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30TH ANNUAL REPORT FISCAL YEAR ENDED JANUARY 31, 1972



ELECTRICITY/NATURAL GAS

SAN ANTONIO, TEXAS

PUBLIC SERVICE
IS OUR
MIDDLE NAME



PUBLIC SERVICE IS OUR MIDDLE NAME

More than 2,600 employees are "Partners With You For Better Living" in the greater San Antonio area. Through the years, our employees have been indoctrinated with the tradition of combining professional skills with economies of operations. This happy blend has produced a record of reliable service at rates that are among the lowest in the entire nation.



HIGHLIGHTS OF OPERATION

Gross Revenue increased \$7,264,527 to	\$90,715,836
Maximum Electric System Load increased 130,000 KW to	1,274,000
Distribution Substations added 274,400 KVA to total	2,649,749
12.56 Miles of Transmission Lines were added to total	640.7
10, 884 Electric Customers were added to total ..	250,820
7,560 Gas Customers were added to total	212,121
67 Miles of Gas Mains were added to total	2,556

SUMMARY OF APPLICATION OF REVENUE AND SOURCE OF FUNDS FOR IMPROVEMENTS

Gross Revenue for 1971-72	\$90,715,836
Application of Revenue:	
Purchase of Gas and Electricity	\$19,655,008
Other Operating and General Expenses	14,147,225
Maintenance of the Systems	5,094,557
Benefits to the City	12,700,217
For Debt Requirements	9,065,406
Allowances for Depreciation	10,855,363
Balance from Operations	19,198,060
Total	<u>\$90,715,836</u>
Amount Spent for Replacements, Improvements, and Expansion of Gas and Electric Systems	\$45,708,910
Amount Provided for Future Construction	24,591,861
Total	<u>\$70,300,771</u>
Funds Obtained From:	
Depreciation Allowance	\$10,855,363
Balance from Operations	19,198,060
Contributions and Advances in Aid of Construction	2,214,146
Bond Construction Fund	38,033,202
Total	<u>\$70,300,771</u>

TO OUR CUSTOMERS AND BONDHOLDERS:

Your City Public Service Board has had another year of successful operations and has made continuing progress in its long-standing goals of reliably and economically serving its customers in the San Antonio area.

As is detailed in this report, the Board has maintained a strong financial position and is doing long range planning for serving customers on through the difficult years that lie ahead for the entire gas and electric utility industry.

In recent years, the Board has been increasingly concerned over the reserves of its supplier, Coastal States Gas Producing Company. Our supplier holds a 20-year contract, effective April 1, 1962, which provides for up to two trillion cubic feet of natural gas at rates of 21¼¢ mcf the first five years, increasing in increments of 1¢ per mcf every five years.

In 1971, representatives of Coastal States appeared before committees of the Texas Legislature in support of bills which would permit the Texas Railroad Commission to set aside gas supply contracts such as CPSB's and establish new rates if necessary. These bills were vigorously opposed by the Board, the City of Austin, other towns and cities and other pipeline companies.

Since temporary curtailments of power plant gas in the winter of 1968 and 1969, the Board has made repeated requests for a verification of Coastal States' reserves, as provided for in the contract. These have all been refused. It is necessary to determine the continued availability of natural gas in order to make a decision as to whether future power plants should be designed for natural gas or other fuels.

The Board's present generating capability is 1,708,000 kilowatts. The peak last fiscal year was 1,274,000 kw. Peak use of electricity has been increasing in San Antonio at a rate of 11% annually.

In order to maintain adequate reserves, the first 430,000 kw unit of the new O. W. Sommers power plant will go on line in late spring of 1972.

To deal with the complex and far-reaching problems of energy supply and utilization, the energy management function is being greatly expanded. Studies and research projects are being conducted on nuclear energy; utilization of waste heat for water reclamation, solid waste reduction, heating and air conditioning; advanced conversion

systems such as fuel cells; energy storage devices; methods of improving load factors; and compressed natural gas as a fuel for cars and trucks to reduce pollution.

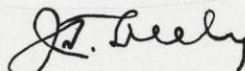
In 1965, the Trustees approved a far-reaching reorganization plan which would update all functions, make maximum use of computers in achieving efficiency and economies and also equip the Board for increasingly complex operations of the future. This program is on schedule and is proving highly successful.

The data base for a Management Information System has been collected and many of the sub-systems are already on line. In December, the Board initiated operations of its new computer-operated Gas and Electric Operations Center, a first in the entire utility industry and a forerunner of many similar systems to be installed by other utilities. An advanced mapping system has been completed and Board personnel are making increasing use of the techniques of operations research, particularly in the short- and long-range forecasts which are so essential in the utility business.

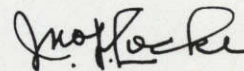
In November, O. W. Sommers retired after a career of 42 years, nearly 13 of which were served as General Manager. He has been replaced by J. T. Deely, who served as Assistant General Manager since 1963 and who has over 35 years of experience with the Board. The Board of Trustees note with deep appreciation the active participation of ex-officio member, Mayor John Gatti, who is instrumental in coordinating the goals of the City and its utilities.

The Board and management staff recognize and appreciate the professional skills and dedicated efforts of our employees, so necessary in attaining our goals. We have provided the latest mechanical devices and are pleased that our employee groups are studying new methods of job approach and utilization of manpower and resources to improve productivity.

With the plans that have been made and the resources of skill and energy that can be applied to all problems, we are confident that we will continue to fulfill our goals on into the future.



J. T. Deely
Gen. Mgr.



John R. Locke
Chairman

MANAGEMENT

TRUSTEES

John R. Locke,
Chairman
Partner, Grace, Locke & Hebdon, Attys.
John H. Morse,
Vice Chairman
Retired Business Executive
Eloy Centeno,
Trustee
President, Centeno Supermarkets, Inc.
John E. Newman,
Trustee
Partner, Newman Brothers
John Gatti,
Ex-Officio Trustee
Mayor, City of San Antonio

MANAGEMENT STAFF

J. T. Deely
General Manager
R. M. Jolly
Assistant General
Manager for Operations

SYSTEM DIRECTORS

L. E. Boulden
Customer Services
J. M. Costello
Personnel
C. Dickens, Jr.
Controller and
Secretary-Treasurer
W. F. Dreiss
Operations Services
B. C. Jackson
Materials and Transportation
J. B. Poston
Engineering
J. K. Spruce
Construction
E. A. West
Information Services

DEPARTMENT MANAGERS

E. F. Braden
Customer Accounts
A. E. Scheppe
Building Operations
and Claims
L. J. Spengler
Customer Relations

FORMER TRUSTEES

Leroy G. Denman, Jr.
2-1-60 to 1-31-70
Albert Steves, III
2-1-62 to 3-15-69
Charles George
11-26-62 to 1-25-65
Gen. John M. Bennett, Jr.
1-6-50 to 1-31-64
Melrose Holmgren
2-1-51 to 10-31-62
J. H. Calvert
10-10-50 to 1-31-62
W. E. Simpson
11-29-48 to 1-31-60
W. P. Napier
10-24-42 to 2-1-51
J. H. Frost
8-6-47 to 10-9-50
D. F. Youngblood
10-24-42 to 12-31-49
Col. W. B. Tuttle
10-24-42 to 11-29-48
Franz C. Groos
10-24-42 to 6-4-47

J. T. Deely, General Manager, third from left is shown with Board of Trustees. Left to right, they are John E. Newman, Mayor John Gatti, Deely, John R. Locke, John H. Morse and Eloy Centeno.

