



# ***RATE ADVISORY COMMITTEE: BILL ANALYSIS & RATE DISCUSSION***

*PRESENTED BY:*

**Chad Hoopingarner**

Interim Vice President, Strategic Pricing & Enterprise  
Risk Management

October 21, 2021

*Informational Update*



# OBJECTIVES & TAKEAWAYS



- **REVIEW THE COMPOSITION OF OUR BILLS**
- **BENCHMARK CPS ENERGY'S PRICES IN TEXAS**
- **SUMMARIZE DESIGN OF RATE INCREASE FOR CUSTOMER GROUPS**

# AGENDA



- **BILL ANALYSIS**
- **RESIDENTIAL TEXAS BILL COMPARISONS**
- **COMMERCIAL TEXAS BILL COMPARISONS**
- **RATE DESIGN**

# CUSTOMER GROUPS



Customer Group	Abbreviation	Service Availability	Demand Charge
Residential Electric	RE	X	
Power & Light (Small Commercial)	PL	X	
Large Light and Power	LLP	X	X
Extra Large Power	ELP	X	X
Super Large Power	SLP	X	X

**Examples of all bills are included in the attachment. We will concentrate on the Residential & the Large Electric customers.**

# BILL SECTION FOR DISCUSSION



## Front

Questions about your bill? Want to pay your bill at a time that's convenient for you? Try our online services at [www.cpsenergy.com](http://www.cpsenergy.com) Comments? Talk to us at [feedback@cpsenergy.com](mailto:feedback@cpsenergy.com)

**Statement of Account**  
 Billing Date: 10/07/21  
 Customer Number: [REDACTED]

Balance Due: \$178.49  
 CPS Energy AutoPay Account After Oct 25, 2021 Pay: \$180.44

**YOUR ELECTRICITY USE (kWh)**

**ACCOUNT COMPARISON SUMMARY**

	Current Month	Previous Month	Last Year
Days on Bill	32	30	32
kWh Used	1,281	1,306	1,821
Avg kWh/day	40.0	52.2	57.5
Cost per Day	\$4.96	\$6.08	\$4.02

**BILLING SUMMARY**  
 (see reverse for details)

Previous Bill 09/08/2021: \$214.84  
 Payments/Adjustments Thank You: -\$214.84  
**Balance: \$0.00**

Current Electricity Charge: \$146.00  
 Total Current Energy Charge: \$146.00  
 City Services: \$30.00  
 State & Local Sales Taxes: \$2.49  
**Total Account Balance: \$178.49**

**Pay Online** [www.cpsenergy.com](http://www.cpsenergy.com)  
**Pay-By-Phone** 1-877-257-1172  
**Customer Service** (210) 353-2222  
**Gas or Electric Trouble** (210) 353-4357  
 "Se Habla Español!"

If you or someone you know needs assistance with your energy bill, we are here to help. We connect customers to payment assistance resources. Payment plans are available and customers current on their payment plans won't be disconnected. Call our Customer Service number above to speak with an Energy Advisor. Si usted o alguien que conoce necesita ayuda con su factura, estamos aquí para ayudarle. Conocemos a clientes con recursos de asistencia. Planes de pago están disponibles y los clientes que están al día con sus planes de pago no serán desconectados. Llame a nuestro número de Customer Service.

DETACH HERE ..... PLEASE PRESENT BOTH PORTIONS IF PAYING IN PERSON ..... ATTACH HERE

**CPS Energy**  
 Customer Service (210) 353-2222  
 Help your neighbors in need of utility assistance.  
 Enclosed donation for REAR, Inc. \$ [REDACTED]  
 Check here if your address, or phone number has changed. Make changes on the reverse side.  
 Total Amount Enclosed \$ [REDACTED]

DO NOT WRITE BELOW THIS LINE  
 3 [REDACTED] ? 000000000000 000000018044 000000017849 01 6 0

CPS ENERGY  
 PO BOX 2678  
 SAN ANTONIO TX 78289-0001

## Back

**CPS Energy**  
 PO Box 2678, San Antonio, Texas 78289-0001  
 Customer Service (210) 353-2222  
 Gas or Electric Trouble (210) 353-4357  
 "Se Habla Español!"

Customer Number: 907971644

Previous Bill: \$214.84  
**Payments & Adjustments**  
 CPS Energy AutoPay 09/24/21: -\$214.84  
 Subtotal: -\$214.84  
**Balance Due: \$0.00**

**Electric**  
 Residential Electric: \$87.75  
 Service Availability Charge: \$8.75  
 Energy Charge 1,281 kWh x \$0.0691: \$88.52  
 Fuel Adjustment 1,281 kWh x \$0.02568: \$32.90  
 Regulatory Adj 1,281 kWh x \$0.01236: \$15.83  
**Total Electric Bill (Non-Taxable): \$148.00**

**City Services (For any questions, call the city at 210-367-4422)**  
 Solid Waste Fee - Large Cart (1): \$20.76  
 Environmental Fee-Parks: \$1.74  
 Environmental Fee-Parks: \$1.50  
**Total City Services (Taxable): \$1.00**

**Meter Read Detail (Read=R) (Estimated=E)**

Electric Meter	Previous	Current	Consumption
[REDACTED]	71220	72501	1,281

Your next scheduled meter read date is Nov 03, 2021 or Nov 04, 2021  
 Billing Period Sep 04, 2021 - Oct 05, 2021

\*\*\* This is a CPS Energy AutoPay account \*\*\*  
 \$178.49 will be withdrawn from your bank on or after Oct 25, 2021. We have identified your account as a personal bank account. If this is not correct, call (210) 353-3591.

\*\*\* WINTER SAFETY TIPS \*\*\*  
 If you smell natural gas: Evacuate building or area to a safe distance and call CPS Energy's 24-hour emergency number (210) 353-HELP (353-4357).  
 DO NOT turn on or off any electrical switches.  
 DO NOT ring doorbells or use telephones.  
 DO NOT light matches, cigarettes, etc.  
 DO NOT start automobiles or other engines.

**We will be discussing the "Electric" section of the bill.**

My New Mo

# BILL EXPLAINED

## RESIDENTIAL ELECTRIC (RE)



<b>Electric Residential Electric</b>	
Service Availability Charge <b>1</b>	\$8.75
Energy Charge 1,212 kWh x \$0.0691 <b>2</b>	\$83.75
Fuel Adjustment 1,212 kWh x \$0.02568 <b>3</b>	\$31.12
Regulatory Adj 1,212 kWh x \$0.01236 <b>4</b>	\$14.98
Affordability Discount <b>5</b>	-\$8.55
<b>Total Electric Bill (Non-Taxable)</b>	<b>\$130.05</b>

**Each line on a residential bill can include several cost components.**

### Costs Recovered by Charge

1. **Service Availability Charge:** service drop, metering, billing, & customer svc.
2. **Energy Charge:** some fuel, generation<sup>1</sup>, distribution lines<sup>1</sup>, transformers<sup>1</sup>, variable O&M, & Affordability Discount Program (ADP).
3. **Fuel Adjustment:** remaining fuel, PPAs (incl. renewables), market power purchases, & STEP. – See Slide 6
4. **Regulatory Adjustment:** transmission, ERCOT admin. fees, & Electric Reliability Organization (ERO) fees.
5. **Affordability Discount:** credit to qualifying customer.

