

PRELIMINARY NOTICE OF ACCEPTANCE

**RELATING TO THE
INVITATION TO TENDER BONDS DATED MAY 14, 2024**

made by

**CITY OF SAN ANTONIO, TEXAS ACTING BY AND THROUGH THE CITY PUBLIC SERVICE
BOARD OF SAN ANTONIO**

*to the Bondowners described herein of all or any portion of the maturities
and corresponding CUSIPs listed on page (ii) of the Invitation for a cash price*

**CITY OF SAN ANTONIO, TEXAS
ELECTRIC AND GAS SYSTEMS REVENUE
REFUNDING BONDS, TAXABLE NEW SERIES
2020**

**CITY OF SAN ANTONIO, TEXAS
ELECTRIC AND GAS SYSTEMS REVENUE
REFUNDING BONDS, TAXABLE NEW SERIES
2022**

The purpose of this Preliminary Notice of Acceptance dated June 3, 2024 (the “**Preliminary Notice of Acceptance**”) is to provide notice by the City of San Antonio, Texas acting by and through the City Public Service Board of San Antonio (the “**Issuer**”) of its preliminary acceptance for purchase of certain Target Bonds. All terms used herein and not otherwise defined are used as defined in the Invitation (hereinafter defined).

Pursuant to the Invitation to Tender Bonds dated May 14, 2024 (as it may be amended or supplemented, including the cover page, inside cover pages, Appendices, and the Pricing Notice dated May 23, 2024, the “**Invitation**”), the Issuer invited Bondowners to tender Target Bonds for cash at the applicable Offer Purchase Prices based on the Fixed Spread to be added to the yields on the relevant Benchmark Treasury Security to arrive at the Purchase Yields, plus Accrued Interest on the Target Bonds tendered for purchase to but not including the Settlement Date. The Treasury Security Yields and Offer Purchase Prices will be determined at approximately 10:00 a.m., New York City time on June 4, 2024, and the Notice of Target Bonds Purchase Prices will be provided on June 4, 2024, all in accordance with the Invitation. See Section 2, “Information to Bondowners — *Tender Consideration — Determination of Offer Purchase Prices*” in the Invitation.

The Tender Offer expired at 5:00 p.m., New York City time, on May 31, 2024.

The principal amounts of Target Bonds of each CUSIP that the Issuer is preliminarily accepting for purchase are set forth on Schedule I hereto. The Issuer has set the Fixed Spreads for the Target Bonds of each CUSIP pursuant to the terms of the Pricing Notice dated May 23, 2024.

On June 4, 2024, unless such date is extended by the Issuer (the “**Final Acceptance Date**”), the Issuer will announce its acceptance for purchase of the Target Bonds, if any, from among those Target Bonds of such maturity and corresponding CUSIP initially accepted for purchase as listed on Schedule I hereto. The Issuer has no obligation to accept for purchase any tendered Target Bonds and the Issuer’s obligation to pay for Target Bonds validly tendered (and not validly withdrawn) and accepted pursuant to the Invitation is subject to the terms and conditions of the Invitation including, *inter alia*, satisfaction or waiver of the Financing Conditions (as defined in the Invitation) on or prior to the Settlement Date.

Should the Issuer determine to purchase some but not all of the tendered Target Bonds of a particular CUSIP, it will accept such Target Bonds tendered for purchase with the method described in the Invitation.

The Invitation is available through the Information Services at: (i) at the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website, currently located at <http://emma.msrb.org>, using the CUSIP numbers for the Target Bonds, and (ii) on the website of the Information Agent and Tender Agent at <https://www.globic.com/cpsenergy>.

Any questions are to be directed to the Information Agent and Tender Agent at (212) 227-9622.

June 3, 2024

SCHEDULE I

The table below provides a listing of the respective principal amount of the Target Bonds of each CUSIP that have been preliminarily accepted for purchase by the Issuer.

CITY OF SAN ANTONIO, TEXAS ELECTRIC AND GAS SYSTEMS REVENUE REFUNDING BONDS, TAXABLE NEW SERIES 2020

CUSIP No ⁽¹⁾	Maturity Date (February 1)	Interest Rate (%)	Outstanding Principal Amount	Principal Amount Tendered for Purchase	Preliminary Principal Amount Accepted*
79625GDB6	2034	2.142	\$13,760,000	\$230,000	\$230,000
79625GDC4	2035	2.242	14,695,000	-	-
79625GDD2	2036	2.392	14,830,000	4,000,000	4,000,000
79625GDE0	2037	2.492	15,055,000	7,130,000	7,130,000
79625GDF7	2040	2.875	51,150,000	5,000	5,000
79625GDG5	2048	2.905	219,145,000	12,910,000	12,910,000

CITY OF SAN ANTONIO, TEXAS ELECTRIC AND GAS SYSTEMS REVENUE REFUNDING BONDS, TAXABLE NEW SERIES 2022

CUSIP No ⁽¹⁾	Maturity Date (February 1)	Interest Rate (%)	Outstanding Principal Amount	Principal Amount Tendered for Purchase	Preliminary Principal Amount Accepted*
79625GFB4	2025	3.041	\$6,710,000	\$500,000	\$500,000
79625GFC2	2026	3.146	7,580,000	-	-
79625GFD0	2027	3.196	7,765,000	250,000	250,000
79625GFE8	2028	3.238	4,880,000	35,000	35,000
79625GFF5	2029	3.418	4,775,000	275,000	275,000
79625GFG3	2030	3.458	3,000,000	-	-
79625GFH1	2031	3.608	6,910,000	-	-
79625GFJ7	2032	3.758	1,995,000	-	-
79625GFK4	2033	3.908	16,300,000	-	-
79625GFL2	2034	4.058	1,700,000	-	-
79625GFM0	2035	4.158	17,620,000	-	-
79625GFN8	2036	4.258	10,460,000	-	-
79625GFP3	2037	4.308	18,135,000	3,355,000	3,355,000
79625GFQ1	2042	4.365	70,690,000	25,245,000	25,245,000
79625GFR9	2047	4.445	90,360,000	47,505,000	47,505,000

* Preliminary, subject to change

⁽¹⁾ CUSIP is a registered trademark of FactSet. CUSIP data herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers are being provided solely for the convenience of the owners of the Target Bonds and the Issuer is not responsible for the selection or correctness of the CUSIP numbers printed herein and does not make any representation with respect to such numbers or undertake any responsibility for their accuracy.