

SRP Prepaid Electric Service Program



Michael Mendonca
Senior Director, Customer Services
Salt River Project

Salt River Project

- Political subdivision of Arizona founded in 1903
- 2nd largest electric utility in Arizona serving over 1 million residential, commercial, and industrial customers
- 3rd largest public power utility in the U.S.
- Provides roughly 1 million acre-feet of bulk water to Phoenix area



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Customer Services Mission/Vision

Customer Operations Mission:

We anticipate and deliver the ultimate customer experience to generate customer satisfaction that is among the best across industries.

Customer Operations Vision:

Our customer's journey with us is:

- Rewarding, Easy and Pleasant
- Focused on value and innovation as defined by our customer
- Proudly and safely provided by people who care



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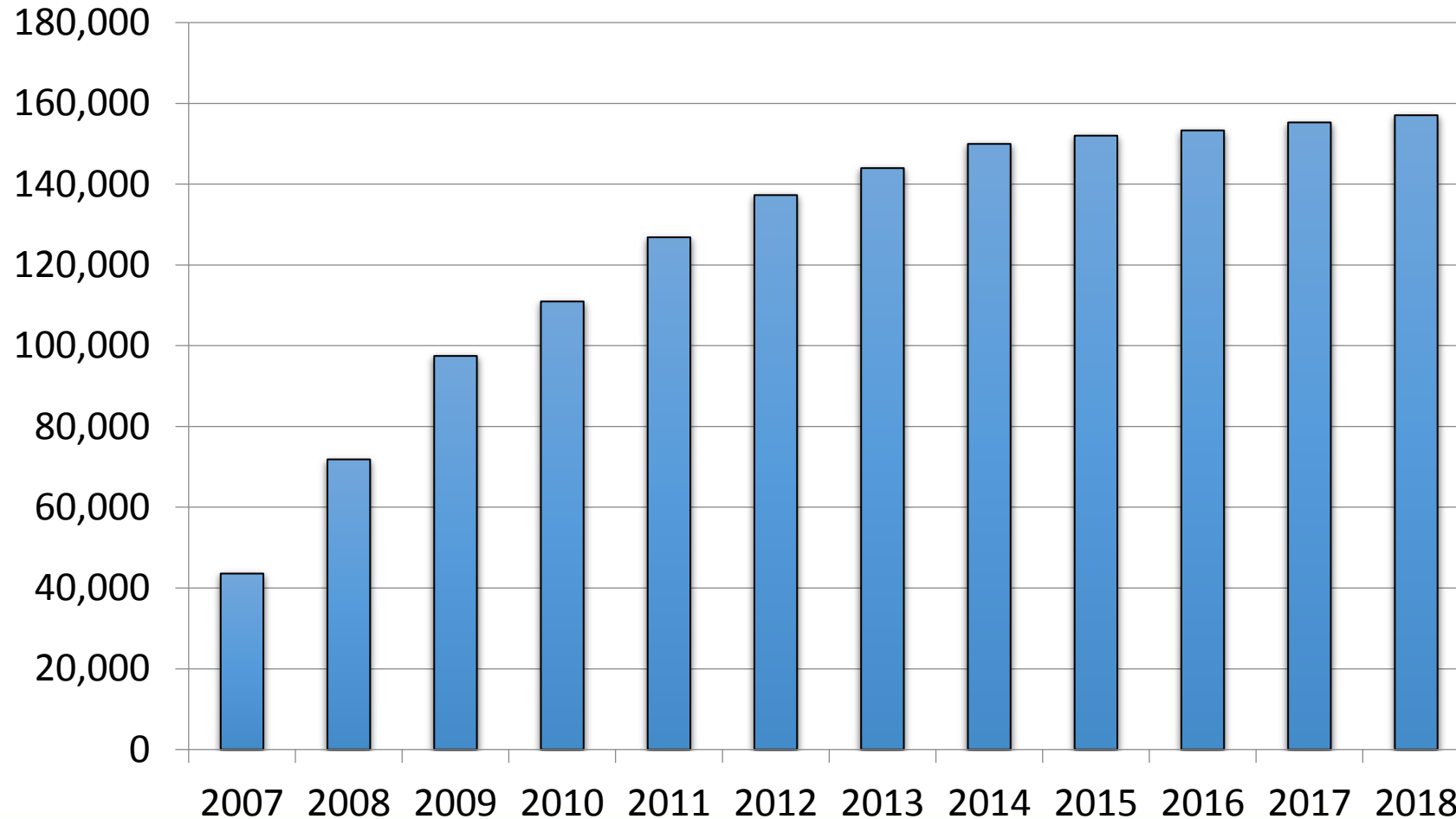
M-Power Today