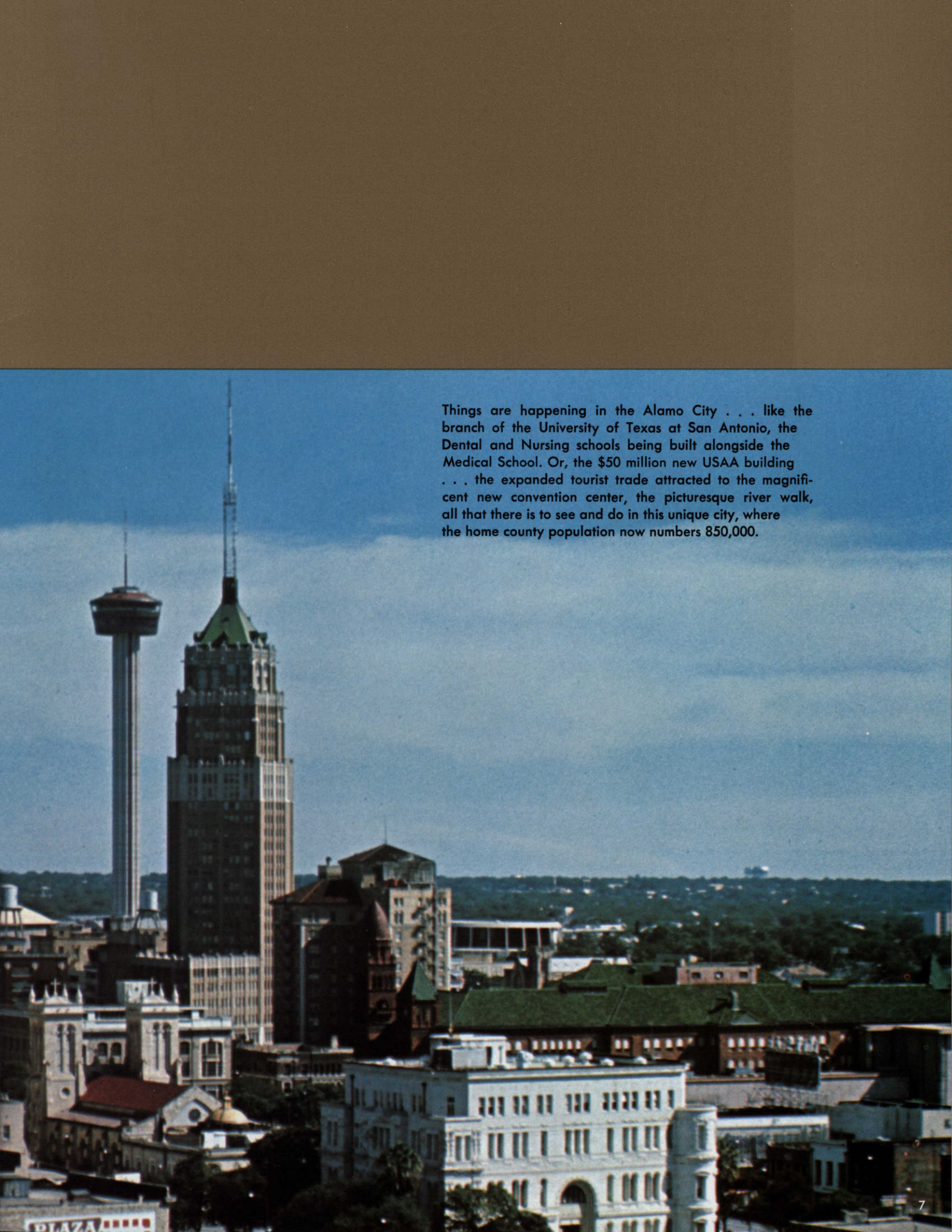


SERVICE: OUR MIDDLE NAME, OUR FIRST CONCERN



We're continually improving our service to you. You can do most of your business with us by phone or through the mails. "Instant information" provides ready answers. Our Customer Service Center is now open 7:30 a.m. to 9:00 p.m. Monday through Friday and 7:30 a.m. to 8:00 p.m. Saturday and Sunday. Emergency service is provided at any hour!



An aerial photograph of San Antonio, Texas, showing a mix of historic and modern architecture. The Tower of the Americas is prominent on the left. The city is surrounded by green hills under a clear blue sky.

Things are happening in the Alamo City . . . like the branch of the University of Texas at San Antonio, the Dental and Nursing schools being built alongside the Medical School. Or, the \$50 million new USAA building . . . the expanded tourist trade attracted to the magnificent new convention center, the picturesque river walk, all that there is to see and do in this unique city, where the home county population now numbers 850,000.

ENERGY: MEN AND MACHINES LIVING UP TO OUR NAME



It takes a wide variety of skills to serve our more than 250,000 customers—all the way from those who can safely blast holes in tough underground rock to linemen who work high overhead on transmission and distribution lines—from the engineer to the girl programmer who writes the instructions to guide the computer in its operations.

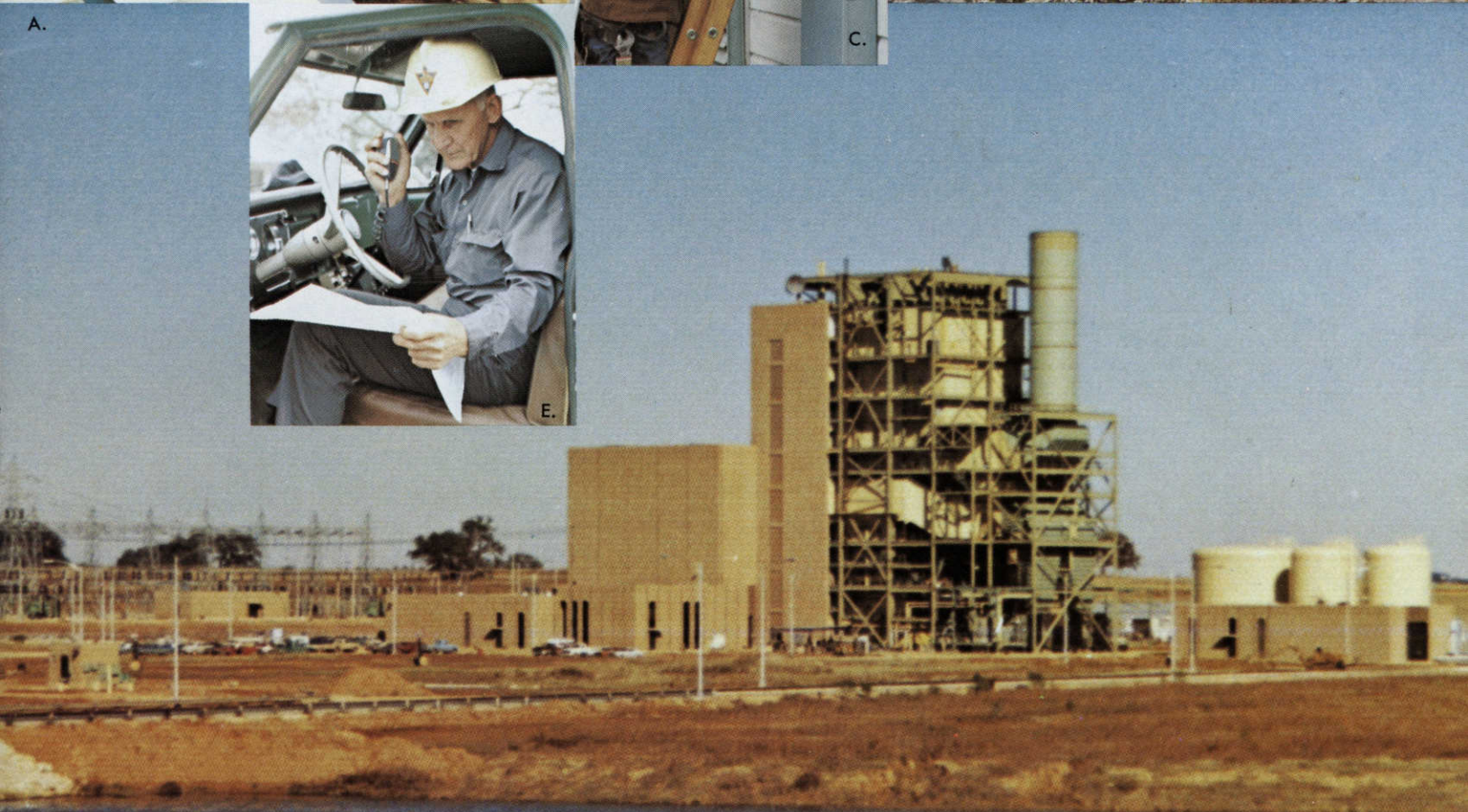
A. Welding pipelines requires special skill. B. Meter testing to insure accuracy. C. Engineering a transmission line. D. Transmission work in progress. E. Testing equipment for safety factors. F. Video data terminals provide instant information.



CPSB employees enjoy good jobs and a full range of benefits including hospitalization, life insurance and a retirement plan. Both employee and the Board participate in payment for these plans. The Board is an equal opportunity employer and has enjoyed excellent relations with

its employees through the years. Employees are offered many encouragements for self-improvement, including training on the job, a tuition refund plan, and a special time-sharing plan for those wishing to obtain their GED high school equivalent education.

A. Sommers Unit No. 1, rated at 430 MW, will be on line in the spring. B. Job conference on the scene. C. Skilled professionals serve customers. D. Joint trenching with URD cable under gas pipe. E. Radio dispatching insures prompt service.



OPERATIONS: RELIABILITY OUR FIRST CONCERN

A. Power plant control room at Braunig plant. B. Two Xerox Sigma 5 Computers operate GEO. C. Training lineman—an essential job. D. CPSB pioneered use of stringing equipment. E. Aerial buckets increase productivity.