<sup>1</sup>Note these include fixed costs recovered in the variable component of the rate.

# BILL EXPLAINED

## LARGE COMMERCIAL (ELP)



### Electric

#### Extra Large Power

Service Availability Charge	1	\$1,000.00
Demand Charge 1,589 KW x \$8.75	2	\$13,903.75
Energy Charge 397,250 kWh x \$0.038	3	\$15,095.50
Energy Charge 589,750 kWh x \$0.0339		\$19,992.53
Fuel Adjustment 987,000 kWh x \$0.02568	4	\$25,346.16
Regulatory Adj 987,000 kWh x \$0.00706	5	\$6,968.22
<b>Total Electric Bill (Taxable)</b>		<b>\$82,306.16</b>

**Commercial bills have additional components such as demand charges.**

### Costs Recovered by Charge

1. **Service Availability Charge:** service drop, metering, billing, & customer svc.
2. **Demand Charge:** generation, distribution lines, & transformers.
3. **Energy Charge:** some fuel, generation, variable O&M, & Affordability Discount Program (ADP).
4. **Fuel Adjustment:** remaining fuel, PPAs (incl. renewables), market power purchases, ERCOT market charges, & STEP. See Slide 6
5. **Regulatory Adjustment:** transmission, ERCOT admin. fees, & Electric Reliability Organization (ERO) fees.

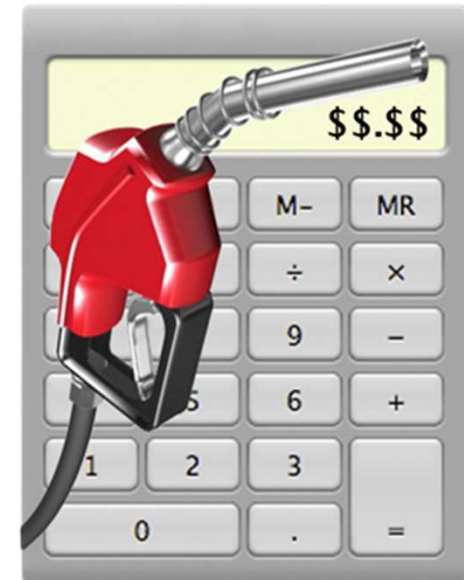
# BILL EXPLAINED

## FUEL ADJUSTMENT



Cost recovered by the Fuel Adjustment include:

- **Generated Power Costs** – fuel cost associated with nuclear, coal & natural gas units
- **Renewable Power Costs** – renewable energy purchases of wind, solar & landfill gas
- **Market Power Purchases** – purchases from the ERCOT open market
- **STEP** – recovery of energy efficiency programs



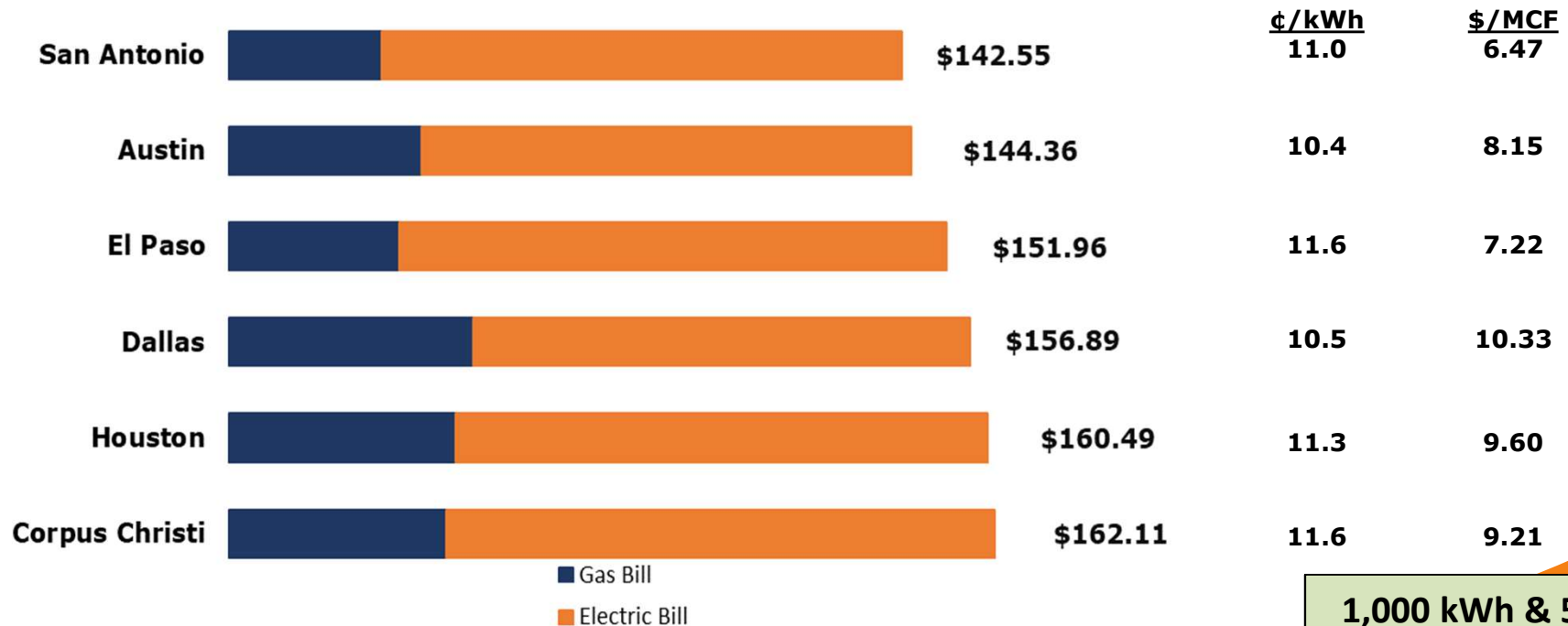
**All types of energy costs are recovered through the fuel adjustment.**



