



FY2025 FINANCING PLAN

PRESENTED BY:

CORY KUCHINSKY, CPA
Chief Financial Officer & Treasurer

May 2, 2024
Council Approval Requested

- **FY2025 Financing Plan**
 - ✓ Refunding of Debt
 - ✓ Other Opportunities
- **Request for Approval**

Our objective today is to receive approval for financial transactions that improve our liquidity and generate savings for our customers.

REFUNDING OF DEBT

OVERVIEW

- **Refunding of outstanding short-term debt - \$1.5B** – Refunds any outstanding short-term debt into long-term bonds to replenish the interim financing programs
- **Tender of New Series 2020 & 2022 Bonds - \$597.5M** – Reauthorization to convert outstanding Taxable to Tax-Exempt debt which can generate debt service savings (\$1.0M - \$3.0M), subject to market conditions and bond holder participation
- **Refunding of New Series 2010A (BAB's) - \$280.0M** – Reduces exposure to partial loss or full elimination of the federal subsidy, subject to market conditions
- **Refunding of Series 2015 A & C Bonds - \$223.9M** – The flexibility to either secure short-term rates for an additional 1 to 7 years or refund into long-term bonds
- **Refunding of Series 2014 Bonds - \$30.8M** – Refunding reauthorization of callable bonds to lower interest rate and generate debt service savings (\$3.0M - \$5.0M), subject to market conditions

These standard transactions will provide the flexibility needed to support our planned operations and provide potential debt service savings of approximately \$4.0M - \$8.0M.

OVERVIEW

- **New Money Bonds - \$310.0M** – Interest rate markets currently provide an additional option to support the funding needs of our FY2025 Capital Program by issuing long-term bonds to maintain our short-term debt capacity without additional cost, subject to market conditions
- **Extendible Municipal Commercial Paper - \$150.0M** – An additional interim financing tool to issue Commercial Paper directly to investors, which mitigates our risk of losing liquidity providers due to state imposed regulatory changes related to SB13 and SB19
- **Replacement of Paying Agent(s)** – Provides an opportunity to obtain competitive pricing and possibly reduce costs

These opportunities provide additional methods for securing capital funds in support of our approved budget.

REQUESTS FOR APPROVAL

COUNCIL APPROVAL - Authorize, without the obligation, to execute the following transactions by delegating authority to the Chief Executive Officer or other designated Officials over the next 12 months:

Proposed Actions: Executable before May 2, 2025	Authorization Amount / Reason
Refunding of Debt	
Refunding of outstanding short-term debt	\$1.5B / Refund short term financing facilities
Tender of New Series 2020 & 2022	\$597.5M / Potential debt service savings \$1.0M – \$3.0M
Refunding of New Series 2010A (BABs)	\$280.0M / Reduces exposure to partial loss or the full elimination of the federal subsidy
Refunding of Series 2015 A & C Bonds	\$223.9M / Convert to long-term bonds
Refunding of Series 2014 Bonds	\$30.8M / Potential debt service savings \$3.0M - \$5.0M
Other Opportunities	
New Money Bonds	\$310.0M / Provide support for approved capital program
Extendible Municipal Commercial Paper	\$150.0M / Reduces risk of losing liquidity due to SB13 and SB19
Replacement of Paying Agent(s)	Opportunity to obtain competitive pricing

This approval will enable CPS Energy to continue to support the investments in our community, improve our risk profile, and seek potential savings for our customers.



THANK YOU