A.

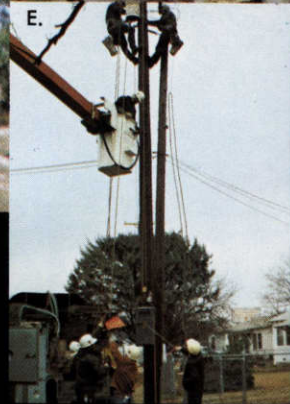


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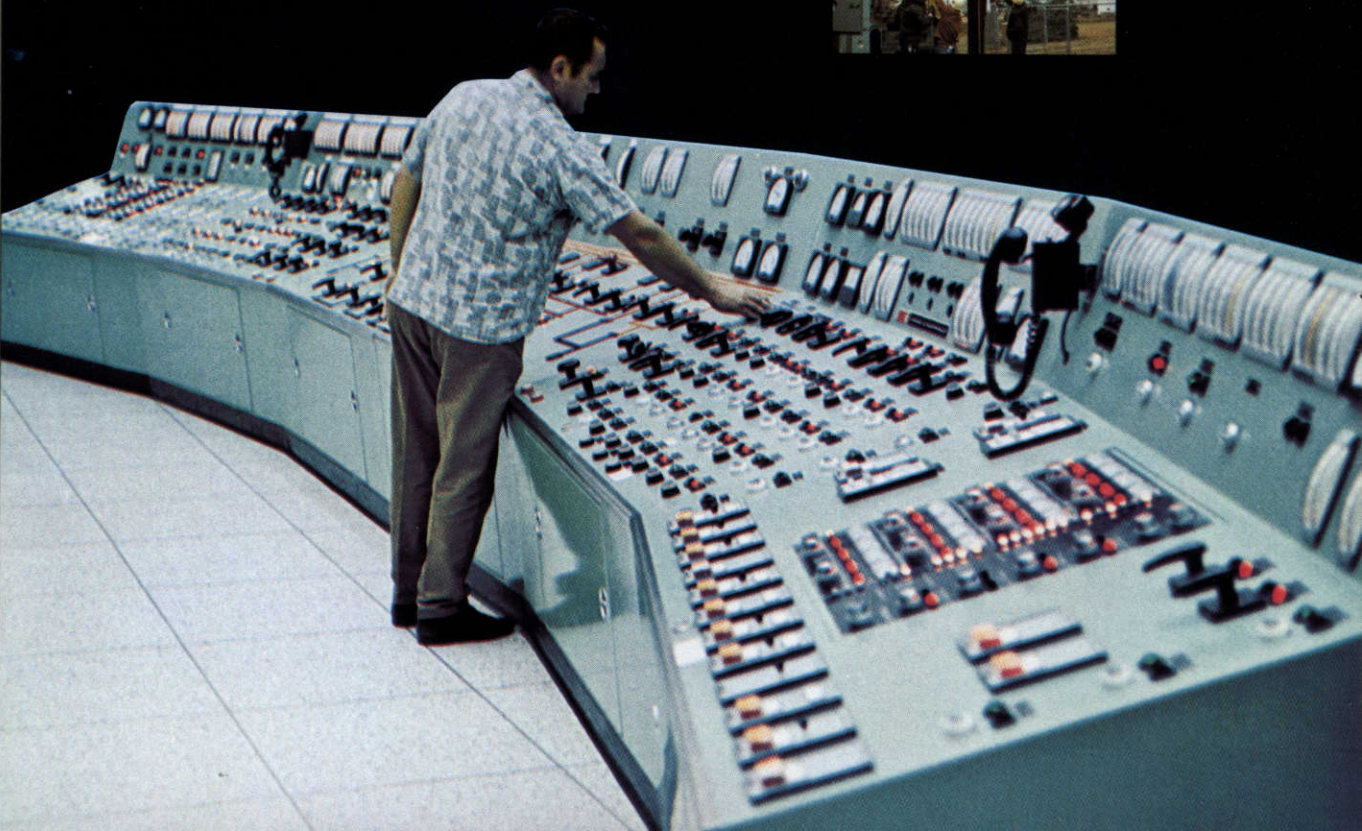
C.



D.



E.



SERVICE: THE PEOPLE WHO MAKE IT HAPPEN

Although weather emergencies are few and far between in San Antonio's climate, the Board has developed highly efficient means for coping with service problems, either small or large. Teletypes from the weather bureau warn of impending storms and crews are alerted to potential danger. The new GEO control system and a highly

developed trouble dispatching system, which utilizes computerized maps and multiple channel radio communications, insures prompt service. Board employees perform emergency and everyday jobs with great skill and dedication. Serving our customers is our principal job and primary concern.

A. Teamwork is the key to construction jobs. B. Laying a gas supply main to a new subdivision. C. Testing for gas leaks at a school. D. New Skyline substation. E. 345 KV transmission towers.



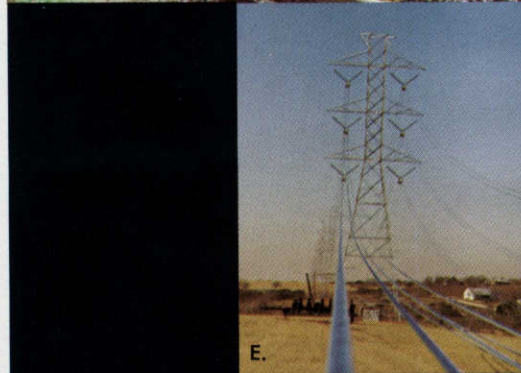
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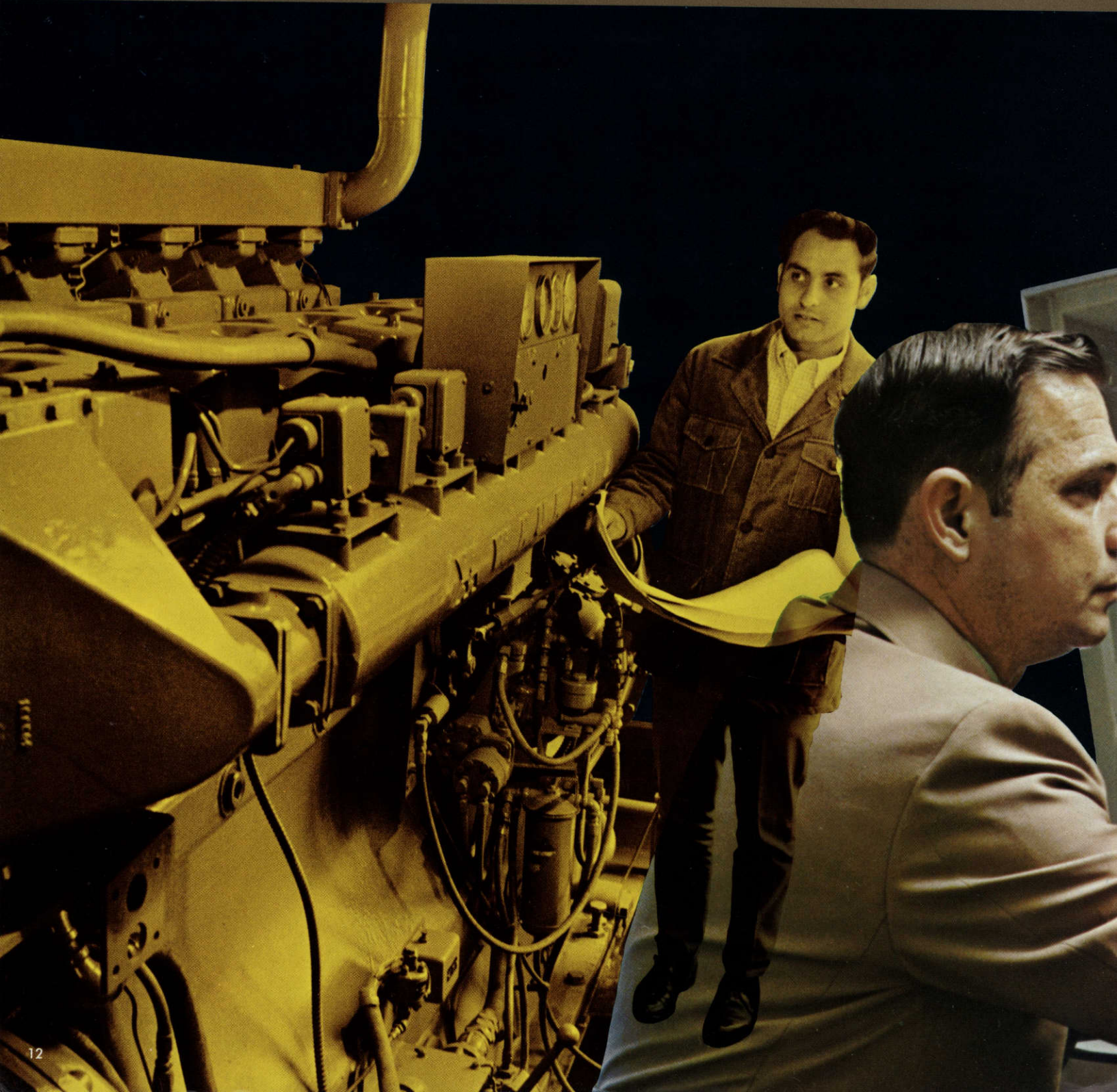
E.



