



News from Floresville Electric Light & Power System

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Financial and Operations Report Shows 2021 Results

FELPS Completes Year of Building for Customer Service

The 2021 financial and operations report for FELPS shows the utility is positioned to continue providing competitively-priced, high-quality service to its growing customer base.

The number of FELPS customers continued to increase, reaching an average of 16,778 at the end of 2021, a 2.5 percent increase from 2020. When the cities of Floresville, Stockdale and Poth purchased FELPS in 1943, the utility had 802 customers.

To serve its expanding number of customers, FELPS undertook several construction projects during the year using \$15,107,949 million in cash and bond funds. FELPS tested and replaced poles throughout the system, added distribution lines in developing areas, constructed a new circuit out of the Sutherland Springs substation and began installing protection at all four FELPS substations, work that will continue in 2022. FELPS also constructed a new office complex to consolidate all activities and completed a communication tower at the new location.

FELPS continues to purchase wholesale power from CPS Energy, which has a diverse portfolio of power sources and an industry-leading credit rating. The current wholesale agreement began Jan. 1, 2016, and was renegotiated during 2016 to include a cost reduction and extension through Dec.

FELPS Briefs

- Please note that the FELPS office will be closed on May 30 for Memorial Day and on July 4 for Independence Day. Regular office hours will resume at 8 a.m. on the following business day in each case.
- To report outages by telephone, including on holidays and after business hours (Monday-Friday 8 a.m.-4:30 p.m.), please call 830-216-7000 and select sub-option 2 or submit your outage through the FELPS website www.felps.us.
- Visit www.felps.us and follow us on Facebook and Twitter to get FELPS information and to learn about services.

31, 2025. The renegotiated contract began Jan. 1, 2021, and changed the pricing structure for fuel charges from being tied to the CPS Energy system rate to one tied to heat rate.

During Winter Storm Uri in February 2021, FELPS was affected by high natural gas prices. FELPS hedged 75 percent of its daily gas requirements during the year, the maximum hedging level allowed by its risk management guidelines. Because the strength of the storm was unprecedented, FELPS owes substantial amounts to CPS Energy for natural gas during the storm. A loss for the year of \$19,266,328 was due primarily to the additional cost of purchased power during Winter Storm Uri. By comparison, in 2020 FELPS had income of \$4,801,673.

In August 2021, FELPS and CPS Energy executed a Confidential Standstill and Tolling Agreement for the February billing period as CPS Energy pursues legal action against their gas suppliers. The outcome of the legal action may affect the amount FELPS owes. During August, FELPS made an initial payment of approximately \$10.2 million toward the February invoice.

The cost for purchased power in 2021 was \$49,241,582, approximately 81 percent more than in 2020. The significant increase was due to gas prices during Winter Storm Uri. FELPS has begun recovering those costs and will expect to collect the full amount within five years.

Operating revenues from electric sales for 2021 totaled \$37,809,064, a 7 percent decrease from the previous year. The decrease in revenue is attributed to the decrease in generation and transmission costs.

Operating and maintenance expense other than purchased power costs amounted to \$9,287,856, 4 percent higher than the previous year. Total depreciation expense amounted to \$4,128,639, a 25 percent increase from 2020 and includes depreciation on the new facility.

Total assets at the end of 2021 amounted to \$122,521,960, an increase of \$13,093,473, reflecting the addition of several new capital projects, including the new facility and other capital projects undertaken during the year.

The FELPS financial planning window extends through 2026. At the end of 2021, FELPS remained on track for its long-range forecast and plans. As the utility looks ahead to the future, FELPS will continue to provide good service at reasonable rates.

New Board Member Represents La Vernia

The La Vernia City Council has named Tommy Scogin to represent the city as an advisory member on the FELPS Board of Trustees. He retired in 2010 from the Texas Animal Health Commission as a livestock inspector in South Texas, a job that included work in six counties.

Scogin and his wife have three sons, a daughter and eight grandchildren. In his leisure time, he enjoys hunting, fishing on the bay, genealogy and participating in livestock shows.

He replaces Sharon Tanneberger on the Board and will serve a four-year term.

New CEO Joins FELPS

Mark Crowson has joined FELPS as CEO, bringing with him 40 years of experience in the electric utility and power transmission and distribution construction industries. Before joining FELPS, he served as president and CEO of PLH Group, one of the largest nationwide engineering and construction firms serving the electric utility industry.

Crowson worked more than 20 years at TXU/Oncor Electric Delivery and its predecessor companies in distribution engineering, transmission engineering, distribution operations, region management and asset management.

He holds a Bachelor of Science degree in electrical engineering from the University of Texas at Arlington. He has served numerous professional engineering organizations in leadership roles and was a finalist for the Southwest Region for the EY Entrepreneur of the Year.

"I'm excited to take on this new role and work with the FELPS employees," said Crowson. "FELPS is well-positioned to serve its communities with a safe, reliable and affordable energy source. I'm optimistic that FELPS will continue to meet the future needs of its communities through innovation and technology and by mentoring and developing its employees."

FELPS Contracts Pole Work

FELPS again has contracted with Osmose Utilities Services to continue its 10-year plan for pole assessments. The company will inspect FELPS-owned poles for resiliency and decay. FELPS can then catch problems early to ensure safety.

This year's inspection will include Sutherland Springs, Stockdale, Cestohowa and areas of CR 230 and State Highway 123.

Osmose personnel will carry identification and will appreciate customer cooperation in gaining access to FELPS infrastructure.

FELPS Funds Scholarships and Youth Programs

Continuing its annual tradition, FELPS will help sponsor summer youth programs in the five cities in the service area and will support scholarships to graduating seniors at each of the five area high schools.

FELPS has increased the number and amount of scholarships to be awarded at each of the five high schools—Floresville, Poth, La Vernia, Stockdale and Falls City—to assist students with tuition at accredited colleges, universities or technical institutions.

Four Floresville students will receive scholarships of \$1,000 each, as will two students each from Poth and Stockdale. One student each from La Vernia and Falls City also will receive \$1,000 scholarships.

Scholarship awards and the application process are handled by the school districts. Parents or guardians of scholarship recipients must be FELPS customers and students must have good academic and disciplinary records.

FELPS will donate \$2 per meter as a match for funds dedicated by each city to provide summer youth programs in Falls City, Floresville, La Vernia, Poth and Stockdale.

Designation Calls Attention to Safety

May is designated as National Electrical Safety Month to encourage the practice of safety around electricity. Modern technology and more than a century of experience have given us the ability to use electricity wisely and safely. Just follow a few tips to stay safe:

- When carrying ladders, pipes or other long items, always look up to locate power lines and avoid hitting them.
- Watch where you dig to avoid hitting underground lines. Call for a locator to mark underground services before completing digging projects.
- Never use electric equipment around water. Take particular care in the kitchen and bathroom when using electric appliances and never use electric tools in the rain or on wet surfaces.
- Never touch a fallen wire or assume the wire is not energized. If a power line is on the ground or hanging loose, call FELPS to report it at 830-216-7000 and select sub-option 2.
- Use ground fault circuit interrupter (GFCI) outlets in bathrooms and kitchens where water is used and for outdoors.

FELPS

Contacting FELPS

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Business hours: Monday-Friday 8 a.m.-4:30 p.m. Drive-through closes at 4:15 p.m.

The FELPS Board of Trustees meets the last Wednesday of each month at 8:30 a.m. in the utility offices, 187 Highway 97 E., Floresville.