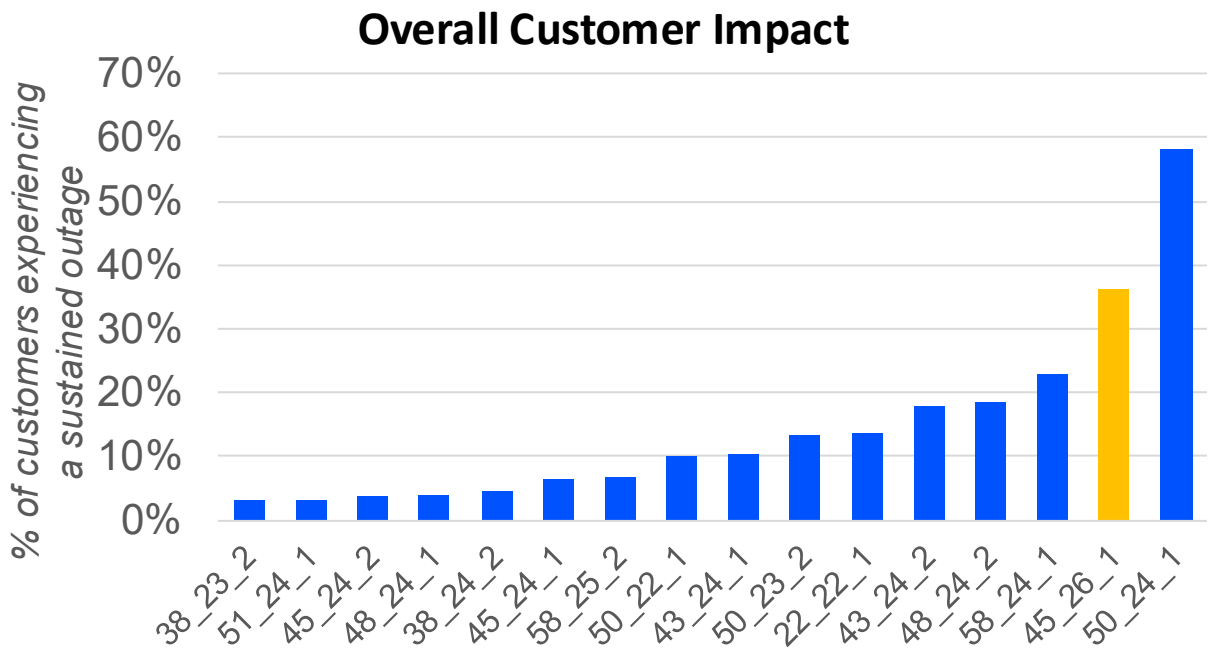
How We Assessed the August Response

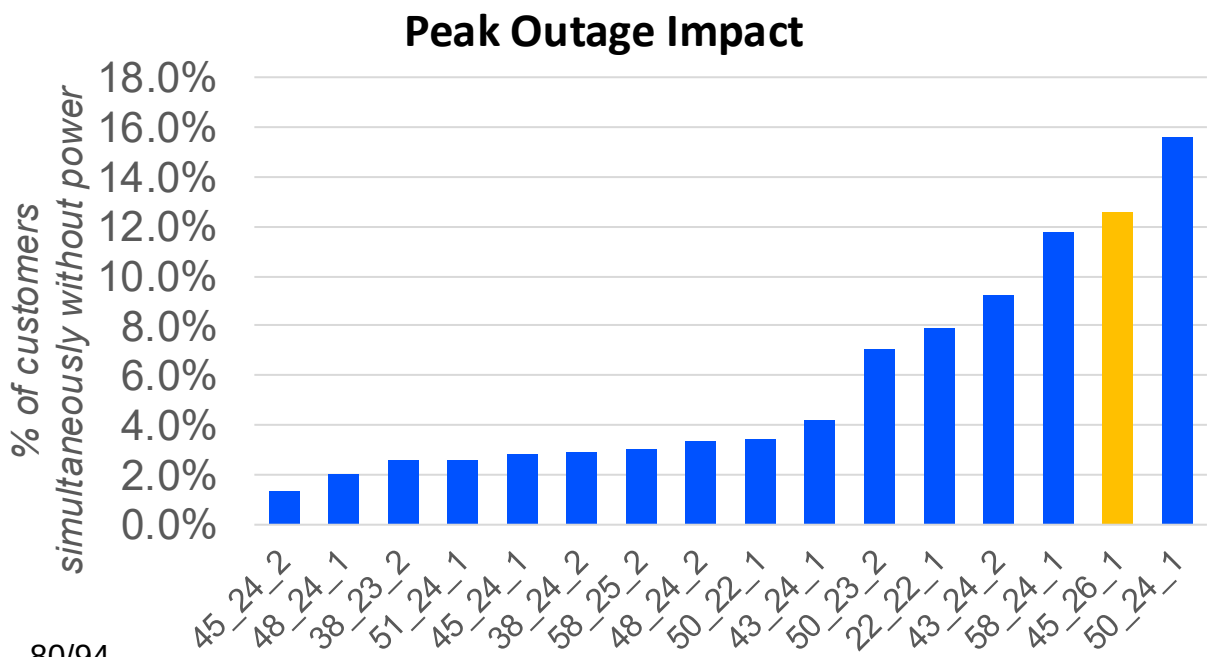
- Peer utilities provided confidential operating data using common definitions.
- Peer comparisons use similar storm types and operating conditions with complete data.
- For this review, CPS Energy is compared with wind, rain and thunderstorm events - not winter ice storms, hurricanes or other fundamentally different events.
- Peer identities remain confidential, and sample sizes vary by measure.
- The 1QC model combines benchmark data, interviews and supporting evidence before drawing conclusions.



