

Control Number: 34277



Item Number: 75

Addendum StartPage: 0



May 12, 2020



Central Records
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

RE: Project No. 34277 Annual Report on the Status of Nuclear Decommissioning Funds for the Calendar Year Ending December 31, 2019

Central Records:

Enclosed are three copies of CPS Energy's 2019 Status of Nuclear Decommissioning Funds Report filed to meet the obligations of the City of San Antonio acting by and through the City Public Service Board, pursuant to PUC Substantive Rule 25.303(f)(6). The report provides detailed information on the status of our South Texas Project nuclear decommissioning trust acquired from AEP Texas Central Company.

If there are any questions regarding any of the information contained in this report, please contact Shannon Albert at 210-353-3818.

Sincerely,

A handwritten signature in black ink that reads "Gary Gold".

Gary Gold
Vice President – Corporate Services

GG:cj

Enclosures

Cc: Ms. Delores Lenzy-Jones
Ms. Abi Ottmers
Ms. Julie Johnson
Ms. Cheryl Yager
Ms. Phyllis Wilson

Ms. Shannon R. Albert
Mr. Gabriel Garcia
Ms. San Juanita Loreda
Ms. Lindsey Fenderson

75



STATUS OF NUCLEAR DECOMMISSIONING FUNDS TRANSFeree COMPANY ANNUAL REPORT

For Calendar Year 2019*

* CPS Energy purchased 47.619% of AEP's 25.2% ownership in the South Texas Nuclear Project on May 19, 2005.

STATUS OF NUCLEAR DECOMMISSIONING FUNDS--TRANSFEREE COMPANY ANNUAL REPORT

Line		Unit 1		Unit 2		Pre-shutdown Fund ¹		Spent Fuel Fund	
1	Part A: Trust Activity								
2									
3	TOTAL COMPANY	Qualified	Non-Qualified	Qualified	Non-Qualified	Qualified	Non-Qualified	Qualified	Non-Qualified
4	Prior Year Balance	-	\$ 48,574,461	\$ -	\$ 67,214,018	\$ -	\$ 6,044,593	\$ -	\$ 30,965,829
5	Prior Period Adjustment	-	-	-	-	-	-	-	-
6	Prior Year Adjusted Ending Balance	-	48,574,461	-	67,214,018	-	6,044,593	-	30,965,829
7	Reallocation	-	-	-	-	-	-	-	-
8	Net Investment Earnings	-	6,863,173	-	9,498,475	-	126,493	-	4,746,563
9	Preshutdown Decommissioning/Spent Fuel Expense	-	-	-	-	-	-	-	(371,549)
10	Total Deposits	-	-	-	-	-	113,980	-	-
11	Ending Balance	\$ -	\$ 55,437,634	\$ -	\$ 76,710,493	\$ -	\$ 6,285,066	\$ -	\$ 35,340,843
12									
13	TEXAS JURISDICTION								
14	Prior Year Balance	\$ -	\$ 48,574,461	\$ -	\$ 67,214,018	\$ -	\$ 6,044,593	\$ -	\$ 30,965,829
15	Prior Period Adjustment	-	-	-	-	-	-	-	-
16	Prior Year Adjusted Ending Balance	-	48,574,461	-	67,214,018	-	6,044,593	-	30,965,829
17	Reallocation	-	-	-	-	-	-	-	-
18	Earnings	-	6,863,173	-	9,498,475	-	126,493	-	4,746,563
19	Preshutdown Decommissioning/Spent Fuel Expense	-	-	-	-	-	-	-	(371,549)
20	Total Deposits	-	-	-	-	-	113,980	-	-
21	Ending Balance	\$ -	\$ 55,437,634	\$ -	\$ 76,710,493	\$ -	\$ 6,285,066	\$ -	\$ 35,340,843
22									
23									
24	Part B: Trust Investments								
25									
26		Unit 1		Unit 2		Pre-shutdown Fund ¹		Spent Fuel Fund	
27	Asset Type (Specify)	Qualified	Non-Qualified	Qualified	Non-Qualified	Qualified	Non-Qualified	Qualified	Non-Qualified
28	U S Equities	-	23.5%	-	23.5%	-	-	-	23.5%
29	Commingled Equity Funds	-	9.7%	-	9.7%	-	-	-	9.7%
30	International Equities	-	3.6%	-	3.6%	-	-	-	3.6%
31	U S Fixed Income	-	61.8%	-	61.8%	-	-	-	61.8%
32	Commingled Fixed Income Funds	-	-	-	-	-	-	-	-
33	Cash and Cash Equivalents	-	0.8%	-	0.8%	-	99.9%	-	0.8%
34	Other--Accrued Income and Expenses	-	0.6%	-	0.6%	-	0.1%	-	0.6%
35	Total	-	100.0%	-	100.0%	-	100.0%	-	100.0%
36									
37									
38									
39	Equity Characteristics	Qualified	Non-Qualified	Qualified	Non-Qualified	Qualified	Non-Qualified	Qualified	Non-Qualified
40	Portfolio Beta	Not Applicable	1.00	Not Applicable	1.00	Not Applicable	Not Applicable	Not Applicable	1.00
41	Time Period & Method of Beta Calculation	Not Applicable	2019, 1 year historic	Not Applicable	2019, 1 year historic	Not Applicable	Not Applicable	Not Applicable	2019, 1 year historic
42	Benchmark Beta and Description	Not Applicable	1 S&P 500	Not Applicable	1 S&P 500	Not Applicable	Not Applicable	Not Applicable	1 S&P 500
43	Price/Earnings Ratio	Not Applicable	21.67x	Not Applicable	21.67x	Not Applicable	Not Applicable	Not Applicable	21.67x
44	% of Equities with Quality Rankings	Not Applicable	84.81%	Not Applicable	84.81%	Not Applicable	Not Applicable	Not Applicable	84.81%
45	Weighted Average Quality Ranking	Not Applicable	B+	Not Applicable	B+	Not Applicable	Not Applicable	Not Applicable	B+
46	S&P 500 Quality Ranking ²	Not Applicable	B+	Not Applicable	B+	Not Applicable	Not Applicable	Not Applicable	B+
47									
48									
49		Unit 1		Unit 2		Pre-shutdown Fund ¹		Spent Fuel Fund	
50	Bond Allocations	Qualified	Non-Qualified	Qualified	Non-Qualified	Qualified	Non-Qualified	Qualified	Non-Qualified
51	US Government & Agencies	-	30.8%	-	30.8%	-	-	-	30.8%
52	Mortgages	-	-	-	-	-	-	-	-
53	Corporate	-	27.3%	-	27.3%	-	-	-	27.3%
54	Asset Backed	-	-	-	-	-	-	-	-
55	Municipals	-	2.4%	-	2.4%	-	-	-	2.4%
56	Cash Equivalents	-	0.8%	-	0.8%	-	99.9%	-	0.8%
57	Other	-	1.3%	-	1.3%	-	0.1%	-	1.3%
58	Total	-	62.6%	-	62.6%	-	100.0%	-	62.6%
59									
60									
61	Bond Characteristics	Qualified	Non-Qualified	Qualified	Non-Qualified	Qualified	Non-Qualified	Qualified	Non-Qualified
62	Portfolio Bond Quality Rating	Not Applicable	AA	Not Applicable	AA	Not Applicable	Not Applicable	Not Applicable	AA
63	Benchmark Quality Rating	Not Applicable	AA	Not Applicable	AA	Not Applicable	Not Applicable	Not Applicable	AA
64	Portfolio Duration	Not Applicable	5.71	Not Applicable	5.71	Not Applicable	Not Applicable	Not Applicable	5.71
65	Benchmark Duration	Not Applicable	5.84	Not Applicable	5.84	Not Applicable	Not Applicable	Not Applicable	5.84