GAS AND ELECTRIC OPERATIONS

In December, 1971, the Board placed into operation a computer-operated Gas and Electric Operations (GEO) control system that is a first in the entire utility industry. It is the first to use the full graphic strokewriter cathode ray tube consoles for utility control. The unique system with its many innovations has attracted industry-wide attention.

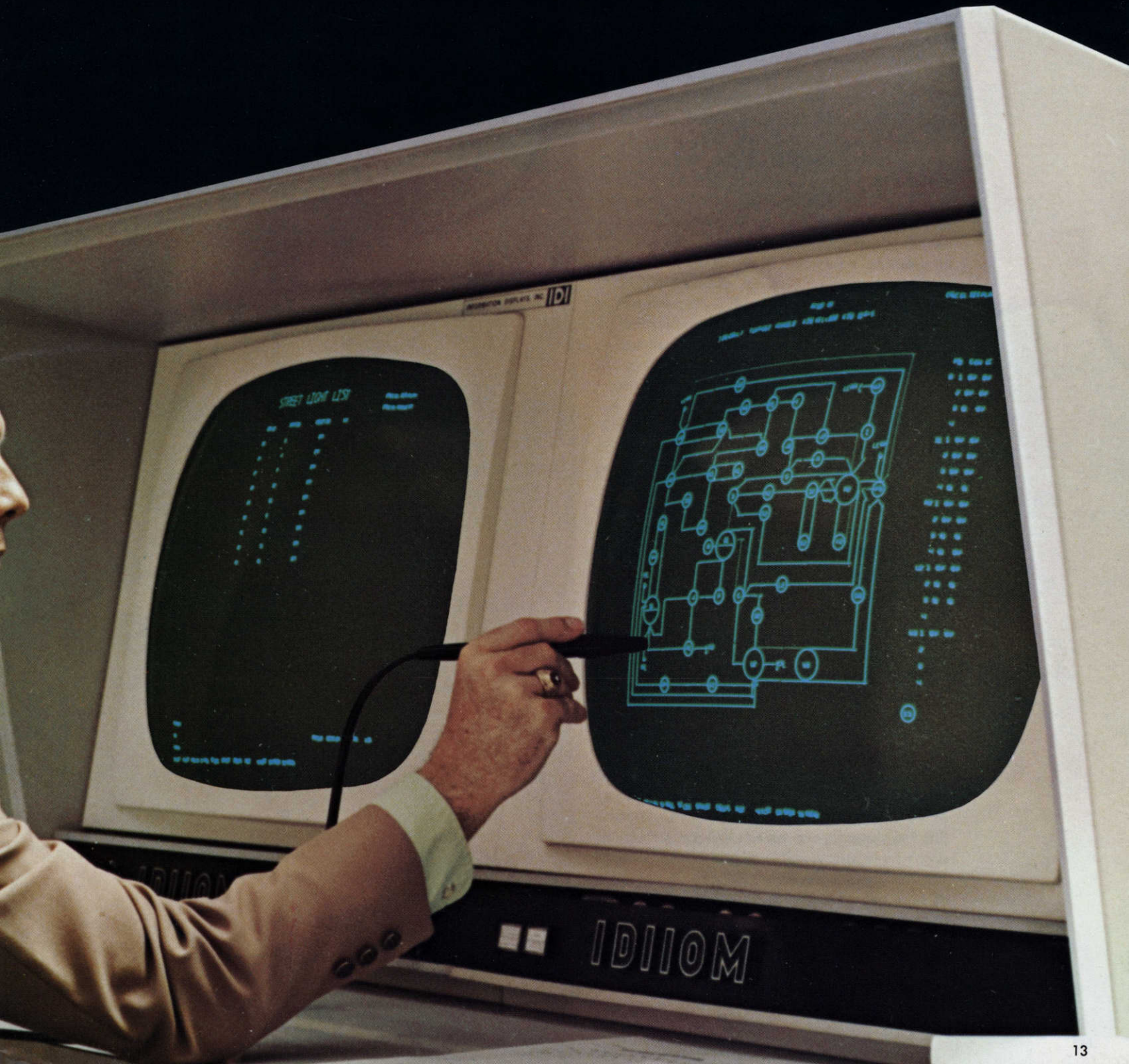
BELOW: Auxiliary diesel generator provides backup to two electrical feeds for GEO center. Batteries provide instant start. All essential equipment has been duplicated to provide reliability.



CONSTRUCTION

It is important to note that the customers, through their use of gas and electricity, determine when new facilities must be added. Facilities must be planned in advance and available when the customer turns the switch or valve. The Board has a construction force of over 1,000 and supplements it with the services of outside contractors for power plants, transmission lines, and other jobs as necessary.

BELOW: Three consoles like these with CRT's activated by light pens are unique feature of the GEO. Computers perform all end actions, average data and print exceptions.



SYSTEMS OPERATION AND EXPANSION

During the past fiscal year, we were again able to serve our customers with a high degree of reliability. There were no major storms, and the few circuit outages caused by local electric storms were repaired within a few hours at most.

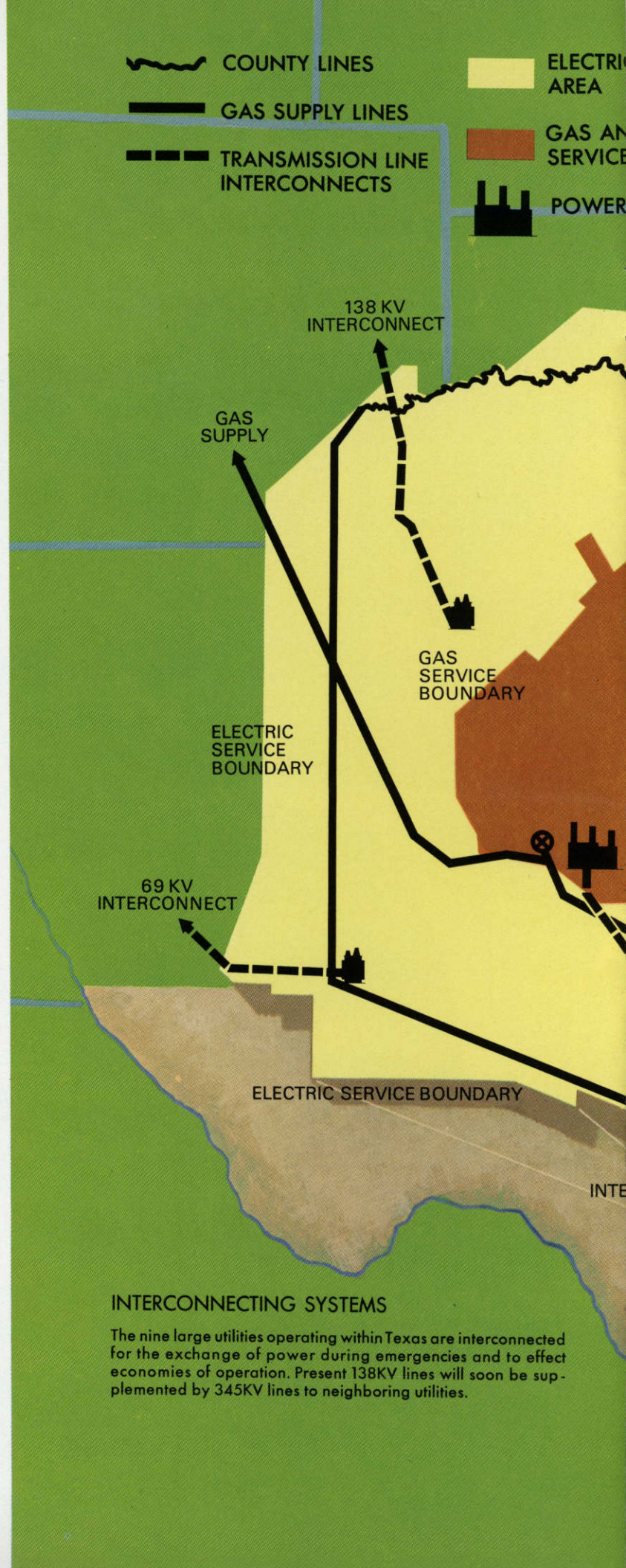
On November 16, an oil line ruptured on a 230,000 KW unit at the Braunig power plant, and the resulting fire caused major damage to the unit. Repairs are being rushed on an emergency basis to have the unit available for the summer peak load. The loss was covered by insurance.