August Ranked Near the Top of Comparable Storms for Customer Impact

- Only one comparable event exceeded CPS Energy on either impact measure.
- Customer impact shows total exposure, while peak outage shows simultaneous demand.
- This severity provides the operating context for judging restoration performance.

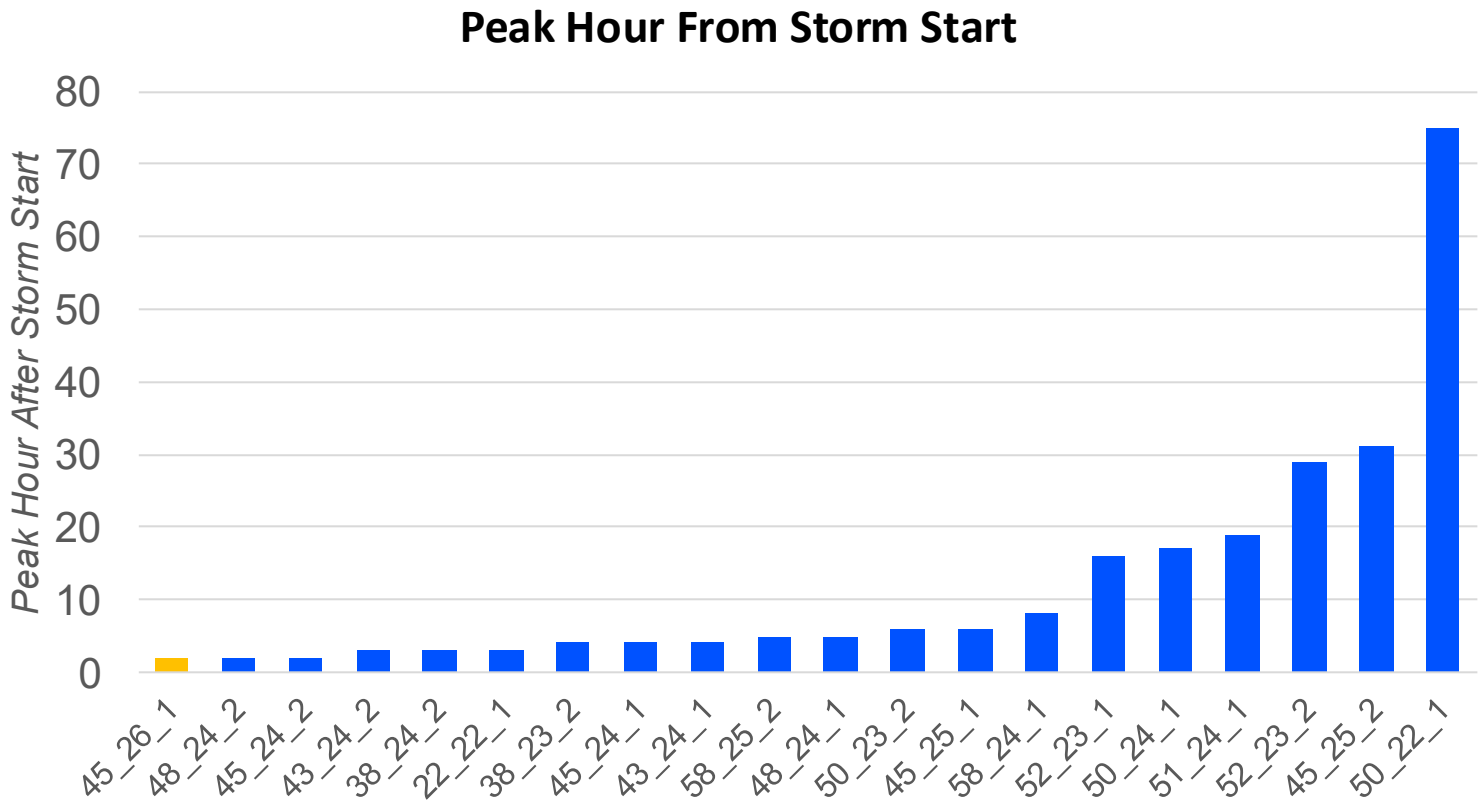




80/94

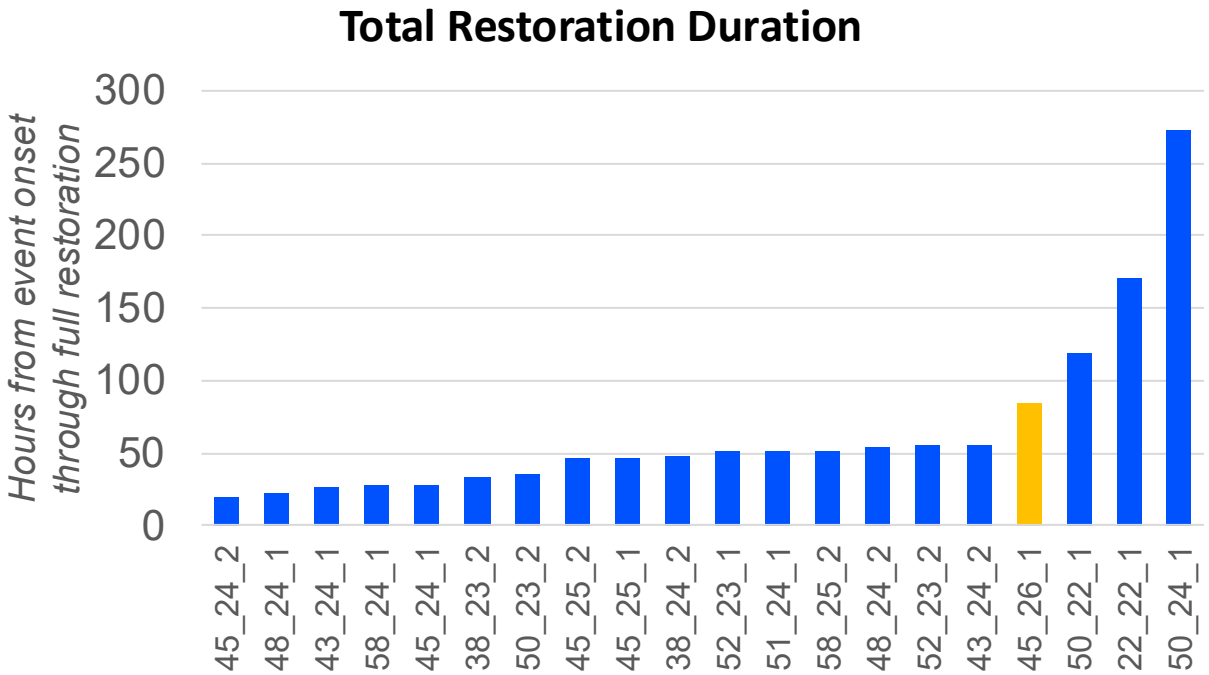
