

To Our CPS Energy Customers:

Following the power emergency implemented by the Electric Reliability Council of Texas on Wednesday, Feb. 2, we initiated a thorough, self-critical evaluation of our performance in responding to this major energy event. We have areas where we could have – and should have – performed better.

Several CPS Energy power plants were among more than 60 statewide that were affected by extreme temperatures. Under the circumstances, CPS Energy was able to weatherize and stabilize our plant fleet relatively quickly, but ideally, we should have had more advance preparation. Even in situations that we cannot control, we can work smarter and reduce the impact on you.

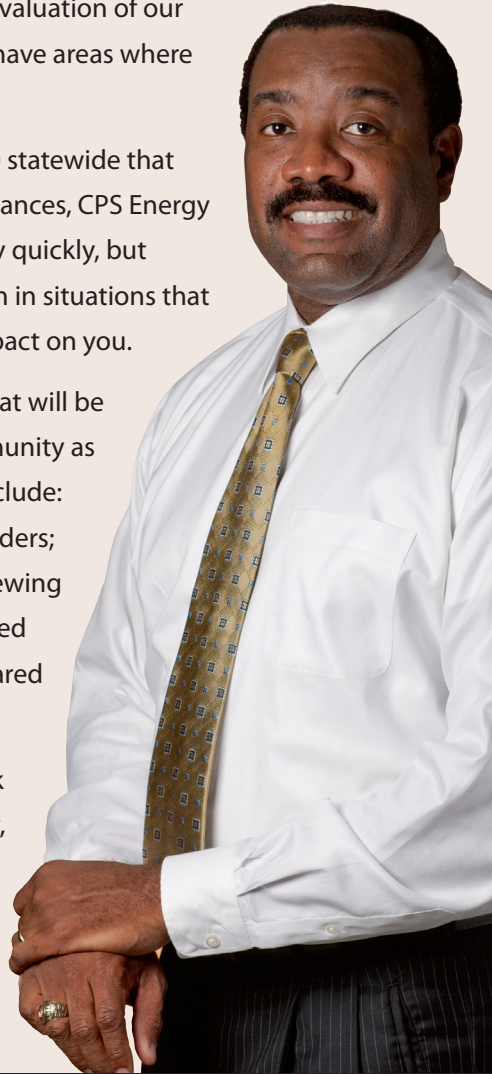
Through lessons-learned sessions, we're identifying steps that will be taken to make sure we respond to our customers and community as you would expect in the future. Improvements identified include: automated notifications for our customers and key stakeholders; more immediate communication with first responders; reviewing our 500-plus circuits so that rolling outages can be distributed more evenly; and updating our processes to be better prepared for extreme weather.

We appreciate your patience with us as we continue to work to earn your trust. It is our privilege to serve this community, and we are very aware that CPS Energy works for you.

Respectfully,



Doyle N. Beneby, *President and CEO*



Energy Connection

Green Shade Rebates End April 1

Time is running out to purchase qualifying trees that can earn you rebates. But if you hurry you can still add some beauty to your yard and save on your energy bill. Customers are limited to three rebates, or \$150 in rebates per physical address. Visit cpsenergy.com to get complete rebate guidelines, application and tree-planting instructions.



Esta información está disponible en español. Llame al 353.2222.

Record-Breaking Energy Demand Causes Higher Bills

If you received a higher bill than you expected, it's most likely due to the persistent cold weather and record-breaking energy demand in February.

Heating systems, including portable/space heaters and

water heaters, are among the top users of gas and electricity.

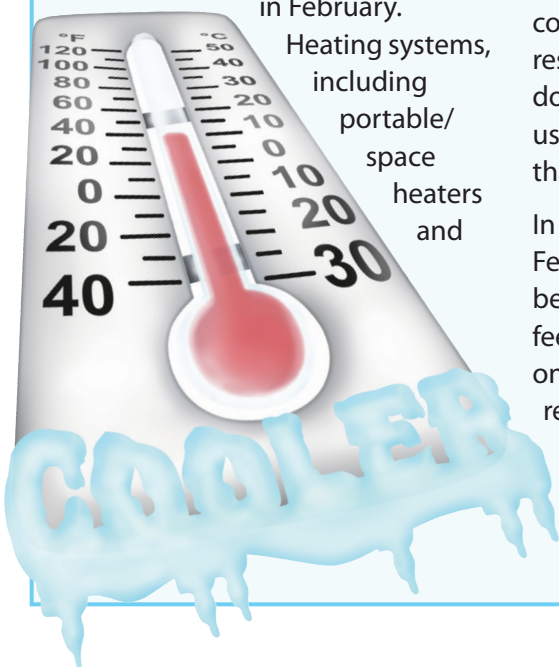
Despite stable natural gas prices and statewide calls for energy conservation, the average residential customer's bill likely doubled or tripled due to energy use that was significantly higher than normal.

In October, CPS Energy projected February residential gas use to be about 58 ccf (hundred cubic feet) at a cost of about \$55. Based on recent weather, an average residential gas customer could see consumption of 200 to 300 ccf at a cost of \$170 – \$250, putting the combined gas

and electric bill for an average homeowner in the range of \$245 – \$325.

If you're an all-electric customer, you also may have received a higher-than-normal bill. Where typical monthly electricity use is about 1,200 kilowatt hours (kWh) at an average cost of \$100, extreme temperatures drove some customers to use two to four times as much electricity in February.

CPS Energy will work with you to help manage payments as needed. Please call customer service at (210) 353-2222 as soon as possible if you need to make payment arrangements.



new

Bill-Pay Service Starts in April

Beginning April 30, CPS Energy's pay-by-phone service will be provided by JPMorgan Chase, through its Pay Connexion service.

WHAT DOES THIS MEAN FOR CPS ENERGY CUSTOMERS?

- To make payments **by phone**, residential customers will call (877) 257-1172; commercial customers will call (855) 290-7615.
- To use Pay Connexion **online**, customers must be enrolled in CPS Energy's *Manage My Account* online service.
- Through the web, customers can schedule future payments, and opt to store credit card or bank information for future use.

OTHER CHANGES AND NEW FEATURES INCLUDE:

- The fee for residential customer payments has been reduced from \$2.95 to \$2.50 per payment.
- The fee for commercial customer payments is now \$6 per payment.
- Fees are collected by JPMorgan Chase, and CPS Energy does not receive any portion of this fee.
- The transaction limit for residential customer payments

has been increased from \$600 to \$1,000 per payment.

- The transaction limit for commercial customer payments has been increased from \$600 to \$10,000 per payment.
- Pay Connexion customers who pay by phone will now be able to get CPS Energy account information such as balance, past-due amount and due date.