The rapid growth of the San Antonio area, the effects of inflation, the 11% growth in peak use of electricity, and the long lead times in ordering equipment have been continual challenges to the Board. A projection of construction costs over the 1970-75 period indicates a minimum annual expenditure of \$45 million will be necessary, with close to half going for power plant construction.

The first unit of the Sommers power plant is nearing completion and should be on line in late spring. The 430,000 KW unit will be needed to augment the present generating capability of 1,708,000 KW in meeting summer peak loads and providing the necessary reserves to insure reliability of service. Similar units have been ordered and will come on line in 1974 and 1976. The 1976 unit will be modified to permit continuous operation on oil if necessary. The Board has made no commitment for the type of fuel and generation beyond 1982, the end year of the present gas contract, but must firm up plans in the near future.

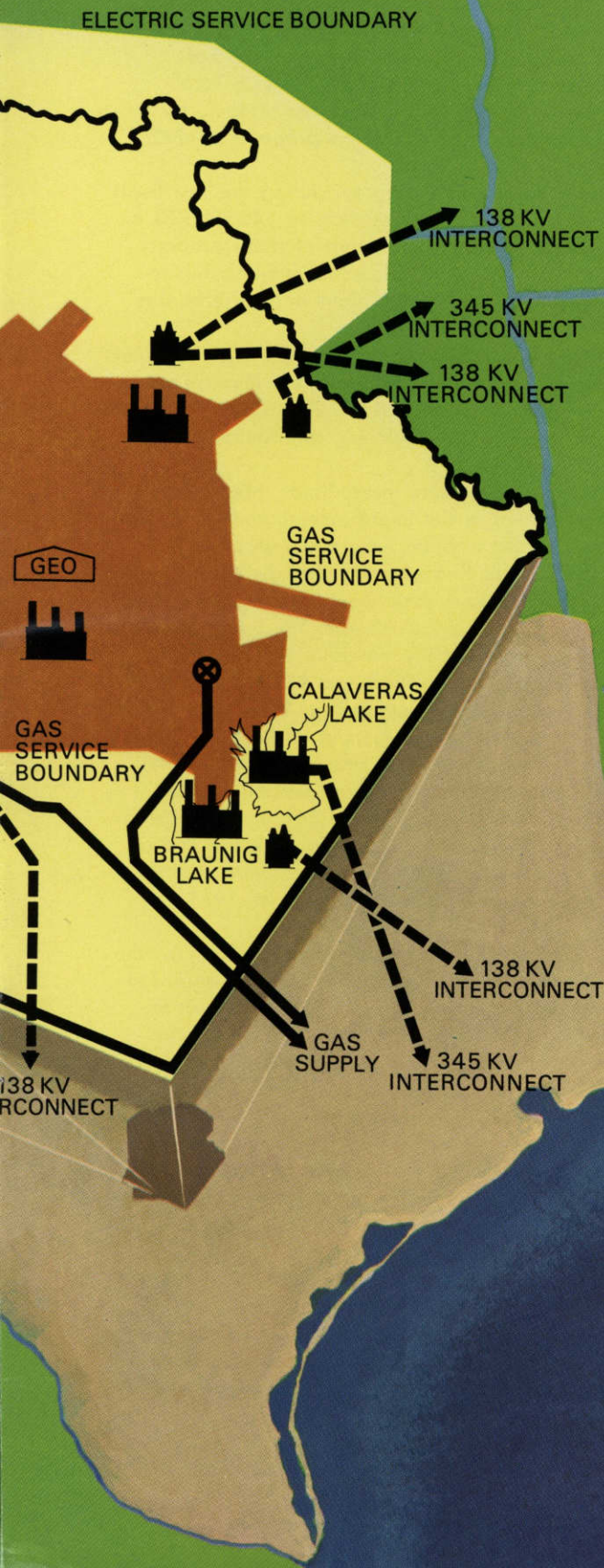
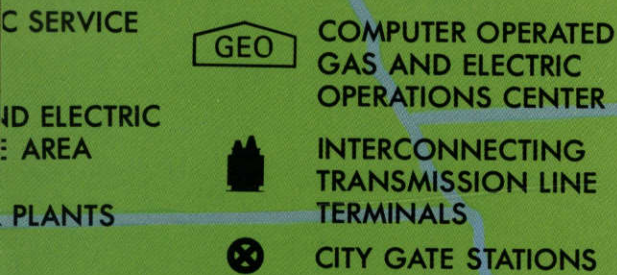
The installation of 345 KV interconnections, with other Texas utilities, a 345 KV loop around the city, and new substations to serve rapidly growing areas will insure service to customers on into the foreseeable future.

The gas system is fed off a loop line consisting of 20-, 24-, and 30-in. supply mains. From this line, laterals can be run to serve urban areas for a considerable period in the future. The gas system has been growing at a rate of four per cent a year. A continual maintenance and replacement program insures a system in excellent operating condition.



INTERCONNECTING SYSTEMS

The nine large utilities operating within Texas are interconnected for the exchange of power during emergencies and to effect economies of operation. Present 138KV lines will soon be supplemented by 345KV lines to neighboring utilities.



SERVING THE CUSTOMERS IN THE FUTURE

Utility industry sources predict that by the year 2000 the consumption of kilowatt hours per residential customer will be about 25,000 kwh annually, or triple present usage. Other unusual demands on the utilities of the nation will be made by environmental programs, which will rely extensively on electrical energy to propel machines used in environmental control of land, sea, air and fresh water, as well as the recycling of waste material. The Board is participating in the massive research effort that is taking place in the entire utility industry to solve these and other problems. An accelerated energy management program is being expedited to overcome fuel shortages and to deal with environmental problems in serving our customers. With the shortage of fossil fuels and also the environmental and economic considerations in the use of coal or oil, the utility industry is rapidly making commitments toward the use of nuclear fuel in the manufacture of electricity. The technology has been developed for safe, economical production of electricity in this manner. Nuclear fuel has the additional advantage of satisfying major environmental requirements.

The Board is carefully considering the use of nuclear fuel and is participating with four other South Texas utilities in a study of the feasibility of a jointly-owned nuclear generating plant. Other participants include the City of Austin, Lower Colorado River Authority, Central Power and Light Company and Houston Lighting and Power Company.

In the production of electricity, only about a third of the energy in the fuel is utilized. The remainder is wasted heat. This is a much better utilization than, for example, internal combustion engines. However, every effort is being made by the Board to improve overall thermal efficiency of all energy-using facilities. Among the possibilities are the utilization of waste heat for heating and air conditioning, for water reclamation, for the reduction of solid waste, and other purposes. Engineers are confident that techniques now being researched will be developed to greatly improve utilization of our precious natural resources.

FINANCIAL REVIEW

For the 28th straight year, revenues reached new record highs in the fiscal year ended January 31, 1972. Gross revenues of \$90,715,836 were 8.7% above the previous year. Electric operating revenues accounted for the largest share of the increase, advancing 10.7% to total \$73,063,777. The advance was the result of an increase in average use per customer and the addition of 10,884 electric customers.

Residential electric use averaged 8,377 KWH per customer. This compares to an average use the previous year of 7,573 KWH and the national average for 1971 of 7,380 KWH. The residential average rate was reduced to 1.86¢ per KWH—an all-time low—in comparison to 1.89¢ per KWH the previous year and the national average of 2.19¢ per KWH. We are pleased to note that while residential revenue per KWH continued to decline for Board customers in 1971, the national average increased for the first time since 1925. As a result of the substantial increase in electric customers in the Board's service area, the number of customers passed the quarter-million mark to total 250,820 at year-end.

Although 7,560 gas customers were added, bringing the total to 212,121, gas sales declined due to the warm weather experienced during the heating season. Gas operating revenues of \$14,093,511 were 3.6% lower than the previous year.

Operating revenue deductions increased by 9%, which was slightly higher than the operating revenue increase of 8.1%—primarily due to provisions for depreciation and gas distribution expenses. Because of additional plant in service, depreciation expense increased.