- Largest Prepayment Program in North America with more than 157,000 Active Customers
- Represents 17% of our residential customer base
- Provided as a voluntary alternative to standard residential Price Plans



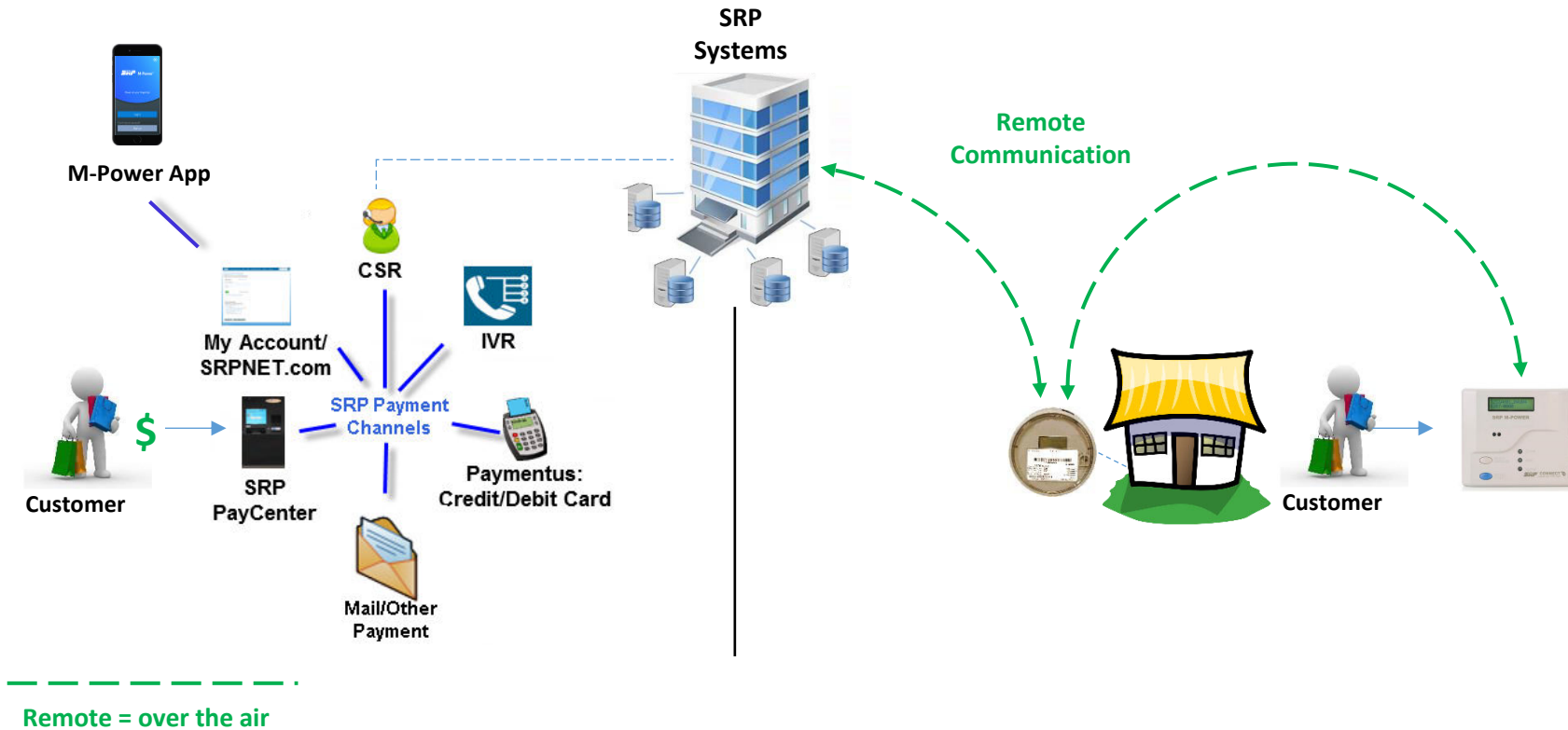
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Growth in M-Power Customers