CPS Energy Reached Peak Outages Within Two Hours - Tied for Fastest in the Peer Panel

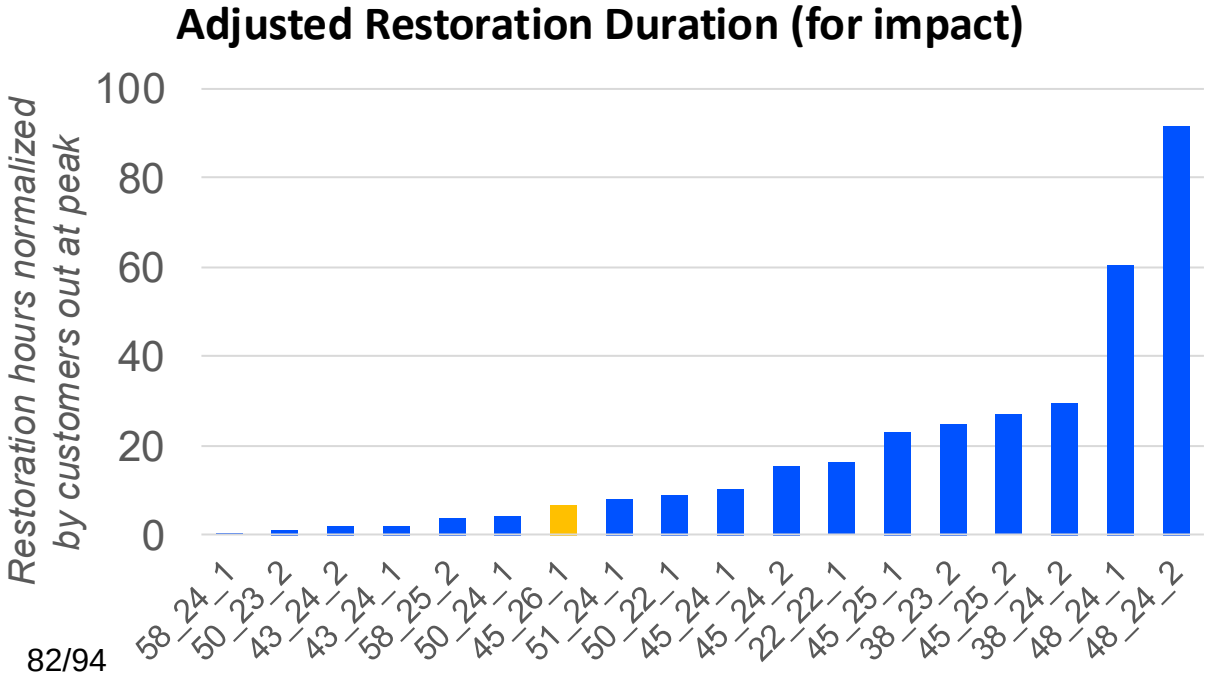
- Thunderstorms were expected, but the damaging wind threat escalated shortly before impact.
- In roughly two hours, customer outages climbed from the storm's first impacts to their peak.
- No peer event reached peak impact more quickly, leaving little time to scale the response.