STATUS OF NUCLEAR DECOMMISSIONING FUNDS--TRANSFEREE COMPANY ANNUAL REPORT

Line **Part C: Other Information**

	Unit 1		Unit 2		Pre-shutdown Fund ¹		Spent Fuel Fund	
	Qualified	Non-Qualified	Qualified	Non-Qualified	Qualified	Non-Qualified	Qualified	Non-Qualified
% Fees of Average Annual Balance of Portfolio Paid From Trust	-	0.299%	-	0.299%	-	-	-	0.299%
Name of Trustee(s): Frost National Bank								
Last Decommissioning Cost Estimate								
Date:		May 2018		May 2018		May 2018		May 2018
Amount (\$000s):	-	\$ 79,488	-	\$ 81,977		\$ 4,936		\$ 111,462
Currently Allowed Decommissioning Expense ² :								
Jurisdiction	Effective date	Docket No.	Company Amount (\$)	Jurisdictional Amount (\$)				
Texas	3/1/2019	46566	\$ -	\$ -				

Line **Part D: Receipts/Deposits Schedule**

Date of Receipts from Collecting Utility	Amount of Receipts From Collecting Utility
January	\$ 12,849
February	\$ 11,878
March	\$ 14,317
April	\$ 13,089
May	\$ 14,716
June	\$ 14,709
July	\$ 24,701
August	\$ 7,721
September	\$ -
October	\$ -
November	\$ -
December	\$ -
Total	\$ 113,980

Percentage of Total Receipts From Collecting Utility to Currently Allowed Decommissioning Expense:
0.00% Calc verified

