



Questions from Rate Advisory Committee Meetings



General
(CPS Energy & Industry)

Question asked by: Dana McGinnis

Date question asked: June 10, 2021

Date question answered: July 2, 2021

Question: What is R&R?

Answer: R&R is an acronym for the "Repair & Replacement Account."

The R&R Account is essentially CPS Energy's savings account, where revenues are required to be deposited according to the Bond Ordinance provisions. Much like individuals have savings accounts and try to save a bit each month, we save a bit each month for the big expenses.

Specifically, outflows from the R&R Account typically are used to pay for our planned capital spend. Outflows can also be used for paying down debt and paying certain unexpected expenses of any nature.

This account is identified and outlined in the Bond Ordinance as an account into which the organization will deposit funds as required by the Ordinance. R&R funds shall be used for the following purposes: providing extensions, additions, and improvements to the Systems; meeting contingencies of any nature in connection with the operations, maintenance, improvement, replacement, or restoration of properties of the Systems; and paying bonds or other obligations for which other funds are not available, or for any or all of such purposes, as, from time to time, may be determined by the Board of Trustees.