Customers find doing business with us to be rewarding, easy, and pleasant.
M-Power Today

- Largest Prepayment Program in North America with 150,000+ Active Customers
- Represents 17% of our customer base
- Provided as a voluntary alternative to standard residential Price Plans
Growth in M-Power Customers

M-Power Customers

0 20,000 40,000 60,000 80,000 100,000 120,000 140,000 160,000

How M-Power Works

All “billing” calculations and intelligence is within the meter.
**Traditional Billing Cycle**

**30 days**
- Use Energy
- Read Meter
- Prepare & Send Bill

**21 days**
- Send Reminder Notice
- Reminder Phone Call

**7 days**
- Disconnect Service

**1 Day**
- Reconnect Service

**59-Day Exposure**

**Calls to Call Center for Extensions**
M-Power Prepay Cycle

Purchase Power at PayCenter and Load on Meter via Smart Card

Monitor and Use Energy

5 Days

Purchase Power at PayCenter and Load on Meter via Smart Card

Average Customer Purchases $24 Every 5 days
Benefits to Customer

- Lower startup cost: $87.50 deposit, paid over time (compared to $275 deposit)
- Save energy: 12% average annual savings
- Better control over budget and cash flow
  - Pay for electricity as you use it
- No surprises!
Customer Satisfaction

<table>
<thead>
<tr>
<th>Year</th>
<th>Very Satisfied</th>
<th>Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY08</td>
<td>62%</td>
<td>27%</td>
</tr>
<tr>
<td>FY09</td>
<td>64%</td>
<td>28%</td>
</tr>
<tr>
<td>FY10</td>
<td>66%</td>
<td>24%</td>
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<tr>
<td>FY11</td>
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<td>FY13</td>
<td>68%</td>
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<tr>
<td>FY14</td>
<td>69%</td>
<td>23%</td>
</tr>
<tr>
<td>FY15YTD</td>
<td>70%</td>
<td>22%</td>
</tr>
</tbody>
</table>
Benefits to SRP

- Reduces credit related costs
  - Avoid field visits and phone calls associated with Connects/Disconnects
  - Inactive Collections
- Positive, low cost option to offer customers
- Reduces energy consumption
- Reduces contact center and business office interactions
M-Power Customer Opinions
(FY15YTD through January 2015)

- Prefer M-Power over monthly billing: 48% (Strongly Agree) 39% (Agree) 87%
- Use electricity more wisely: 45% (Strongly Agree) 46% (Agree) 91%
- M-Power could help a lot of people: 43% (Strongly Agree) 54% (Agree) 97%
- Use a lot less electricity: 36% (Strongly Agree) 45% (Agree) 81%
- Helped me manage finances: 36% (Strongly Agree) 50% (Agree) 86%
- Need actual "box" as visual reminder: 34% (Strongly Agree) 52% (Agree) 86%
- Household discusses more about electricity: 23% (Strongly Agree) 39% (Agree) 62%
- Do not rely on the "box", use occasionally: 14% (Strongly Agree) 42% (Agree) 56%
- Could do without "box" if SRP sent usage info.: 11% (Strongly Agree) 32% (Agree) 43%
- Lifestyle greatly inconvenienced: 6% (Strongly Agree) 21% (Agree) 27%
If they have an electric bill larger than we can help with, we can still help them with some of it, and if they go on M-Power the excess amount can be paid over a period of time rather than the customer paying it all at once. People with kids who use M-Power find it is a fun teaching tool to help kids understand how much appliances costs and how they impact the energy usage with their behaviors.”

- Mary Hutchinson, Program Mgr, Tempe Community Action Program

“I love love love the M-Power program. I have greater control of my energy usage and my money. Please do not take it away!!!!”

“I would like to say that this is a great program with your customers in mind and I thank you for your compassion and understanding.”
Thank you for your time!