Customer Impact Changes the Context for Total Restoration Duration

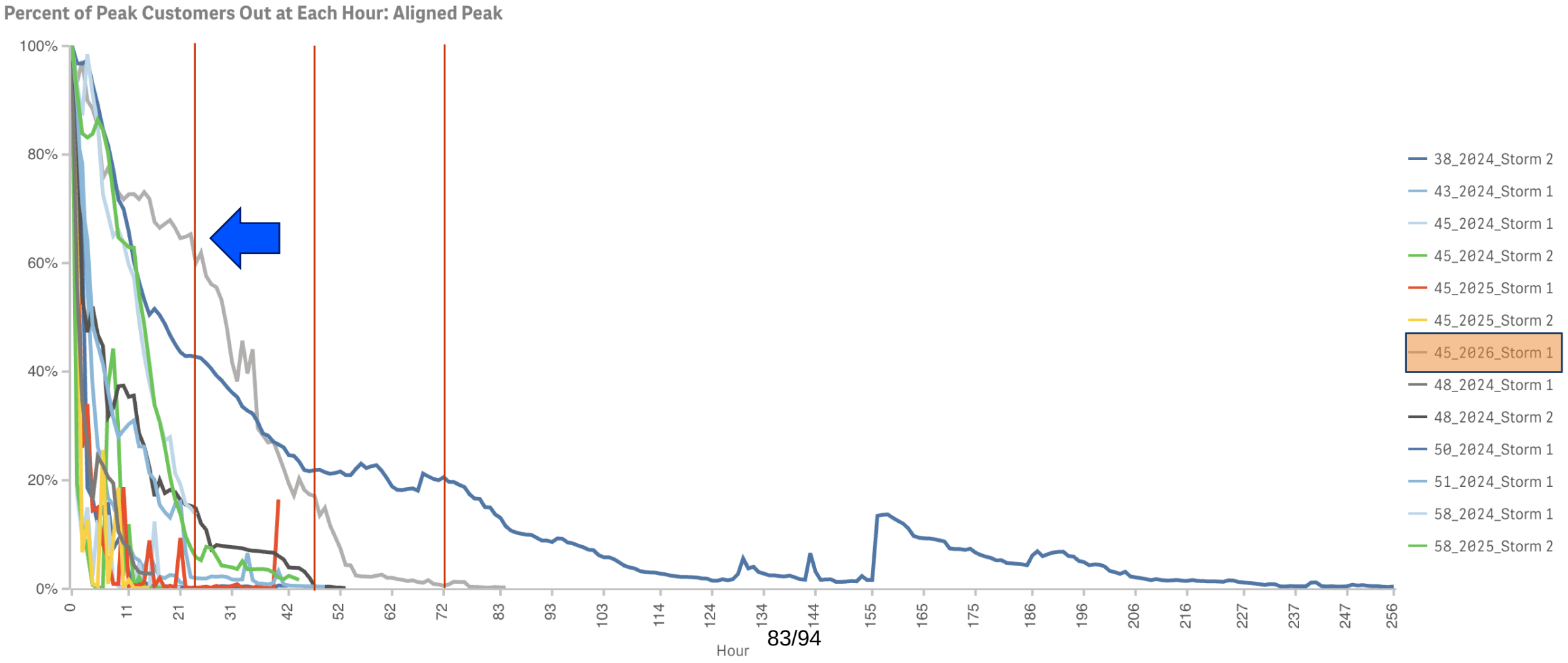
- Total duration alone placed CPS Energy fourth-longest in the peer panel.
- Total hours measure duration; scaling by peak customers out adds the size of the restoration challenge.
- Scaling total hours to peak outage impact moved CPS Energy to seventh-lowest.