# TEXAS CITIES COMBINED RESIDENTIAL BILL COMPARISON



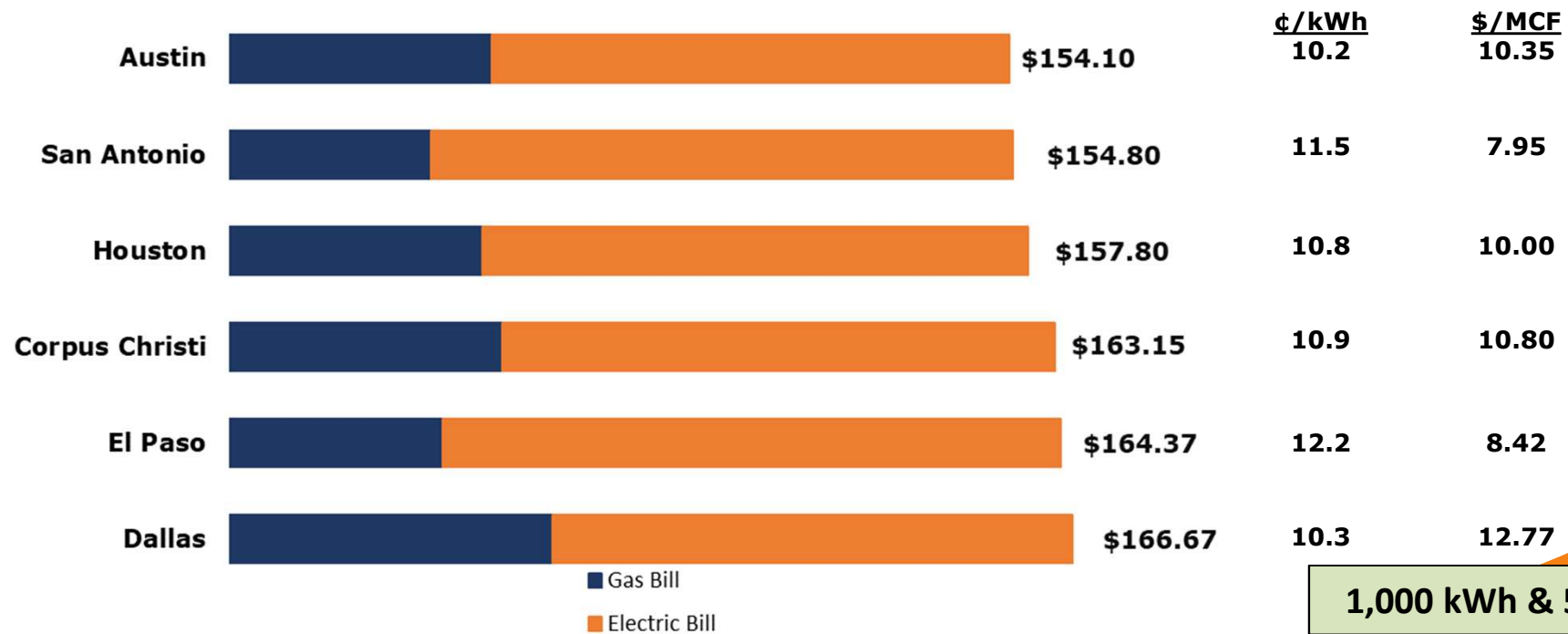
TRAILING TWELVE MONTHS ENDING SEPTEMBER 2020



Note: Deregulated markets electric data from powertochoose.org (Terms 12; 4&5 star rated REPs), September's PTC data is based on October 5th offers

# TEXAS CITIES COMBINED RESIDENTIAL BILL COMPARISON

## TRAILING TWELVE MONTHS ENDING AUGUST 2021

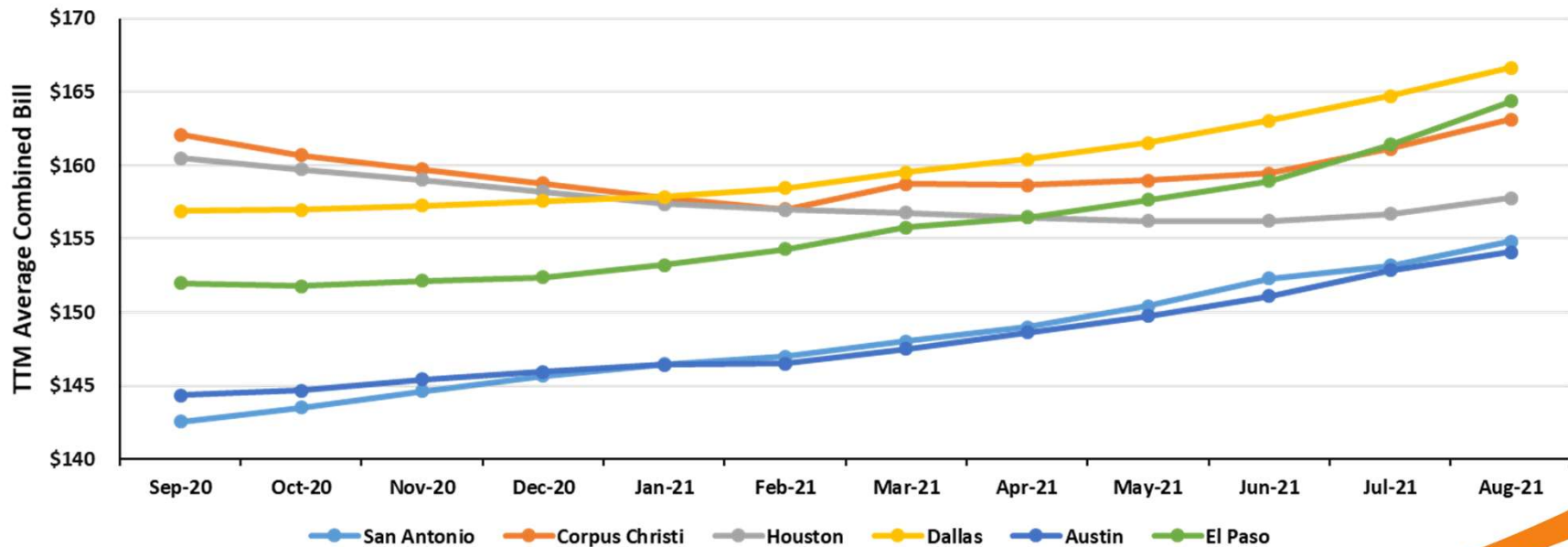


Note: Deregulated markets electric data from powertochoose.org (Terms 12; 4&5 star rated REPs). San Antonio is the only city that has a single electric & gas provider.

# BILL COMPARISON TREND



## Texas Cities Combined Residential Bill Comparison<sup>(1)</sup> – Trailing Twelve Months (TTM) Ending August 2021



(1) Based on an average of 1,000 kWh/month & 5 MCF/month; Each data point reflects a 12-month average of bills.  
 (2) San Antonio is the only city that has a single electric & gas provider.