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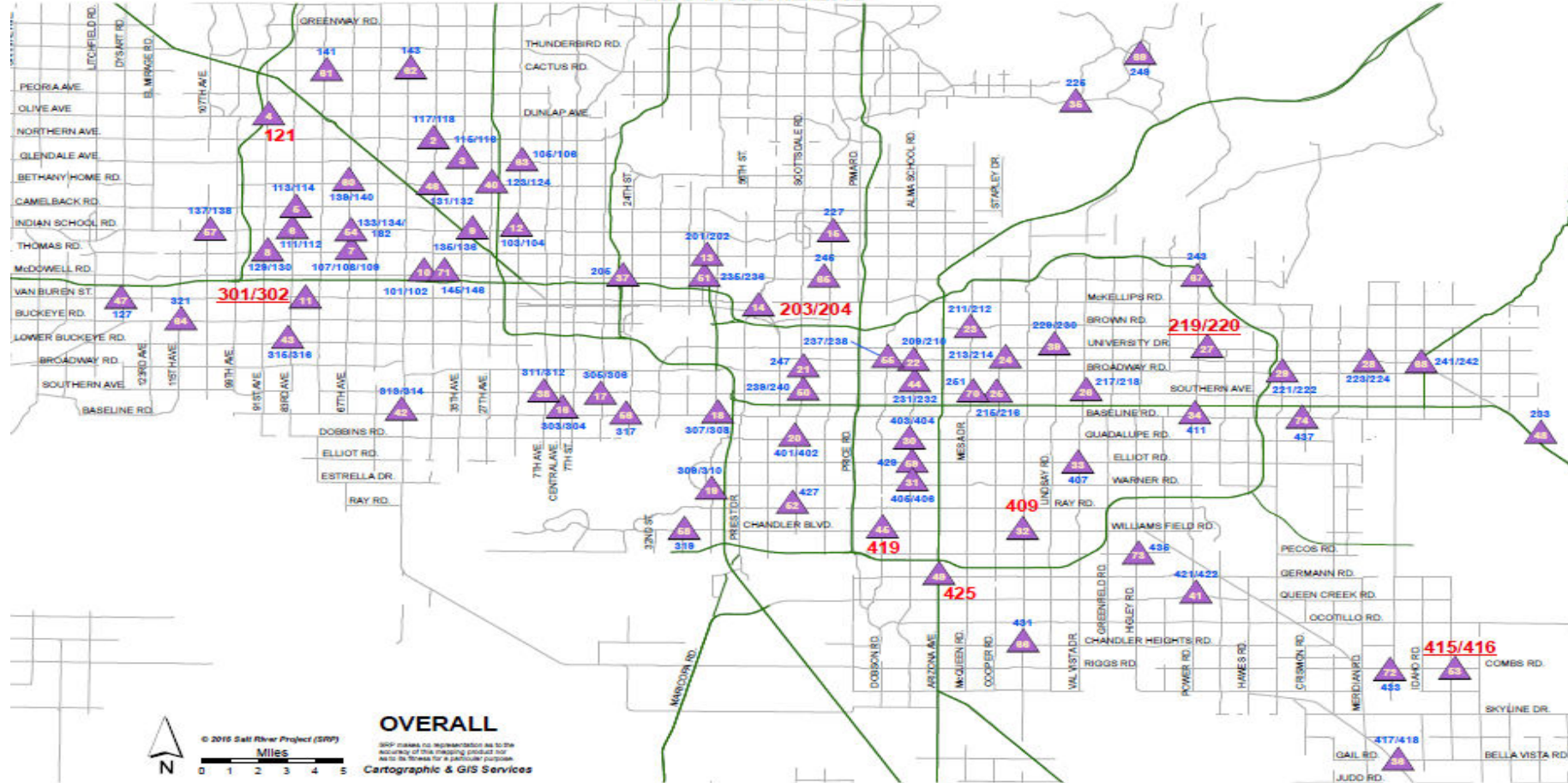
Next Generation Prepay