The First Day After Peak Separates CPS Energy From the Peer Panel

- The curves compare how quickly each utility reduced outages from its own peak.
- CPS Energy had more peak outage remaining at 24 hours than any peer.
- The fast peak reduced decision time, and the response needed time to fully scale.
- Restoration accelerated later and recovered much of the early difference.



Short Lead Time and Early Resource Constraints Limited Initial Mobilization

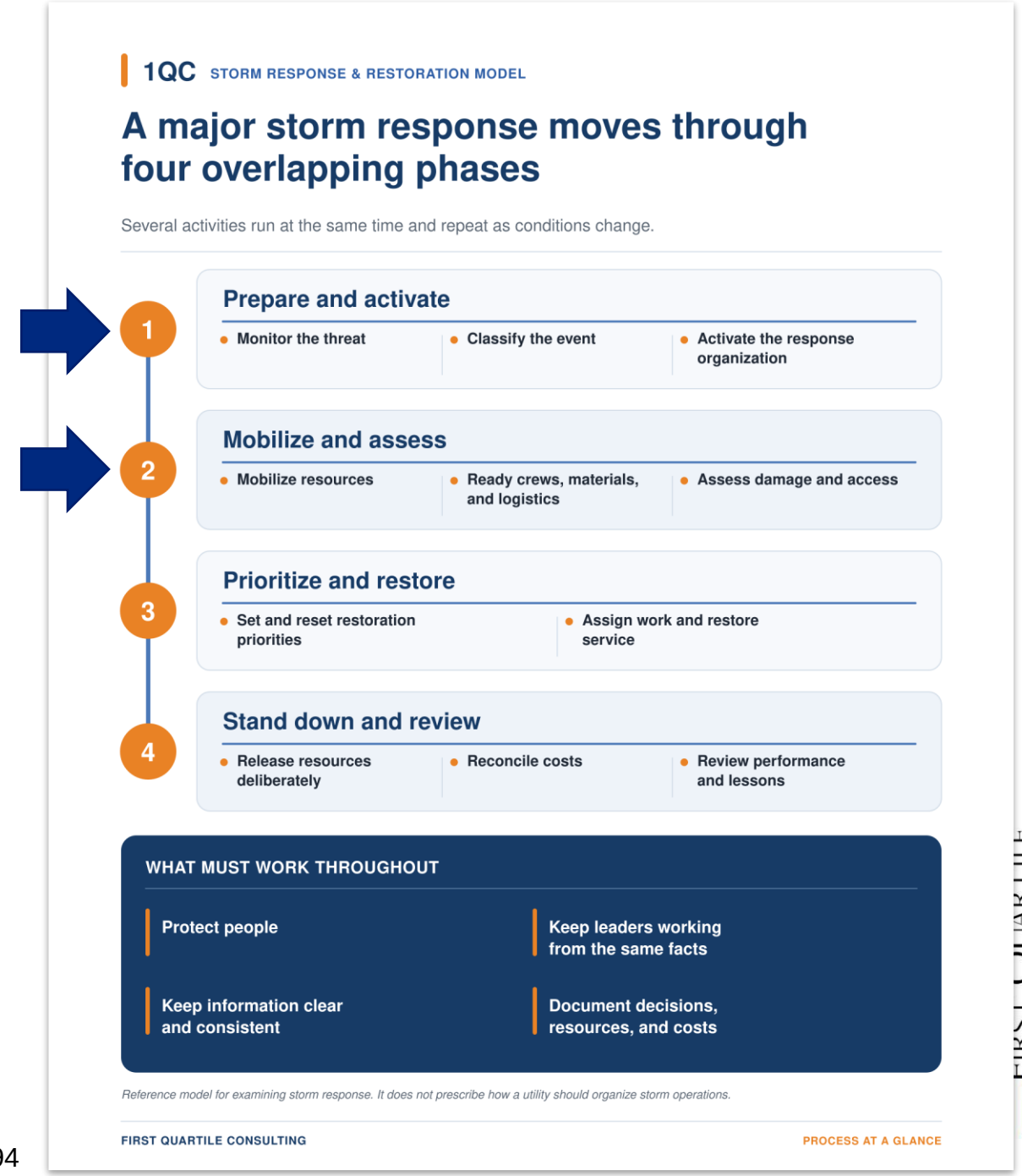
- CPS Energy began activating incident command as storm severity became clear.
- Building the full operating picture and confirming additional crew needs took longer.
- Friday evening callouts produced fewer immediately available in-house and contractor crews.
- Existing mutual aid and bilateral agreements provided additional resource options that may have supported earlier mobilization.



First Quartile Consulting

The Benchmark Points to Four First-Day Readiness Priorities

- Clarify when escalating conditions should trigger full incident command activation.
- Build a shared operating picture quickly enough to support earlier crew decisions.
- Test off-hours availability across in-house and contractor crews before the next event.
- Activate existing mutual aid and bilateral support earlier as expected impact rises.