# BILL COMPARISONS BY USAGE LEVEL (AUGUST 2021)



		Austin	San Antonio	Houston	Corpus Christi	El Paso	Dallas	Average
500 kWh 20 CCF	Renewable Generation	\$3.51	\$4.13	\$0.00	\$0.00	\$0.00	\$0.00	
	Conservation Programs	\$1.34	\$1.96	\$0.32	\$0.34	\$0.50	\$0.40	
	Electric	\$44.38	\$53.75	\$60.18	\$60.66	\$63.88	\$57.08	
	<b>Total Electric</b>	<b>\$49.23</b>	<b>\$59.83</b>	<b>\$60.50</b>	<b>\$61.00</b>	<b>\$64.38</b>	<b>\$57.48</b>	<b>\$58.74</b>
	Gas	\$29.87	\$21.69	\$31.22	\$27.81	\$28.78	\$39.69	\$29.84
	<b>Total Bill</b>	<b>\$79.10</b>	<b>\$81.52</b>	<b>\$91.72</b>	<b>\$88.81</b>	<b>\$93.16</b>	<b>\$97.17</b>	<b>\$88.58</b>
		①	②		③			
1,000 kWh 50 CCF	Renewable Generation	\$7.01	\$8.33	\$0.00	\$0.00	\$0.00	\$0.00	
	Conservation Programs	\$2.70	\$3.93	\$0.64	\$0.68	\$0.99	\$0.79	
	Electric	\$92.64	\$102.79	\$107.14	\$108.49	\$121.28	\$102.02	
	<b>Total Electric</b>	<b>\$102.35</b>	<b>\$115.04</b>	<b>\$107.78</b>	<b>\$109.17</b>	<b>\$122.27</b>	<b>\$102.81</b>	<b>\$109.90</b>
	Gas	\$51.75	\$39.76	\$50.02	\$53.98	\$42.10	\$63.86	\$50.25
	<b>Total Bill</b>	<b>\$154.10</b>	<b>\$154.80</b>	<b>\$157.80</b>	<b>\$163.15</b>	<b>\$164.37</b>	<b>\$166.67</b>	<b>\$160.15</b>
		①	②	③				
2,000 kWh 60 CCF	Renewable Generation	\$14.02	\$16.76	\$0.00	\$0.00	\$0.00	\$0.00	
	Conservation Programs	\$5.37	\$7.89	\$1.27	\$1.36	\$1.98	\$1.58	
	Electric	\$210.69	\$199.26	\$213.54	\$216.59	\$234.49	\$204.01	
	<b>Total Electric</b>	<b>\$230.08</b>	<b>\$223.91</b>	<b>\$214.81</b>	<b>\$217.95</b>	<b>\$236.47</b>	<b>\$205.59</b>	<b>\$221.47</b>
	Gas	\$59.04	\$45.79	\$56.29	\$62.09	\$46.54	\$71.91	\$56.94
	<b>Total Bill</b>	<b>\$289.12</b>	<b>\$269.70</b>	<b>\$271.10</b>	<b>\$280.04</b>	<b>\$283.01</b>	<b>\$277.50</b>	<b>\$278.41</b>
		①	②			③		

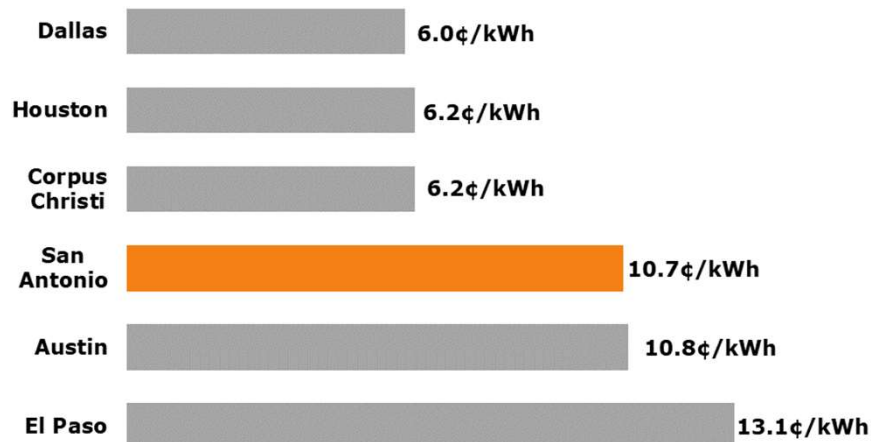
Note: Bills reflect 12-month average pricing through August 2021; Deregulated markets electric data from [powertochoose.org](http://powertochoose.org) (Terms 12; 4&5 star rated REPs); Renewable Generation data not available for all other markets. San Antonio is the only city that has a single electric & gas provider.

# TEXAS CITIES SMALL COMMERCIAL ELECTRIC PRICE COMPARISON



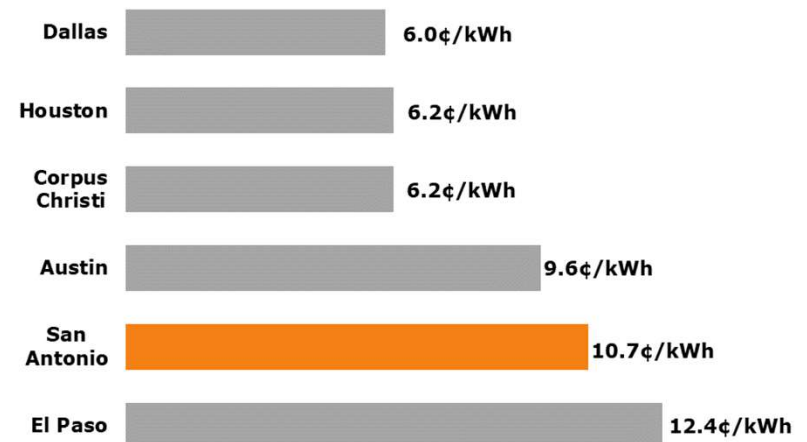
**BROKER DATA, TRAILING MONTHS ENDING AUGUST 2021<sup>1</sup>**

## SMALL POWER EQUIVALENT (PL) Median Use



PL based on an average of 7 kW & 1,200 kWh per month

## SMALL POWER EQUIVALENT (PL) Average



PL based on an average of 19 kW & 5,475 kWh per month

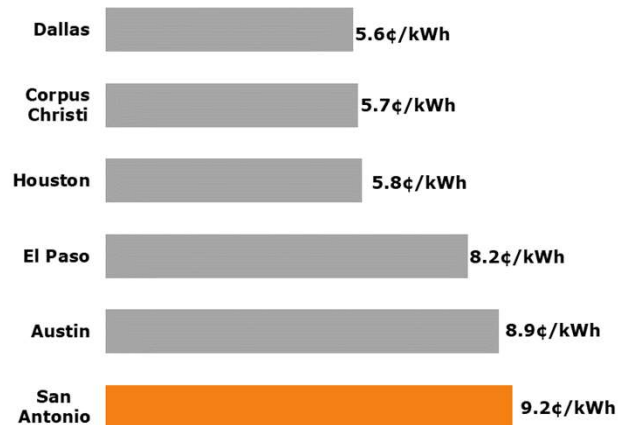
(1) Deregulated market prices are calculated based on broker-provided data