Even though gas sales were lower, gas distribution expenses rose due to additional customers and considerable maintenance of mains and services expense resulting from street and drainage projects in the San Antonio Model Cities area. Net operating revenues of \$34,077,630 were 6.7% above those of last fiscal year.

Non-operating revenues, which consist primarily of interest on bank time deposits and investments in U.S. Government securities, were \$3,558,548. This was a 26.6% increase over last year due primarily to having more funds available for time deposit as a result of the Series 1971 bond issue. Under the favorable depository agreements in effect with local banks, the Board earned an average return of 5.57% on time deposits during this fiscal year.

Interest expense on revenue bonds also increased substantially—55.3%—as a result of the bond issue, amounting to \$4,040,600. With interest cost advancing more than non-operating revenue, the improvement to net income was reduced to 4.5%, as compared to the net operating revenue advance of 6.7%.

Revenues of the Board not required for operating expenses are used to pay debt service, benefits to the City of San Antonio and a substantial portion of the construction program. Total bond interest and principal payments during the year were \$7,770,186, and \$1,295,220 was added to the Bond Reserve Fund. As a result of the

1971 bond issue, an increase in the Bond Reserve Fund was necessary to meet the minimum requirements of the Indenture.

Payments and services to the City in accordance with the provisions of the Bond Indenture are 14% of gross revenue. City benefits amounted to \$12,700,217 last fiscal year and included \$531,907 for street light construction, \$2,435,095 for electric and gas services rendered, and a cash payment of \$9,733,215. Total payments and services to the City of San Antonio by the Board since the acquisition of the property in 1942 now total almost \$129 million.

The Board's construction program during the last fiscal year also set a new high, amounting to \$45,708,910 exclusive of street lighting. As a result of these property additions, total utility plant exceeded one-half billion dollars for the first time. Total plant at year-end was \$501,731,982.

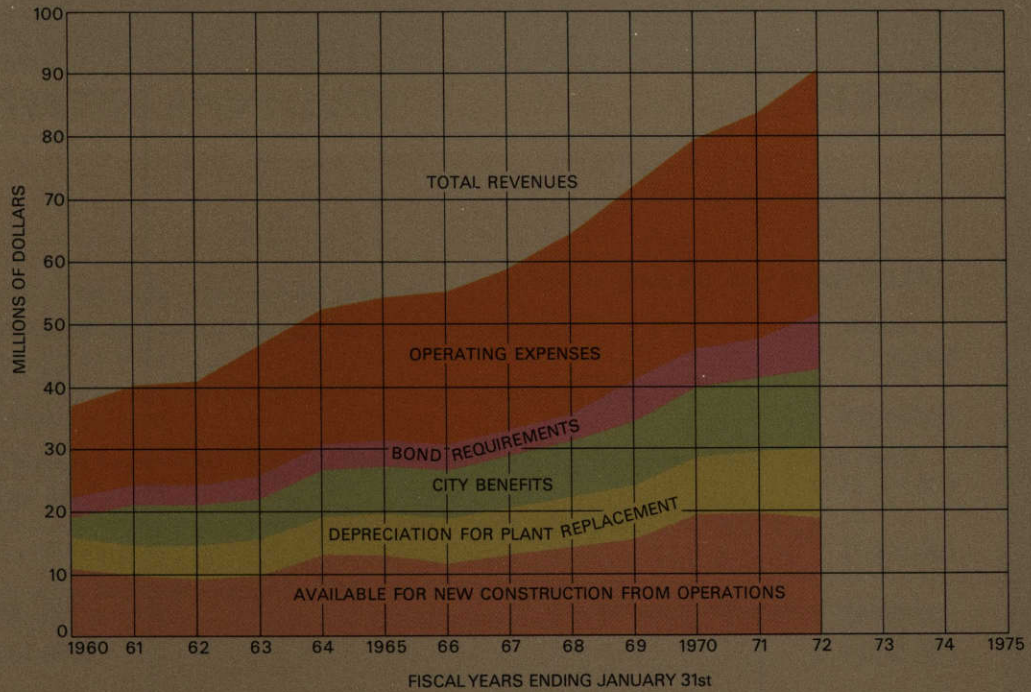
To finance the construction program during the fiscal year, the Board used \$5,461,562 from the Improvements and Contingencies Fund and \$38,033,202 in bond funds. The balance was paid by customer contributions and advances.

As a result of using more bond funds, additional deposits were added to the Improvements and Contingencies Fund to be used to finance future construction. This different approach to financing the Board's construction program during the past year was utilized upon the advice of the Board's bond attorney to insure that no question would arise that the bonds of the Board might lose their tax-exempt status. There was \$13,027,111 in the Improvements and Contingencies Fund and the Bond Fund combined at the beginning of the year. A total of \$30 million was received as proceeds of the series 1971 bond issue and \$6,091 from previous anti-trust suit action. With the balance of \$29,591,861 in the Improvements and Contingencies Fund at year end, the Board had \$13,441,341 less in funds to finance future construction than was available following the series 1971 bond issue.

As an indication of the sound financial stability of the Board's operation, both major rating services accorded the Board a Triple A rating, the highest possible, at the time of the Series 1971 bond issue. This sound financial stability continued during the past year when bond coverage was 6.2 times the annual debt service on the bonds outstanding at year-end. This compares with a Bond Indenture requirement of only two times annual debt service as a prerequisite to the issuance of additional bonds. The Board continues to maintain a relatively low debt ratio of 21.46% with total debt at year-end being only \$94,190,000.

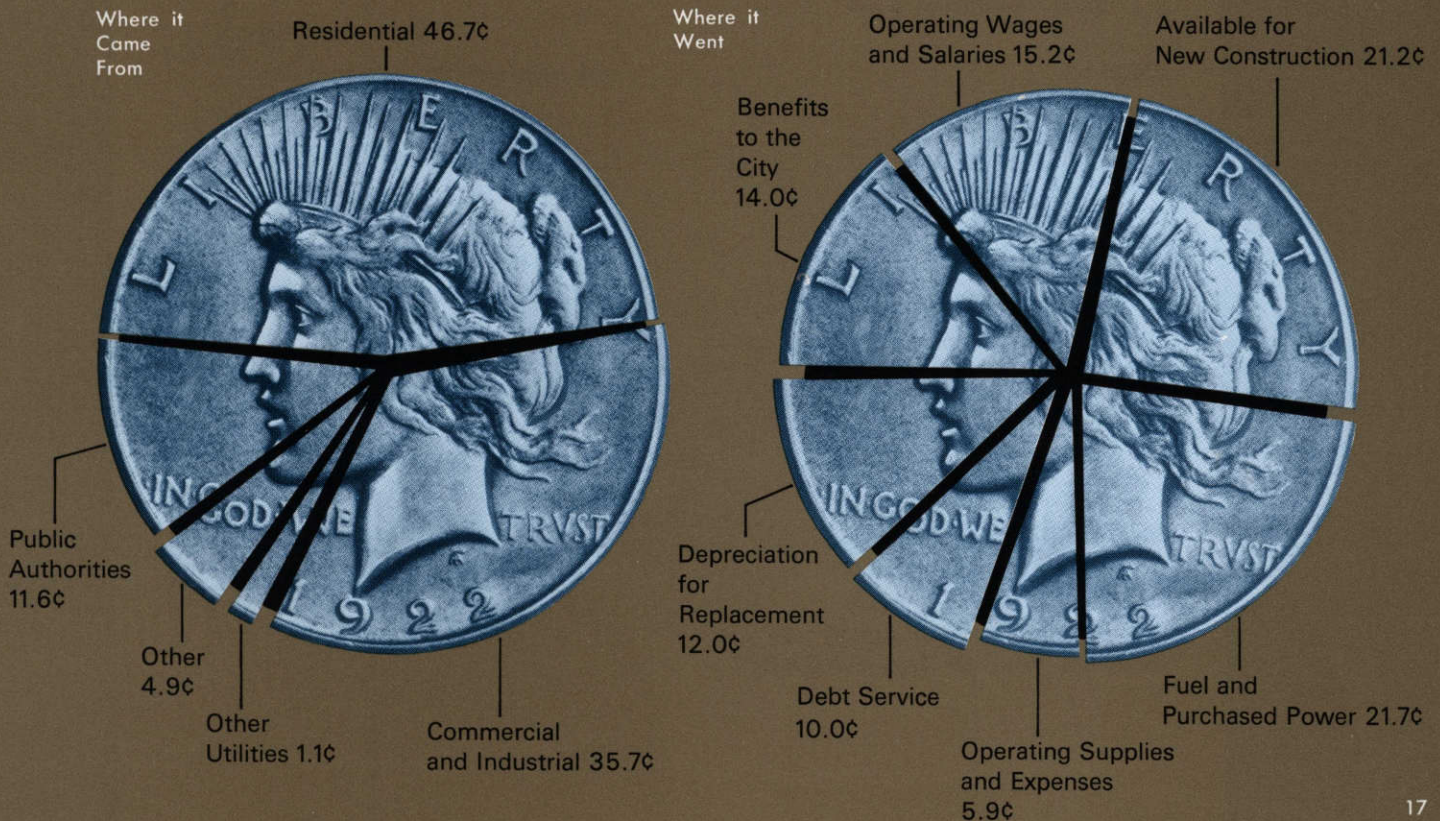
The fiscal year ended January 31, 1972 was another successful financial year for the City Public Service Board. However, continued inflation in the cost of manpower, services, material and equipment will bring increasing pressure on the level of the low electric and gas service rates now offered to customers of the Board.