FIRST QUARTILE CONSULTING

Thank You

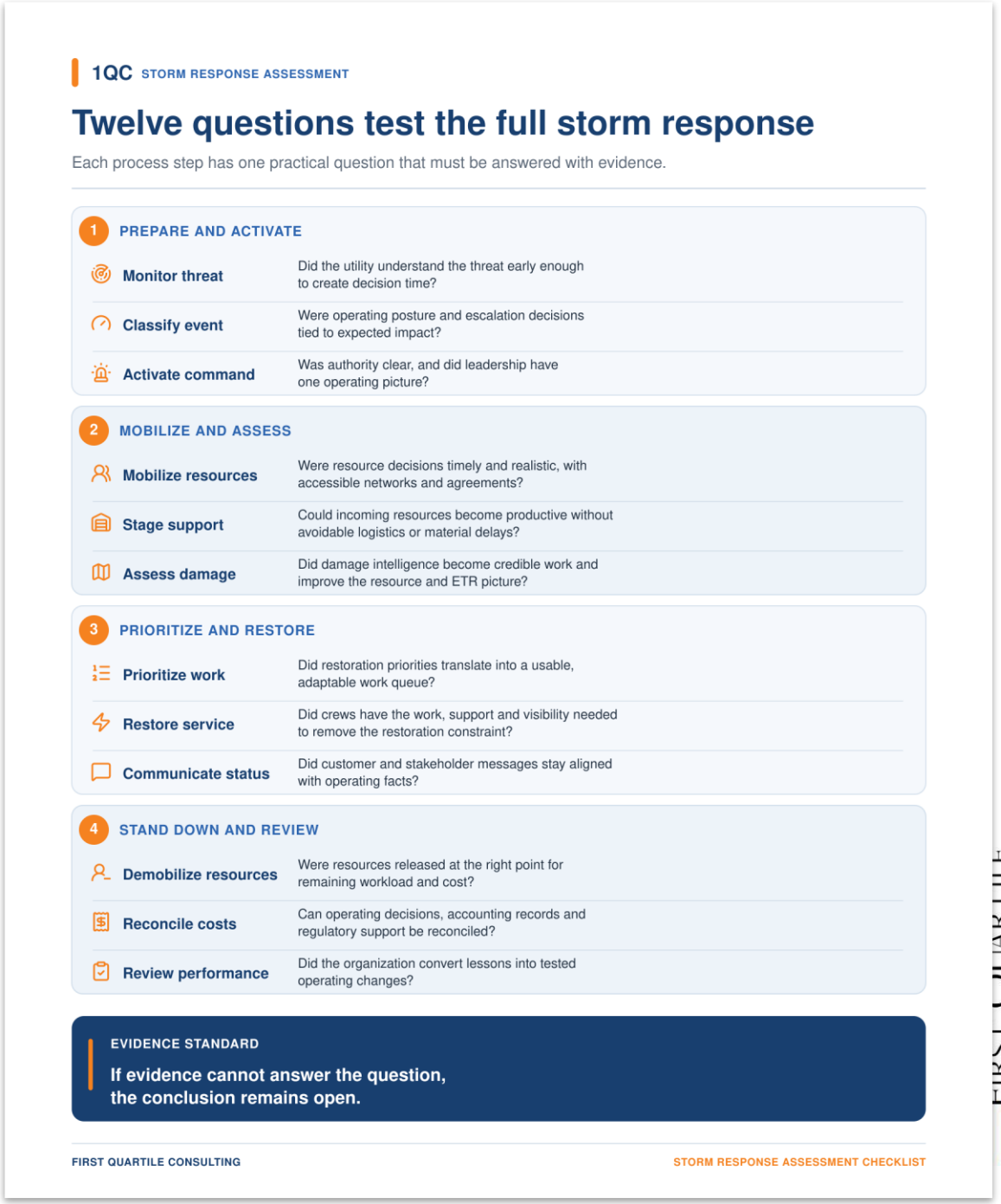
Move Forward With Confidence

First Quartile works with utility leaders to bring better context to the decisions that matter - combining comparable data, peer experience, and practical operating knowledge.

- See where you stand.
- Understand what matters.
- Make better decisions.

Assessment Questions

- Twelve questions test each stage of the storm response.
- Each question requires evidence before we draw a conclusion.
- The framework examines the full resource cycle, not restoration time alone.
- Benchmark and operating evidence identify what deserves closer review.



1QC STORM RESPONSE ASSESSMENT

Twelve questions test the full storm response

Each process step has one practical question that must be answered with evidence.

1 PREPARE AND ACTIVATE

Monitor threat	Did the utility understand the threat early enough to create decision time?
Classify event	Were operating posture and escalation decisions tied to expected impact?
Activate command	Was authority clear, and did leadership have one operating picture?