# TEXAS CITIES LARGE COMMERCIAL ELECTRIC PRICE COMPARISON



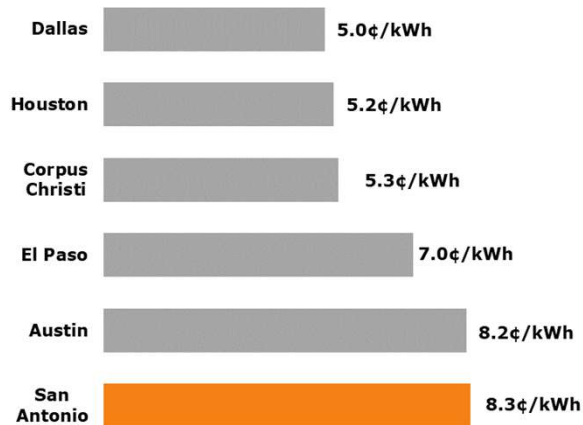
**BROKER DATA, TRAILING MONTHS ENDING AUGUST 2021<sup>1</sup>**

## LARGE POWER EQUIVALENT (LLP)



LLP based on an average of 309 kW & 126,481 kWh per month

## EXTRA LARGE POWER EQUIVALENT (ELP)



ELP based on an average of 1,805 kW & 908,175 kWh per month

## SUPER LARGE POWER EQUIVALENT (SLP)



SLP based on an average of 10,010 kW & 5,614,262 kWh per month

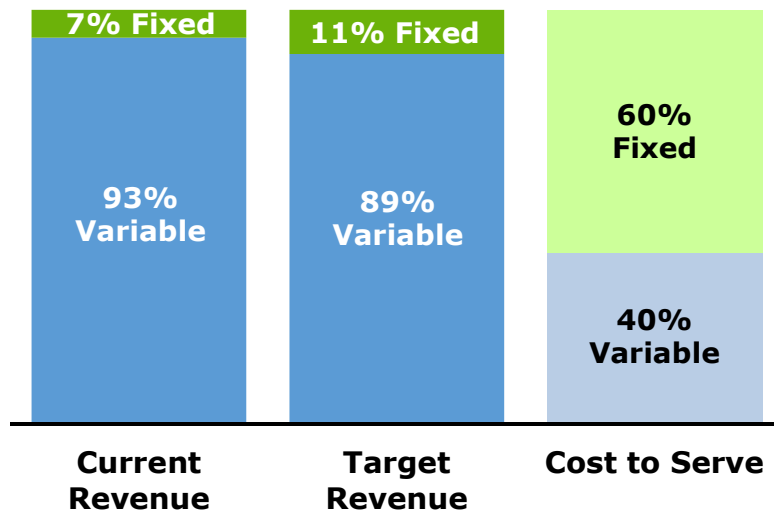
(1) Deregulated market prices are calculated based on broker-provided data

# CHANGING RATES TO IMPROVE REVENUE ALIGNMENT

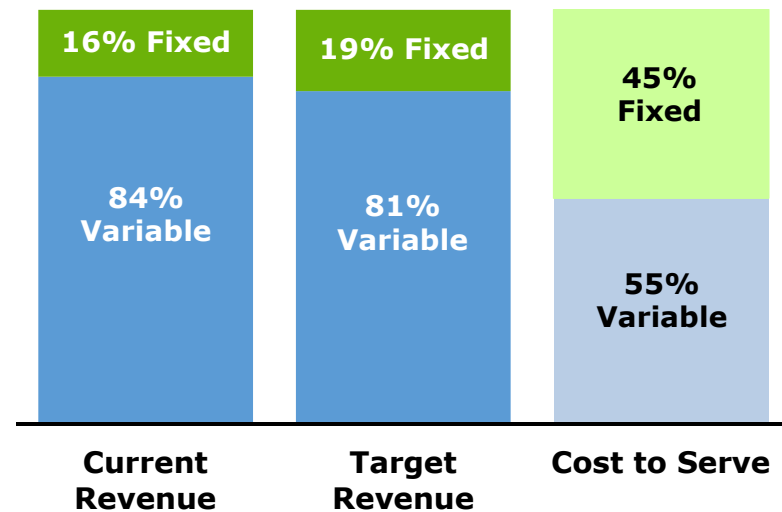


WORKING ESTIMATE

## Residential



## Commercial & Industrial



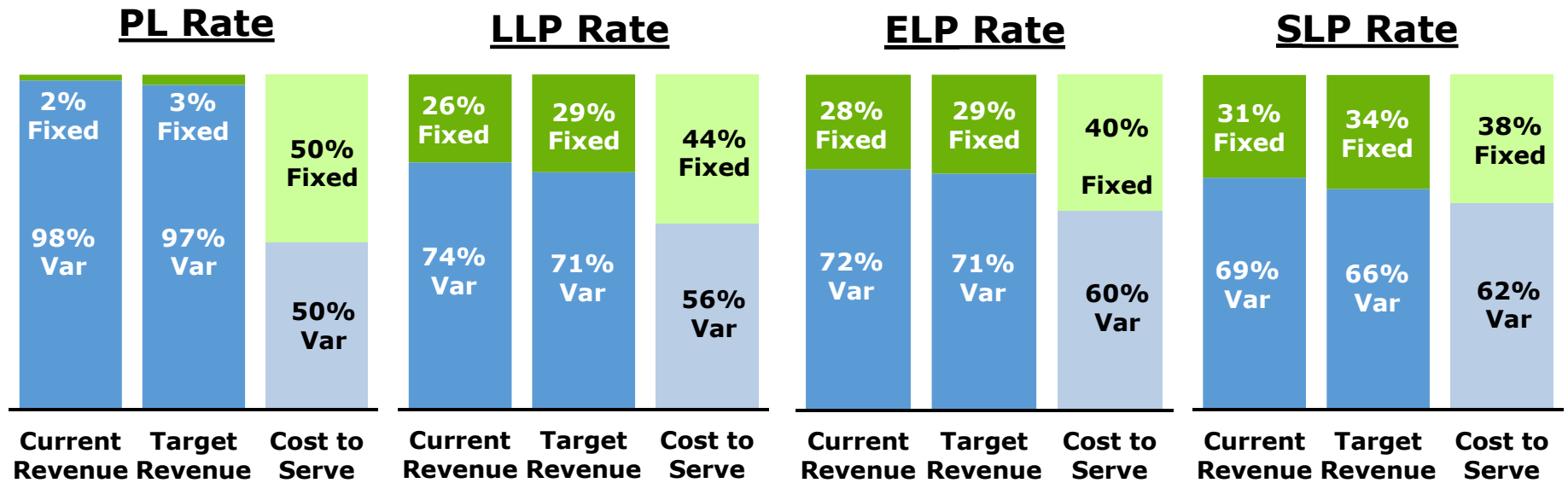
**Increasing fixed charges more than variable charges is a small step in the right direction.**