Date of Deposits	Unit 1		Unit 2		Pre-shutdown Fund ¹		Spent Fuel Fund	
	Qualified	Non-Qualified	Qualified	Non-Qualified	Qualified	Non-Qualified	Qualified	Non-Qualified
January	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,849	\$ -	\$ -
February	-	-	-	-	-	\$ 11,878	-	-
March	-	-	-	-	-	\$ 14,317	-	-
April	-	-	-	-	-	\$ 13,089	-	-
May	-	-	-	-	-	\$ 14,716	-	-
June	-	-	-	-	-	\$ 14,709	-	-
July	-	-	-	-	-	\$ 24,701	-	-
August	-	-	-	-	-	\$ 7,721	-	-
September	-	-	-	-	-	\$ -	-	-
October	-	-	-	-	-	\$ -	-	-
November	-	-	-	-	-	\$ -	-	-
December	-	-	-	-	-	\$ -	-	-
Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 113,980	\$ -	\$ -

STATUS OF NUCLEAR DECOMMISSIONING FUNDS--TRANSFEREE COMPANY ANNUAL REPORT

1	Part E: Reported Annual Rate of Return								
2		Unit 1		Unit 2		Pre-shutdown Fund ¹		Spent Fuel Fund	
3	Portfolio Pre-Tax Return ⁴	Qualified	Non-Qualified	Qualified	Non-Qualified	Qualified	Non-Qualified	Qualified	Non-Qualified
4	One Year Annual Return	Not Applicable	14.20	Not Applicable	14.20	Not Applicable	Not Applicable	Not Applicable	14.20
5	Three Year Annual Return	Not Applicable	6.80	Not Applicable	6.80	Not Applicable	Not Applicable	Not Applicable	6.80
6	Five Year Annual Return	Not Applicable	5.00	Not Applicable	5.00	Not Applicable	Not Applicable	Not Applicable	5.00
7	Since Inception Annual Return	Not Applicable	5.60	Not Applicable	5.60	Not Applicable	Not Applicable	Not Applicable	5.60
8									
9	Portfolio After-Tax Return								
10	One Year Annual Return	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
11	Three Year Annual Return	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
12	Five Year Annual Return	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
13	Since Inception Annual Return	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
14									
15	Benchmark Pre-Tax Return								
16	One Year Annual Return	Not Applicable	15.00	Not Applicable	15.00	Not Applicable	Not Applicable	Not Applicable	15.00
17	Three Year Annual Return	Not Applicable	6.80	Not Applicable	6.80	Not Applicable	Not Applicable	Not Applicable	6.80
18	Five Year Annual Return	Not Applicable	5.20	Not Applicable	5.20	Not Applicable	Not Applicable	Not Applicable	5.20
19	Since Inception Annual Return	Not Applicable	5.70	Not Applicable	5.70	Not Applicable	Not Applicable	Not Applicable	5.70
20									
21	Benchmark After-Tax Return								
22	One Year Annual Return	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
23	Three Year Annual Return	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
24	Five Year Annual Return	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
25	Since Inception Annual Return	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
26									
27	Benchmark Descriptions								
28	Policy Index since 4/2016: 14% Russell 3000 / 13% MSCI ACWI ex USA / 64% Bloomberg Barclays US Aggregate / 9% Wilshire RESI								
29	(60% Barclays Capital Aggregate, 25% S&P 500, 10% FTSE NAREIT 5% FTSE All World ex-US)								
30									
31									
32									

¹ Preshutdown expense allocations are calculated based on the equity within the Preshutdown account, not the Trust as a whole.

² An S&P equity quality rating of B+ is equivalent to an S&P debt rating of BBB. In prior years, CPS Energy reported the equivalent debt rating (BBB). Going forward, CPS Energy will report the equity quality rating.

³ In 2019, the PUCT approved requests from both CPS Energy and AEP to reduce funding to \$0. With the implementation of those orders, contributions were reduced to \$0 by September 2019.

⁴ CPS Energy's portfolio inception date is June 1, 2005. All portfolio and return information provided by Mercer Investment Consulting, LLP.

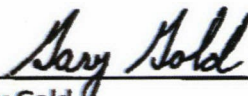
AFFIDAVIT

COUNTY OF BEXAR §
STATE OF TEXAS §

BEFORE ME, the undersigned authority, on this day personally appeared Gary Gold, personally known to me, and who, being by me first duly sworn, upon oath, deposed and stated as follows:

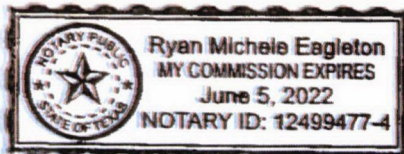
My name is Gary Gold. I am over eighteen (18) years of age, am of sound mind, and am fully competent to make this statement. I have personal knowledge of every statement made herein. The statements made are true and correct.


As Vice President – Corporate Services for CPS Energy, I oversee the area responsible for compiling CPS Energy's 2019 Status of Nuclear Decommissioning Funds Report filed to meet the obligations of the City of San Antonio, acting by and through the City Public Service Board, pursuant to PUC Substantive Rule 25.303(f)(6). I hereby attest that the information contained in the report is accurate and is based upon knowledge reasonably relied upon in the conduct of CPS Energy's business.



Gary Gold

Sworn to and subscribed before me on the 12th day of May 2020.





Notary Public
In and for the State of Texas

My commission expires: 6-5-2022