2 MOBILIZE AND ASSESS

Mobilize resources	Were resource decisions timely and realistic, with accessible networks and agreements?
Stage support	Could incoming resources become productive without avoidable logistics or material delays?
Assess damage	Did damage intelligence become credible work and improve the resource and ETR picture?

3 PRIORITIZE AND RESTORE

Prioritize work	Did restoration priorities translate into a usable, adaptable work queue?
Restore service	Did crews have the work, support and visibility needed to remove the restoration constraint?
Communicate status	Did customer and stakeholder messages stay aligned with operating facts?

4 STAND DOWN AND REVIEW

Demobilize resources	Were resources released at the right point for remaining workload and cost?
Reconcile costs	Can operating decisions, accounting records and regulatory support be reconciled?
Review performance	Did the organization convert lessons into tested operating changes?

EVIDENCE STANDARD

If evidence cannot answer the question, the conclusion remains open.

FIRST QUARTILE CONSULTING — STORM RESPONSE ASSESSMENT CHECKLIST

FIRST QUARTILE CONSULTING

RATE REQUEST DEFERRAL TO 2027

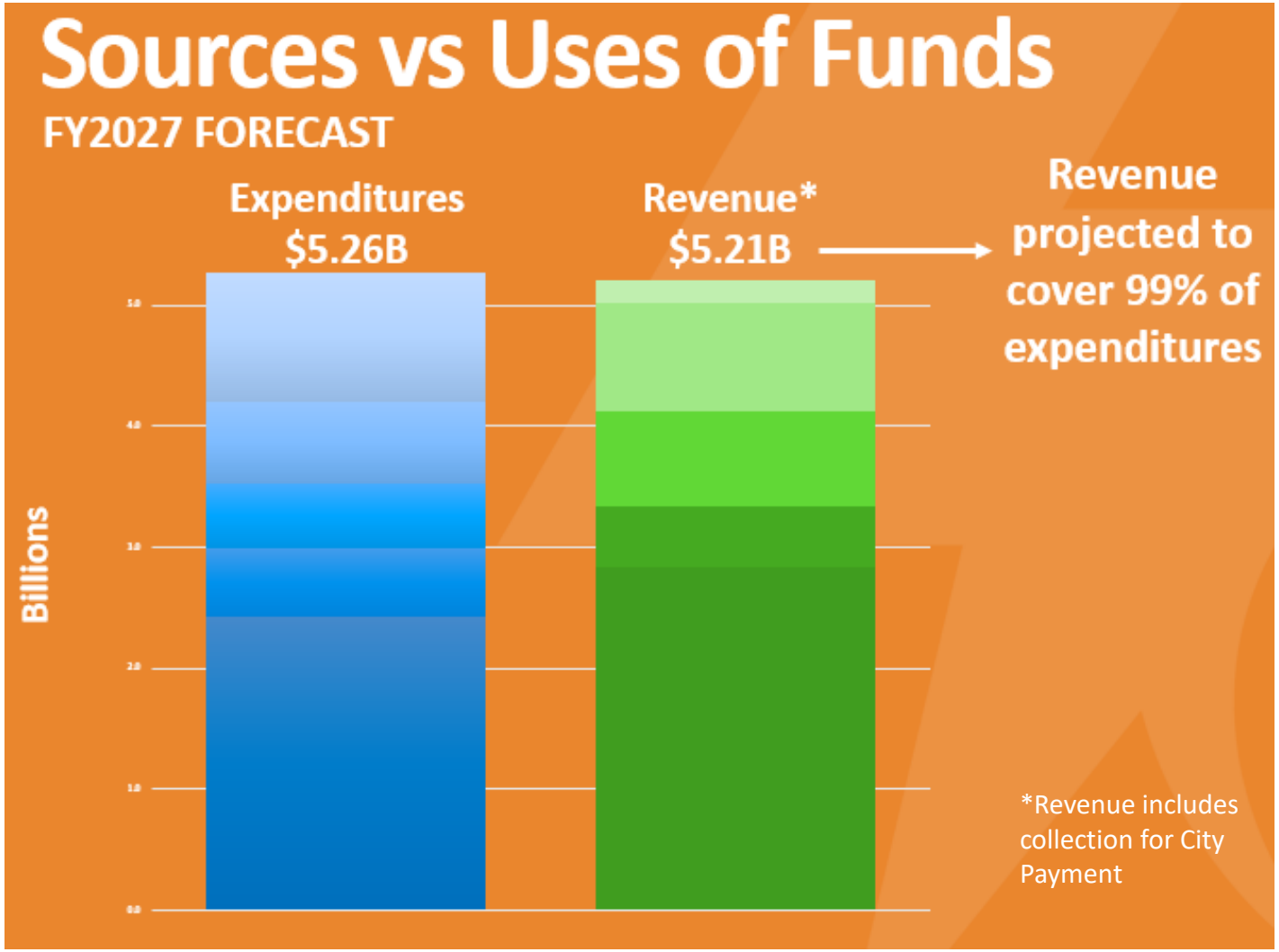
PRESENTED BY:

Debra Wainscott
Chief Financial Officer

October 26, 2026
Informational Update

WHERE WE STARTED THE YEAR

FY2027 APPROVED BUDGET (MARCH 2026)



At the March budget approval meeting, we shared this chart that showed a ~$50M gap between revenue and expenditures.

