



COST MANAGEMENT: CONSTRUCTIVE PAYDOWN OF DEBT

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Informational Only

AGENDA



- **COST MANAGEMENT UPDATE**
 - **RECENT OCTOBER TRANSACTION**
 - **UPCOMING OPPORTUNITY & REQUEST**

2018 REVENUE REFUNDING TRANSACTION



Revenue Refunding Bonds Transaction Statistics ⁽¹⁾	
Par Amount	\$218.3
Proceeds	\$243.5
Average Life	5.63 years
True Interest Cost	2.79%

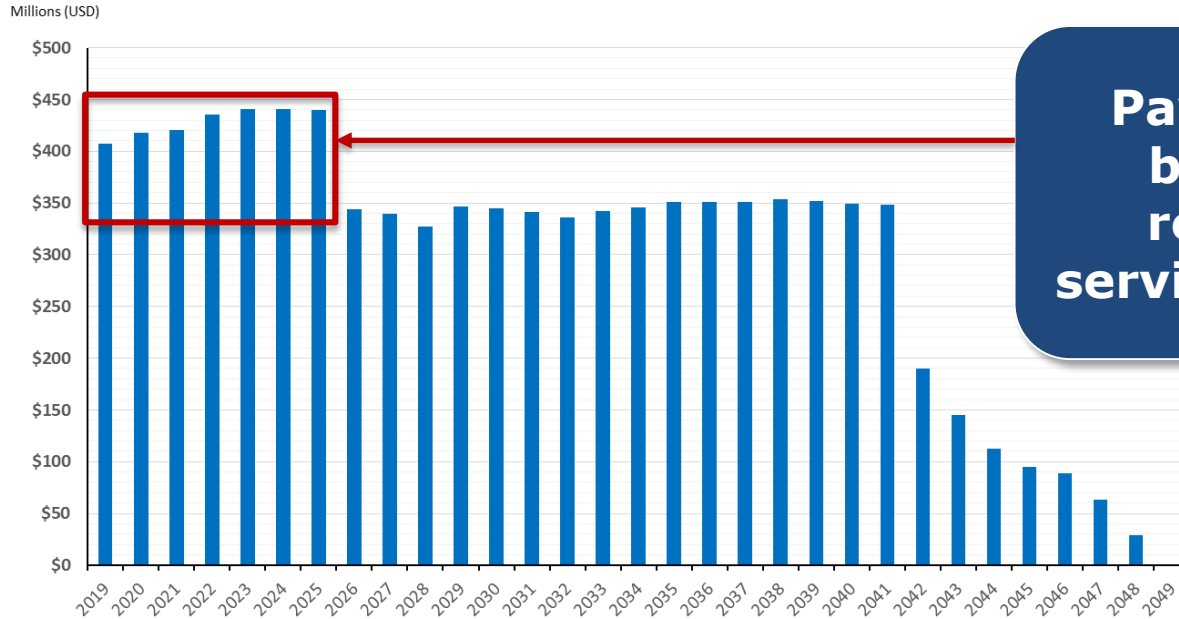
Current Refunding Portion of Transaction Statistics ⁽¹⁾	
Original Par Amount	\$99.1
NPV Savings	\$3.6
% NPV Savings	3.65%
Fixout Portion of Transaction ⁽¹⁾	
Original Par Amount	\$142.3

CPS Energy priced bonds in late October. The transaction was a success, with \$720M in orders on the \$218M issuance (3.3x oversubscription).

⁽¹⁾ \$s in millions

COST MANAGEMENT

DEBT SERVICE REQUIREMENTS



Paying down existing bonds allows us to reduce yearly debt service in targeted years.

Principal & Interest Due by Fiscal Year (Sr. Lien & Jr. Lien)

Note: Data as of August 1, 2018.

COST MANAGEMENT

CONSTRUCTIVE PAY DOWN OF DEBT PROJECTED SAVINGS



This strategy will improve our ADSC & provide debt service savings in future years.

- Results are based on execution of \$130 million of pay downs of maturities in FYs 2020 – 2022. Actual results will vary depending on maturities selected for pay down.

Metric	FY 2020	FY 2021	FY 2022	Total
Maximum Projected Interest Savings	Up to \$6.3M	Up to \$4.2M	Up to \$2.3M	Up to \$12.8M



Thank You