ANNUAL REVENUES APPLICATION SINCE 1961



The continuing effect of inflation on materials and equipment, salaries and general operating expenses are shown on this chart. The amount of funds available for construction has not increased at the same ratio, making it necessary for CPSB to rely more heavily on revenue bond financing for necessary additions.

SOURCE AND DISTRIBUTION OF REVENUE DOLLAR IN 1971



CITY PUBLIC SERVICE BOARD BALANCE SHEET

January 31, 1972, with comparative figures for 1971

ASSETS	1972	1971
UTILITY PLANT — on the basis of cost		
Electric	\$329,736,565	\$314,146,802
Gas	84,902,885	80,798,639
General	10,513,986	7,071,380
Construction work in progress	76,578,546	55,724,313
	<u>501,731,982</u>	<u>457,741,134</u>
Less allowances for depreciation	103,189,742	93,632,443
	<u>\$398,542,240</u>	<u>\$364,108,691</u>
RESTRICTED CASH AND SECURITIES		
Deposited with trustee under terms of trust indenture:		
U. S. Government securities at cost and accrued interest (quoted market prices: \$7,943,445 in 1972; \$6,722,283 in 1971) . . .	\$ 7,876,394	\$ 6,581,174
Cash, including time deposits— Improvements and Contingencies Fund	29,591,861	5,000,000
Cash, including time deposits— Bond Construction Fund	—0—	8,027,111
	<u>\$ 37,468,255</u>	<u>\$ 19,608,285</u>
CURRENT ASSETS		
Cash, including time deposits— Operating funds	\$ 15,409,210	\$ 12,361,866
Accounts receivable	5,237,681	4,916,983
Material and supplies-at average cost	5,617,996	6,408,222
Prepayments and other	260,220	756,327
	<u>\$ 26,525,107</u>	<u>\$ 24,443,398</u>
UNAMORTIZED DEBT EXPENSE	102,742	57,332
	<u>\$462,638,344</u>	<u>\$408,217,706</u>

THE ACCOMPANYING NOTES ARE AN
INTEGRAL PART OF THIS STATEMENT



LIABILITIES AND EQUITY	1972	1971
LONG-TERM DEBT — less current maturities		
Revenue improvement bonds, 1953 series, 2.9%, due serially to 1976	\$ 4,650,000	\$ 6,400,000
Revenue improvement bonds, 1957 series, 3.25%-3.3%, due serially to 1980	13,155,000	13,705,000
Revenue improvement bonds, 1962 series, 2.75%-3.25%, due serially to 1984	16,170,000	16,615,000
Revenue improvement bonds, 1968 series, 4.3%-5%, due serially to 1989	27,410,000	27,970,000
Revenue improvement bonds, 1971 series, 5%-7%, due serially to 1992	28,960,000	—0—
	<u>\$ 90,345,000</u>	<u>\$ 64,690,000</u>
EQUITY		
Appropriated retained earnings:		
Bond Reserve Fund	\$ 7,876,394	\$ 6,581,174
Improvements and Contingencies Fund	29,591,861	5,000,000
	<u>\$ 37,468,255</u>	<u>\$ 11,581,174</u>
Earnings reinvested in plant	307,347,565	308,505,185
	<u>\$344,815,820</u>	<u>\$320,086,359</u>
CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 3,845,000	\$ 3,220,000
Accounts payable	8,587,271	6,537,442
Customers' service deposits	1,924,331	1,946,598
	<u>\$ 14,356,602</u>	<u>\$ 11,704,040</u>
DEFERRED CREDITS AND RESERVES		
Customers' advances for construction	\$ 966,075	\$ 892,061
Reserve for injuries and damages	130,881	166,403
Other deferred credits	153,427	614,093
	<u>\$ 1,250,383</u>	<u>\$ 1,672,557</u>
CONTRIBUTIONS IN AID OF CONSTRUCTION		
	11,870,539	10,064,750
PURCHASE AND CONSTRUCTION COMMITMENTS:		
\$58,199,306 in 1972, \$47,412,000 in 1971	<u>\$462,638,344</u>	<u>\$408,217,706</u>

CITY PUBLIC SERVICE BOARD STATEMENT OF REVENUE AND APPLICATION



YEARS ENDED JANUARY 31	1972	1971
THE REVENUE FROM OPERATIONS WAS		
Electric sales	\$73,063,777	\$66,024,189
Gas sales	14,093,511	14,615,679
Interest and other	3,558,548	2,811,441
TOTAL REVENUE	<u>\$90,715,836</u>	<u>\$83,451,309</u>
THE REVENUE WAS APPLIED AS FOLLOWS		
For operating and maintaining the system:		
Gas and electricity purchased	\$19,655,008	\$18,494,439
Other operating and general expenses	14,147,225	12,870,792
Maintenance	5,094,557	4,542,242
TOTAL FOR OPERATING AND MAINTAINING THE SYSTEM	<u>\$38,896,790</u>	<u>\$35,907,473</u>
For City of San Antonio:		
In lieu of taxes	\$ 3,507,858	\$ 3,161,399
Refund for gas and electric services	2,435,095	2,298,639
Construction of street lighting facilities	531,907	287,614
Additional payment to equal 14% of gross revenue	6,225,357	5,935,531
TOTAL FOR CITY OF SAN ANTONIO	<u>\$12,700,217</u>	<u>\$11,683,183</u>
For debt requirements:		
Interest and debt expense	\$ 4,050,186	\$ 2,607,221
Retirement of bonds	3,720,000	3,130,000
Addition to Bond Reserve Fund	1,295,220	420,544
TOTAL FOR DEBT REQUIREMENTS	<u>\$ 9,065,406</u>	<u>\$ 6,157,765</u>
For additions to utility plant (exclusive of street lighting facilities for City of San Antonio):		
Total expenditures	\$45,708,910	\$39,525,009
Additions to Improvements and Contingencies Fund	24,591,861	—0—
	<u>\$70,300,771</u>	<u>\$39,525,009</u>
Less funds provided from sources other than revenue:		
Improvements and Contingencies Fund	\$ —0—	\$ 1,535,162
Bond Construction Fund	38,033,202	6,737,693
Sale of Property	—0—	43,237
Customers' advances and contributions for construction	2,214,146	1,506,029
	<u>\$40,247,348</u>	<u>\$ 9,822,121</u>
TOTAL FOR ADDITIONS TO UTILITY PLANT	<u>\$30,053,423</u>	<u>\$29,702,888</u>
TOTAL REVENUE APPLIED	<u>\$90,715,836</u>	<u>\$83,451,309</u>

NOTES TO FINANCIAL STATEMENTS:

NOTE A—DEPRECIATION. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, on a straight-line basis. Depreciation charges amounted to \$10,855,363 for 1972 and \$9,819,213 for 1971.

NOTE B—COMPARATIVE FIGURES. The financial statements for 1971 were examined and reported on by auditors other than Alexander Grant & Company.