NON-RECURRING FACTORS HAVE ALLOWED US TO DEFER A RATE REQUEST

HEADWINDS
Widened the Gap

- Rate request to close the ~$50M budget gap deferred
- Weather driven assumptions result in a retail revenue shortfall of ~$40M
- Wholesale revenue shortfall of ~$100M driven by weather
- ~$20-$30M O&M pressure due to storms and plant outages

TAILWINDS
Helped Close the Gap

- Federal nuclear production incentive of ~$115M
- Shifting timeline for transmission revenue of ~$50M
- Savings from debt issuances of ~$5M

These tailwinds provided temporary relief this year, but continued infrastructure investment may require a rate request next year.

Note: Values are full-year FY2027 estimates based on August YTD results.

MOVING FORWARD

- In 2021, we established a financial strategy to seek rate support every other year to cover this high investment period.
- The FY2027 rate request has been deferred twice, and we expect rising budget pressure in FY2028.
- Looking ahead, we are continuing to take actions to manage costs and maintain our financial metrics.
- We'll be back to talk to you about our efforts on Financial Stewardship and our proposed FY2028 budget.

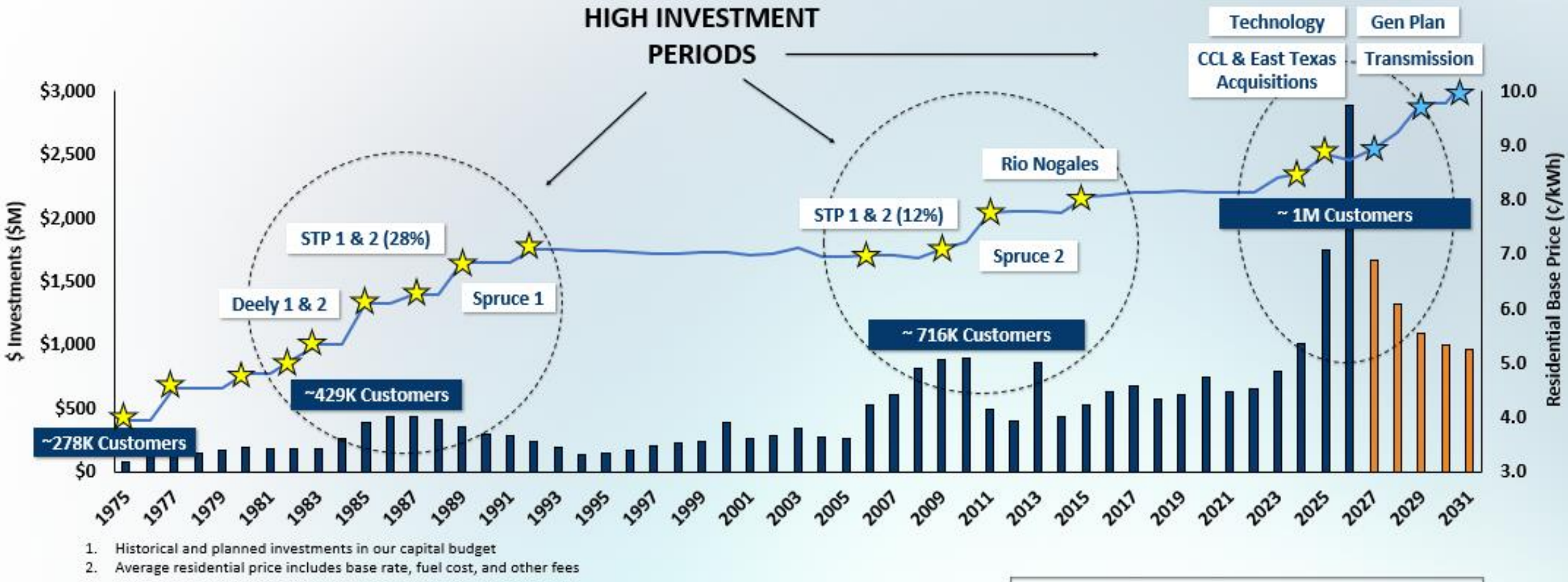
We will need to revisit a rate request next year.

THANK YOU

APPENDIX

Shared at the March 2026 Board Meeting

INVESTMENT IN GROWTH



1. Historical and planned investments in our capital budget
2. Average residential price includes base rate, fuel cost, and other fees

Meeting the needs of our growing community has always required periods of high investment and corresponding revenue support.