Note: Fixed versus Variable Cost to Serve based on FY2017 Cost of Service study; Target Revenue is based on budget projections & excludes winter storm recoveries

# CHANGING RATES TO IMPROVE REVENUE ALIGNMENT (CONT'D)



WORKING ESTIMATE



**Increasing fixed charges more than variable charges is a small step in the right direction.**

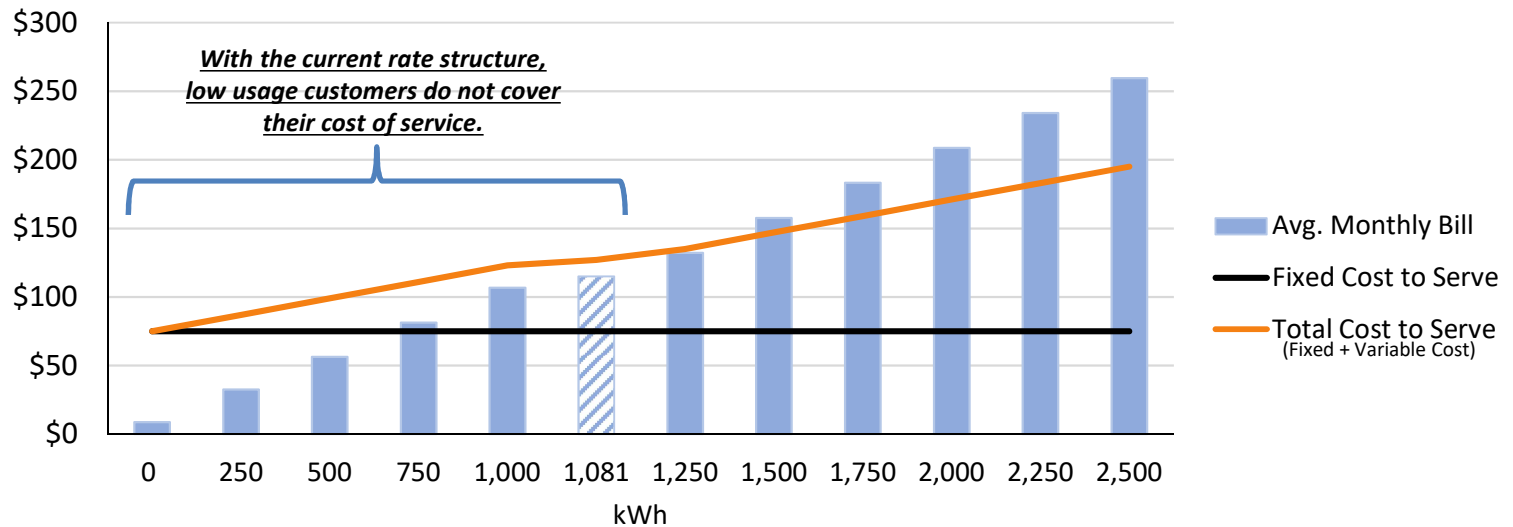
Note: Fixed versus Variable Cost to Serve based on FY2017 Cost of Service study; Target Revenue is based on budget projections & excludes winter storm recoveries



# RESIDENTIAL ELECTRIC COST TO SERVE VS BILLS



## Estimated Cost to Serve & Bills



Note: 1,081 is the average monthly kWh for the Residential Electric (RE) class for FY2021

**Low usage customers are not covering their cost of service.**

# CUSTOMER CHARGE



WORKING ESTIMATE

Rate Group	Customer Charge Per Cost-of-Service	Current		New	
		Service Availability	Cost Recovery	Grid Share	Cost Recovery
Residential	\$ 21.64	\$ 8.75	40%	\$ 15.00	69%
PL	\$ 39.85	\$ 8.75	22%	\$ 15.00	38%
LLP	\$ 284.98	\$ 175.00	61%	\$ 300.00	105%
ELP	\$ 849.62	\$ 1,000.00	118%	\$ 1,000.00	118%
SLP	\$ 6,088.74	\$ 1,000.00	16%	\$ 1,750.00	29%

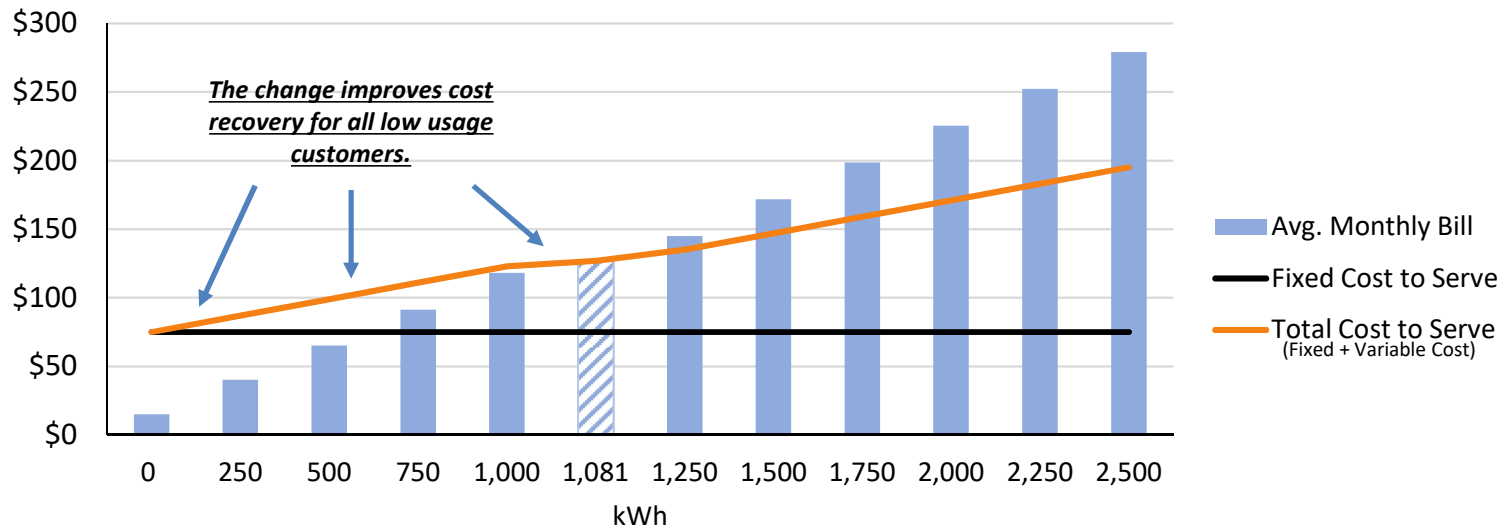
- \$8.75 → \$15: This is a small step toward rebalancing our rates so that revenue model aligns with cost model.
- Customer and demand costs are both fixed costs. For Residential & PL, even if all Customer costs are recovered in the customer charge, some fixed cost recovery will remain in the energy charge.

