



Current

News from Floresville Electric Light & Power System

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Customers and Assets Increase during 2017

FELPS Financial and Operations Strength Continues

The 2017 financial and operations report for the Floresville Electric Light & Power System shows continued financial strength. The year saw major expenditures for capital improvements that will allow FELPS personnel to continue providing a high level of service for customers.

During 2017, FELPS paid \$6,411,876 in cash and bond proceeds for capital expenditures, an increase of 25.3 percent from 2016 when \$5,115,358 was spent for capital improvements. Capital expenditures were funded with a mix of bond funds and cash reserves. FELPS has now used all proceeds from the 2014 bond issue.

FELPS to Pay Owner Cities

Based on gross electric revenue in 2017, FELPS will pay \$1,164,485 to the three owner cities. Floresville will receive \$745,270 and Stockdale and Poth will each receive \$209,607. The payments represent 3 percent of the utility's gross electric sales within the cities during the previous year.

FELPS also will transfer 2.5 percent of gross electric sales within La Vernia and 2 percent in Falls City.

The payments go into the cities' general funds, allowing the cities to keep tax rates lower than otherwise would be the case.

FELPS Briefs

- The FELPS office will be closed on March 30 for Good Friday. Regular hours will resume at 8 a.m. on April 2.
- To report outages, including on holidays and after business hours (Monday-Friday 8 a.m.-5 p.m.), please call 830-216-7000 and select sub-option 2 or submit your outage through the FELPS web site.
- FELPS supports the stock shows in its service area through contributions. The utility contributed \$1,500 to the buyers' pool for the Wilson County Stock Show and \$1,000 to the La Vernia Stock Show.

Major capital projects during 2017 included adding a second transformer at the Falls City substation to increase reliability and completing civil work in preparation for replacing a power transformer at the Floresville substation. An advanced metering infrastructure was purchased as the first phase of a smart meter project and a 55 foot bucket truck was added to the fleet. FELPS constructed distribution lines to newly developed service areas and replaced rotting poles throughout the service area.

Major Projects Planned

Major projects to be completed in 2018 include replacing the power transformer in the Floresville substation and phase two of the advanced metering infrastructure project, including changing approximately 25 percent of meters to smart meters. FELPS will continue to upgrade technology and plans to purchase a service bucket truck in 2018.

FELPS did not issue any bonds in 2017 but plans a bond issue in 2018. FELPS anticipates a good bond rating based on the 2015 refunding issue experience when the utility earned the coveted A+ rating from Standard & Poor's and an AA- rating from Fitch.

Both rating agencies cited the favorable wholesale power contract FELPS has with CPS Energy which holds an industry-leading credit rating. CPS Energy continues to operate with a diversified fuel mix for generating electricity, including both traditional and renewable fuel sources. This diverse mix of generation fuels and efficiency help keep CPS Energy costs the lowest among the nation's largest cities.

The FELPS agreement with CPS Energy to purchase power continues through Dec. 31, 2025, and includes a cost reduction from the previous contract.

The number of FELPS customers continued to increase, reaching 15,569, an all-time high, at the end of 2017. When the cities of Floresville, Stockdale and Poth purchased the utility system from CPS Energy in 1943, FELPS had 802 customers.

Both operating revenues from electric sales and income increased from the previous year. Operating revenues in

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2017 totaled \$38,816,155, a 0.9 percent increase from 2016. Income was \$3,825,724 in 2017 compared with \$3,741,693 in 2016, a 2.2 percent increase.

Operating and maintenance expenses amounted to \$10,389,019, a slight decline of less than 0.1 percent from last year. Total depreciation expense amounted to \$3,225,128, a 4 percent increase from last year, as a result of additions to distribution facilities.

Higher fuel costs and regulatory charges resulted in purchased power costs of \$26,112,071, approximately 1.4 percent more than in 2016. The fuel and regulatory component of the purchased power cost is passed through to customers in the form of a charge.

Total assets reached \$83,154,360, an increase of \$3,446,669 from 2016. The increase is mostly due to an increase in the capital plant.

FELPS updates its plans and financial analysis annually to ensure continued success in serving customers efficiently. The current financial planning window extends through 2022 and remains on track with the utility's long-range forecast and plans.

FELPS Congratulates Retiree Stevens

Donald J. Stevens retired on Feb. 1 with 39 years of service at FELPS. Stevens began his career in 1979 on the line crew and pole crew. He later worked in the meter department and as a surveyor. Stevens was a service technician at the time of his retirement.

The Board of Trustees and staff of FELPS join in wishing Stevens a long and happy retirement.

Meet New Board Member Johnny Akin

Johnny Akin joined the Floresville Electric Light and Power System Board of Trustees at the beginning of the year to represent the city of Stockdale. A Stockdale native, Akin graduated from Stockdale High School and received a degree in education from the University of Houston.

After a year of teaching in Spring Branch, Akin returned to Stockdale and started Akin Propane, a business he owned and operated for 22 years. His volunteer positions include: charter member of the Stockdale Volunteer Ambulance Assoc., fireman and

fire chief of the Stockdale Fire Dept., service on the Stockdale Independent School District board and member of the board of the State of Texas Propane Dealers Assoc.

An avid hunter and fisherman, Akin is married to Janell and has two adult children and four grandchildren.

Current Board members and their term expiration dates include:

Cecelia Gonzalez-Dippel, Mayor of Floresville
Serves during term as Mayor
Ignacio Vasquez, City of Floresville
December 31, 2018
Mark Moczygemba, City of Poth
December 31, 2019
Sherry Castillo, City of Floresville
December 31, 2020
John Akin, City of Stockdale
December 31, 2021

Advisory Members and their term expiration dates include:

Tim Braniff, City of Falls City
December 31, 2019
Sharon Tanneberger, City of La Vernia
December 31, 2021

FELPS Provides Information in Outages

The FELPS web site includes a tool that allows customers to report outages and learn where outages are occurring. Go to the web site at www.felps.us and select the red ribbon labeled "Outage Map" to see where outages are located.

A colored circle will appear in the area of the outage. The color and size of the circle indicate the magnitude. Basic information, such as the number of customers affected and the estimated restoration time, also is listed. The information shows a close but not exact location to ensure privacy.

To report an outage, select the "Report Outage" tab. You will need to provide identification, such as your account number, meter number or phone number associated with the account. After pressing "submit," you can request a follow-up text or email after the electricity has been restored. Customers also can use the telephone system to report outages.

This tool represents just one of the many ways FELPS continuously works to improve service using technology.



Contacting FELPS

Floresville Electric Light and Power System

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www.felps.us Twitter: @FELPS_Electric Facebook: www.facebook.com/FELPS.OnLine

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Business hours: Monday-Friday 8 a.m.-5 p.m.

After 5 p.m.: (830) 216-7000 (for outages, press sub-option 2, or report outages online)

The Floresville Electric Light and Power System Board of Trustees meets the last Wednesday of each month at 8 a.m. in the utility offices, 1400 Fourth Street, Floresville.