LONG TERM DEBT REQUIREMENTS

JANUARY 31, 1972	YEAR ENDING JANUARY 31,	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
	1973	\$ 3,845,000	\$ 3,987,680	\$ 7,832,680
	1974	3,985,000	3,841,017	7,826,017
	1975	4,135,000	3,687,995	7,822,995
	1976	4,290,000	3,527,310	7,817,310
	1977	4,460,000	3,356,530	7,816,530
	1978	4,630,000	3,173,190	7,803,190
	1979	4,820,000	2,991,905	7,811,905
	1980	5,015,000	2,809,010	7,824,010
	1981	5,210,000	2,618,325	7,828,325
	1982	5,415,000	2,428,735	7,843,735
	1983	5,635,000	2,225,873	7,860,873
	1984	4,500,000	2,015,925	6,515,925
	1985	4,650,000	1,824,870	6,474,870
	1986	4,880,000	1,612,950	6,492,950
	1987	5,120,000	1,390,310	6,510,310
	1988	5,370,000	1,156,570	6,526,570
	1989	5,640,000	908,130	6,548,130
	1990	3,950,000	645,300	4,595,300
	1991	4,200,000	432,000	4,632,000
	1992	4,440,000	222,000	4,662,000
		<u>\$94,190,000</u>	<u>\$44,855,625</u>	<u>\$139,045,625</u>
Less current maturities (maturing within one year)		3,845,000	3,987,680	7,832,680
		<u>\$90,345,000</u>	<u>\$40,867,945</u>	<u>\$131,212,945</u>

INDEPENDENT AUDITOR'S REPORT

ALEXANDER GRANT & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

TRAVIS PARK WEST

SAN ANTONIO, TEXAS 78205

Board of Trustees
City Public Service Board of San Antonio

We have examined the balance sheet of the City Public Service Board of San Antonio as of January 31, 1972, and the related statement of revenue and application of revenue for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet presents fairly the financial position of the City Public Service Board of San Antonio at January 31, 1972, in

conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Further, in our opinion the accompanying statement of revenue and application of revenue presents fairly the information set forth therein.

Alexander Grant & Company

Alexander Grant & Company

San Antonio, Texas
February 24, 1972

CITY PUBLIC SERVICE BOARD

5 YEAR

FINANCIAL REVIEW

	YEARS ENDING JANUARY 31	1972	1971	1970	1969	1968
REVENUE AND APPLICATION: (000 Omitted)						
Revenues:						
Electric sales		\$ 73,064	\$ 66,024	\$ 61,991	\$ 54,737	\$ 49,723
Gas sales		14,093	14,616	14,696	14,191	12,634
Other income		3,559	2,811	2,821	3,122	1,912
Total Revenues		<u>\$ 90,716</u>	<u>\$ 83,451</u>	<u>\$ 79,508</u>	<u>\$ 72,050</u>	<u>\$ 64,269</u>
Revenues applied:						
Cost of operating systems:						
Gas and electricity purchased		\$ 19,655	\$ 18,494	\$ 17,875	\$ 15,975	\$ 14,428
Other operating expenses		14,147	12,871	11,637	10,954	10,280
Maintenance		5,095	4,542	3,898	4,010	3,860
Total		<u>\$ 38,897</u>	<u>\$ 35,907</u>	<u>\$ 33,410</u>	<u>\$ 30,939</u>	<u>\$ 28,568</u>
Payment and services to City:						
Payment in lieu of taxes		\$ 3,508	\$ 3,161	\$ 3,115	\$ 2,932	\$ 2,887
Refunds for services		2,435	2,299	2,196	2,052	1,744
Construction of street lighting		532	288	433	476	373
Additional payment		6,225	5,935	5,387	4,627	3,993
Total		<u>\$ 12,700</u>	<u>\$ 11,683</u>	<u>\$ 11,131</u>	<u>\$ 10,087</u>	<u>\$ 8,997</u>
Debt retirement:						
Interest and debt expense		\$ 4,050	\$ 2,607	\$ 2,701	\$ 2,739	\$ 1,493
Bond retirement and reserve		5,015	3,551	3,373	3,990	2,718
Total		<u>\$ 9,065</u>	<u>\$ 6,158</u>	<u>\$ 6,074</u>	<u>\$ 6,729</u>	<u>\$ 4,211</u>
Additions to plant:						
Total expenditures for year		\$ 45,709	\$ 39,525	\$ 39,445	\$ 39,791	\$ 30,793
Addition to improvement and contingencies fund		24,592	—0—	1,535	—0—	—0—
Total		<u>\$ 70,301</u>	<u>\$ 39,525</u>	<u>\$ 40,980</u>	<u>\$ 39,791</u>	<u>\$ 30,793</u>
Less provided from other sources:						
Bond construction fund		\$ 38,033	\$ 6,738	\$ 10,904	\$ 14,156	\$ 7,407
Sale of property		—0—	43	50	145	56
Improvements and contingencies fund		—0—	1,535	—0—	—0—	—0—
Customers' advances and contributions		2,214	1,506	1,133	1,195	837
Total		<u>\$ 40,247</u>	<u>\$ 9,822</u>	<u>\$ 12,087</u>	<u>\$ 15,496</u>	<u>\$ 8,300</u>
Total Revenues Applied		<u>\$ 30,054</u>	<u>\$ 29,703</u>	<u>\$ 28,893</u>	<u>\$ 24,295</u>	<u>\$ 22,493</u>
Total Revenues Applied		<u>\$ 90,716</u>	<u>\$ 83,451</u>	<u>\$ 79,508</u>	<u>\$ 72,050</u>	<u>\$ 64,269</u>
BALANCE SHEET DATA: (000 Omitted)						
Utility Plant at Cost		\$501,732	\$457,741	\$420,481	\$383,316	\$345,915
Annual Construction Additions		46,241	39,813	39,878	40,267	31,167
Depreciation Reserve		103,190	93,632	85,355	77,355	70,440
Annual Depreciation Allowance		10,855	9,819	9,248	8,476	8,126

CITY PUBLIC SERVICE BOARD 5 YEAR OPERATING REVIEW



YEARS ENDING JANUARY 31	1972	1971	1970	1969	1968
OPERATING REVENUES: (000 Omitted)					
Electric:					
Residential	\$ 33,736	\$ 30,028	\$ 28,424	\$ 24,391	\$ 22,331
Commercial & Industrial	27,522	25,021	23,438	21,092	18,975
Street Lighting	1,862	1,701	1,416	1,388	1,254
Public Authorities	8,258	7,607	7,176	6,478	5,728
Other Utilities	969	980	906	785	810
Miscellaneous	717	687	631	603	625
Total Electric	\$ 73,064	\$ 66,024	\$ 61,991	\$ 54,737	\$ 49,723
Gas:					
Residential	\$ 8,632	\$ 9,192	\$ 9,243	\$ 9,033	\$ 8,073
Commercial & Industrial	4,616	4,506	4,545	4,266	3,710
Public Authorities	692	753	755	729	660
Miscellaneous	154	165	153	163	191
Total Gas	\$ 14,093	\$ 14,616	\$ 14,696	\$ 14,191	\$ 12,634
SALES: (000 Omitted)					
Electric — KWH:					
Residential	1,814,645	1,586,863	1,496,079	1,243,099	1,120,918
Commercial & Industrial	2,139,358	1,915,570	1,785,483	1,583,731	1,404,947
Street Lighting	61,495	57,915	53,818	48,866	42,114
Public Authorities	932,188	870,472	841,450	763,805	688,254
Other Utilities	79,518	94,926	81,290	58,186	69,538
Total	5,027,204	4,525,746	4,258,120	3,697,687	3,325,771
Gas — MCF:					
Residential	12,144	13,093	13,307	12,978	11,578
Commercial & Industrial	14,652	13,960	14,146	13,278	11,502
Public Authorities	2,059	2,280	2,296	2,230	2,000
Total	28,855	29,333	29,749	28,486	25,080
PURCHASE FOR RESALE:					
Electric (1000) KWH	980	606	4,639	6,278	5,521
Gas (1000) MCF	30,267	29,896	31,203	29,271	26,209
ELECTRIC GENERATION—(1000) KWH	5,334,121	4,827,311	4,524,422	3,930,183	3,512,454
ELECTRIC GENERATION CAPACITY—KW	1,708,000	1,708,000	1,303,000	1,303,000	1,053,000
ELECTRIC PEAK DEMAND—KW	1,274,000	1,144,000	1,107,000	941,000	840,000
NUMBER OF CUSTOMERS:					
Electric	250,820	239,936	234,565	228,564	220,145
Gas	212,121	204,561	201,397	196,566	190,045
RESIDENTIAL AVERAGES:					
Electric:					
Revenue per customer	\$ 155.73	\$ 143.31	\$ 138.75	\$ 122.37	\$ 115.79
KWH per customer	8,377	7,573	7,303	6,237	5,813
Revenue per KWH	1.86¢	1.89¢	1.90¢	1.96¢	1.99¢
Gas:					
Revenue per customer	\$ 44.97	\$ 49.35	\$ 50.70	\$ 50.91	\$ 47.03
MCF per customer	63	70	73	73	67
Revenue per MCF	71¢	70¢	69¢	70¢	70¢

BUILDING FOR A GREATER SOUTH TEXAS

430,000-KW first unit at Sommers Plant



CITY PUBLIC SERVICE BOARD

P.O. BOX 1771, SAN ANTONIO, TEXAS 78296



TXPUB_00165