# RESIDENTIAL ELECTRIC COST TO SERVE VS BILLS



WORKING ESTIMATE

**Estimated Cost to Serve & Bills**



Note: 1,081 is the average monthly kWh for the Residential Electric (RE) class for FY2021

**The higher the use, the more likely a residential customer will cover the total cost to serve.**

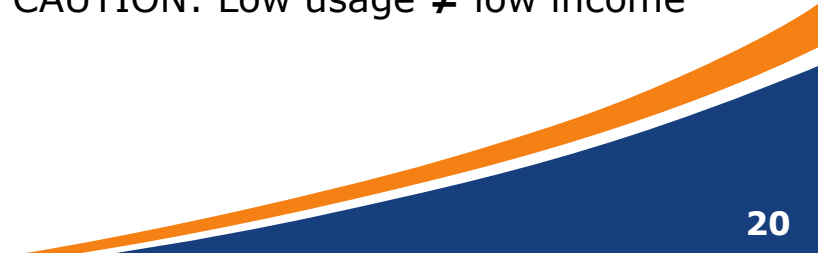
# RESIDENTIAL BILL IMPACT AT VARIOUS USAGE LEVELS



WORKING ESTIMATE

Residential Electric (RE) Non-ADP Avg. Mo. Bills				
kWh	FY '22	FY '23	\$Δ	%Δ
250	\$34.74	\$41.48	\$6.74	19.4%
500	\$61.36	\$68.52	\$7.16	11.7%
750	\$89.63	\$97.34	\$7.71	8.6%
1,000	\$118.55	\$126.78	\$8.23	6.9%
1,250	\$146.38	\$155.23	\$8.85	6.0%
1,500	\$174.79	\$184.21	\$9.42	5.4%
1,750	\$203.19	\$213.19	\$10.00	4.9%
2,000	\$230.81	\$241.47	\$10.66	4.6%
2,250	\$258.47	\$269.74	\$11.27	4.4%
2,500	\$285.00	\$297.11	\$12.11	4.2%

- As we saw, low usage customers are not covering their cost of service with the current rate structure
- With a higher customer charge, low usage customers have a higher % bill impact (but still a low \$ bill impact)
- CAUTION: Low usage ≠ low income

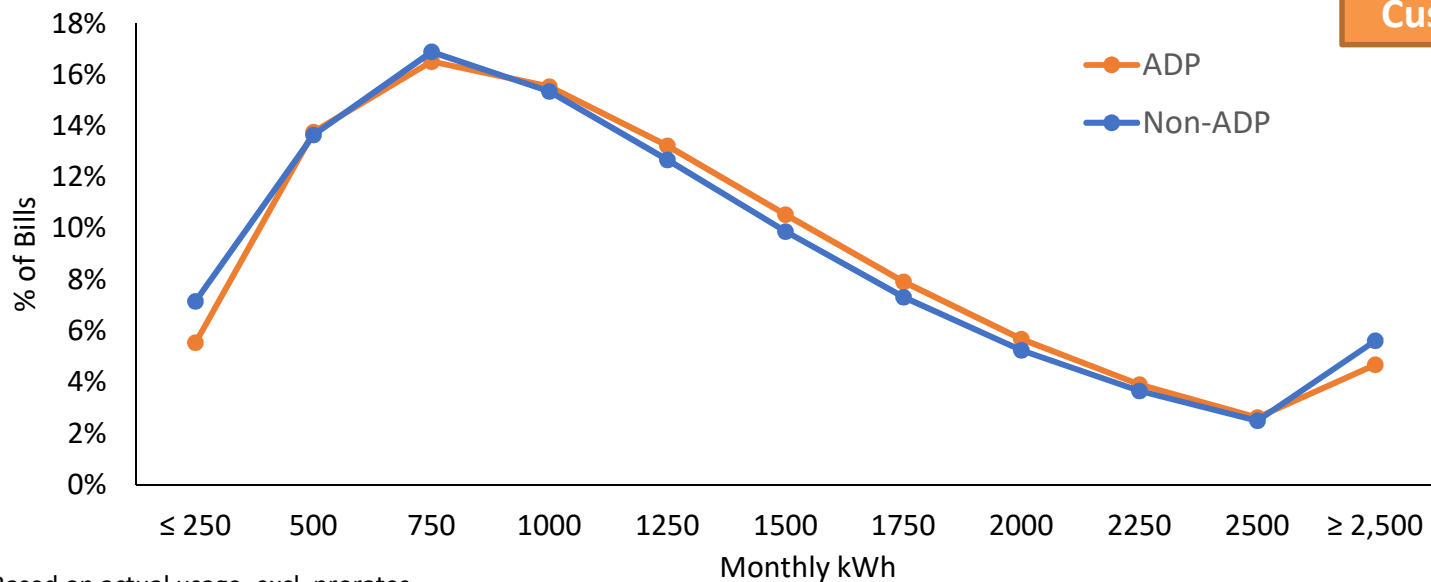


# ADP VS NON-ADP ELECTRIC USAGE

## ALL RE & RA CUSTOMERS



**All RE & RA Customers – Usage Levels for FY2020**



~52,000 ADP Customers

Based on actual usage, excl. prorates

**Usage patterns between ADP and Non-ADP customers are virtually identical.**



***Thank You***





## ***Appendix***



# BILL COMPARISONS BY USAGE LEVEL (SEPTEMBER 2020)



		San Antonio	Austin	El Paso	Dallas	Houston	Corpus Christi	Average
500 kWh 20 CCF	Renewable Generation	\$4.98	\$3.51	\$0.00	\$0.00	\$0.00	\$0.00	
	Conservation Programs	\$2.06	\$1.74	\$0.51	\$0.37	\$0.30	\$0.26	
	Electric	\$50.37	\$44.72	\$60.45	\$59.62	\$64.25	\$67.00	
	<b>Total Electric</b>	<b>\$57.41</b>	<b>\$49.97</b>	<b>\$60.96</b>	<b>\$59.99</b>	<b>\$64.55</b>	<b>\$67.26</b>	<b>\$60.02</b>
	Gas	\$18.72	\$26.90	\$25.65	\$33.57	\$29.86	\$23.89	\$26.43
	<b>Total Bill</b>	<b>\$76.13</b>	<b>\$76.87</b>	<b>\$86.61</b>	<b>\$93.56</b>	<b>\$94.41</b>	<b>\$91.15</b>	<b>\$86.46</b>
		①	②	③				
1,000 kWh 50 CCF	Renewable Generation	\$9.93	\$7.01	\$0.00	\$0.00	\$0.00	\$0.00	
	Conservation Programs	\$4.13	\$3.48	\$1.02	\$0.75	\$0.60	\$0.52	
	Electric	\$96.13	\$93.14	\$114.84	\$104.49	\$111.90	\$115.52	
	<b>Total Electric</b>	<b>\$110.19</b>	<b>\$103.63</b>	<b>\$115.86</b>	<b>\$105.24</b>	<b>\$112.50</b>	<b>\$116.04</b>	<b>\$110.58</b>
	Gas	\$32.36	\$40.73	\$36.10	\$51.65	\$47.99	\$46.07	\$42.48
	<b>Total Bill</b>	<b>\$142.55</b>	<b>\$144.36</b>	<b>\$151.96</b>	<b>\$156.89</b>	<b>\$160.49</b>	<b>\$162.11</b>	<b>\$153.06</b>
		①	②	③				
2,000 kWh 60 CCF	Renewable Generation	\$19.97	\$14.02	\$0.00	\$0.00	\$0.00	\$0.00	
	Conservation Programs	\$8.24	\$6.97	\$2.04	\$1.49	\$1.20	\$1.05	
	Electric	\$185.76	\$206.92	\$221.63	\$208.38	\$221.89	\$226.80	
	<b>Total Electric</b>	<b>\$213.97</b>	<b>\$227.91</b>	<b>\$223.67</b>	<b>\$209.87</b>	<b>\$223.09</b>	<b>\$227.85</b>	<b>\$221.06</b>
	Gas	\$36.90	\$45.33	\$39.58	\$57.68	\$54.03	\$52.64	\$47.69
	<b>Total Bill</b>	<b>\$250.87</b>	<b>\$273.24</b>	<b>\$263.25</b>	<b>\$267.55</b>	<b>\$277.12</b>	<b>\$280.49</b>	<b>\$268.75</b>
		①	②	③				

**Our combined bills are the lowest at every usage level.**

Note: Bills reflect 12-month average pricing through September 2020; Deregulated markets electric data from powertochoose.org (Terms 12; 4&5 star rated REPs), September's PTC data is based on October 5<sup>th</sup> offers; Renewable Generation data not available for all other markets



# PRE-RATE INCREASE CONSIDERATION DATA



## Pre-Rate Increase Consideration

Values in \$	Summer & Non-Summer		Summer		Non-Summer		Summer (Block 1)		Non-Summer (Block 1)		Summer (Block 2)		Non-Summer (Block 2)		Summer		Non-Summer		Summer & Non-Summer	
	Current	New	Current	New	Current	New	Current	New	Current	New	Current	New	Current	New	Current	New	Current	New	Current	New
<b>Electric</b>	Grid Share Fee		Demand Charge (per kW)				Energy Charge (per kWh)						Peak Capacity Charge (per kWh)				ADP (per month)			
RE	8.75	15.00					0.06910	0.07400	0.06910	0.07400	0.06910	0.07400			0.0198	0.0213			-8.55	-12.75
RA	8.75	15.00					0.06910	0.07400	0.06910	0.07400	0.06910	0.07400	0.05920	0.06975	0.0198	0.0213				
PL	8.75	15.00					0.07190	0.08177	0.07190	0.08177	0.03320	0.03536	0.03320	0.03536	0.0198	0.0205	0.0100	0.0103		
LLP	175.00	300.00	10.00	12.75	7.50	9.40	0.04250	0.04541	0.04250	0.04541	0.03970	0.04080	0.03970	0.04080						
ELP	1000.00	1000.00	11.40	15.20	8.75	11.15	0.03800	0.04117	0.03800	0.04117	0.03390	0.03400	0.03390	0.03400						
SLP	1000.00	1750.00	14.70	19.00	9.90	13.25	0.02650	0.02605	0.02650	0.02605										
<b>Gas</b>	Grid Share Fee		Demand Charge (CCF/day)				Energy Charge (per CCF)								ADP (per month)					
Res G	9.55	10.90					0.49000	0.55710	0.49000	0.55710									-3.75	-5.81
Com G	9.55	10.90					0.49000	0.55710	0.49000	0.55710										
Ind B	40.00	47.00					0.47300	0.54300	0.47300	0.54300	0.39600	0.41700	0.39600	0.41700						
LVG	375.00	440.00	0.95	1.12	1.25	1.45	0.31600	0.36080	0.31600	0.36080										

**Grid Share fees and Demand Charge increases provide for greater fixed cost recovery.**

# UNDERSTANDING YOUR CPS ENERGY BILL



## Understanding Your CPS Energy Bill



### Bill Help

- › CPS Energy Fighting for its SA Customers
- › How To Read Your Residential Bill (English)
- › How To Read Your Residential Bill (Spanish)
- › How To Read Your Commercial Bill (English)
- › How To Read Your Commercial Bill (Spanish)
- › Energy Cost Calculator

### Fuel Adjustment & Rates

- › Fuel Adjustment - Current Month
- › Fuel Adjustment - 13 Month
- › Rates

### Average Cost Per kWh

The October 2021 average cost per kWh for residential customers is 11.6 cents.

The current 12 month average is 11.3 cents.

### Base Rate Cost

The electric and gas charges found on your CPS Energy residential bill are made up of base rate components, the fuel adjustment, and the regulatory adjustment.

The formula for the residential electric base rate combines:

- The **Service Availability Charge** covers the cost of metering and billing for your address, regardless of consumption.
- The **Energy Charge** recovers costs for power plants and other infrastructure based on the amount of electricity you use.
- The **Peak Capacity Charge** applies during the months of June through September when an additional charge of \$0.0198 is added to bills for every kilowatt hour (kWh) used in excess of 600 kWh. The Peak Capacity Charge covers the higher costs for electricity CPS Energy incurs during summer months when the demand for electricity is at its highest.

For the natural gas rate, the residential base rate includes just the Service Availability Charge and the Energy Charge. Each of these items is listed on the back of your bill.

Retail rates contain an electric fuel adjustment, or gas cost adjustment clause, which provides for recovery of fuel costs.

Electric and gas fuel adjustment factors (listed below) are set each month and may be positive or negative, depending on whether fuel costs for the period are above or below the amount that is built into the base rate. As a result, customers may see a charge or a credit on their monthly bill.

For retail customers, the **Fuel Adjustment Charge** may appear as a charge or a credit on your monthly bill. Here's what goes into it:

- **Generated Power Costs**—fuel costs associated with CPS Energy's nuclear, coal, and natural gas units
- **Renewable Power Costs**—renewable energy purchases of wind, solar, and landfill gas
- **Market Power Purchases**—purchases from the open market
- **Save for Tomorrow Energy Plan (STEP)**—recovers portion of costs associated with energy efficiency programs

Costs recovered through the **Regulatory Adjustment** factor include:

We provide a comprehensive analysis of both residential and commercial customer bills on our website