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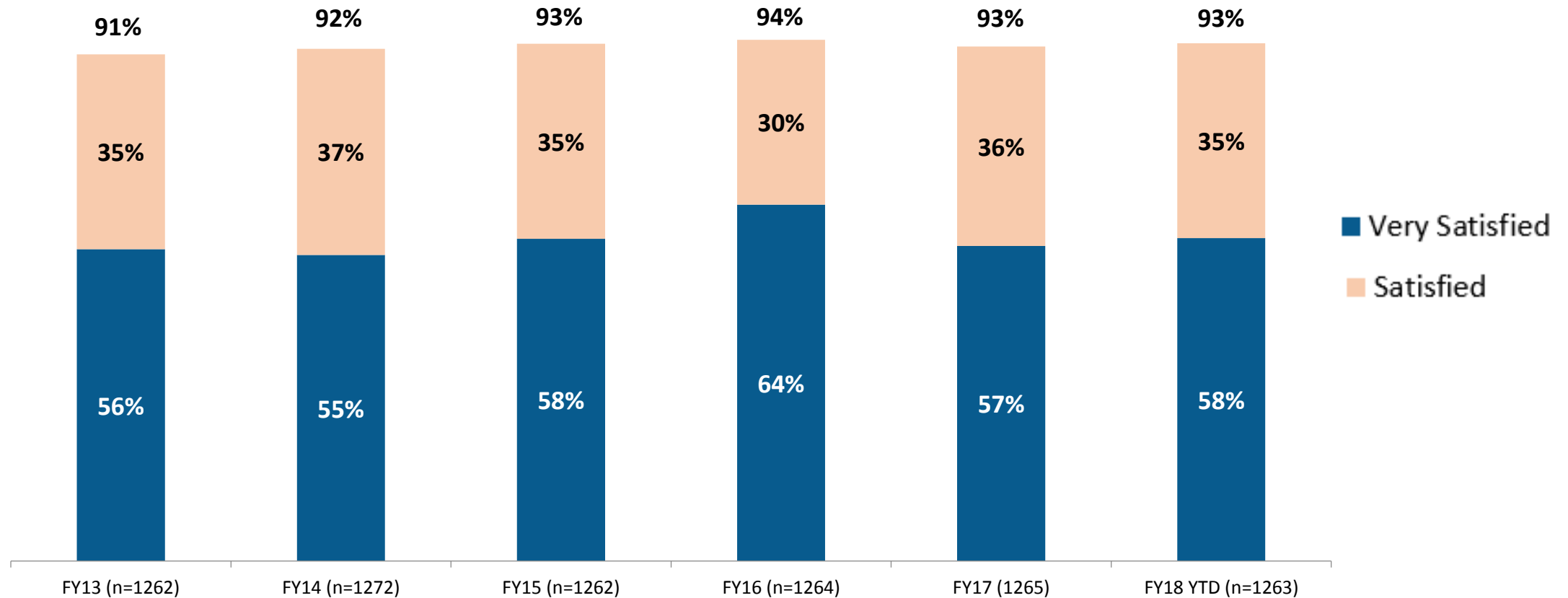
SRP PayCenter Locations

SRP PayCenters GECO NUMBERS



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PayCenter Machine Usage & Satisfaction

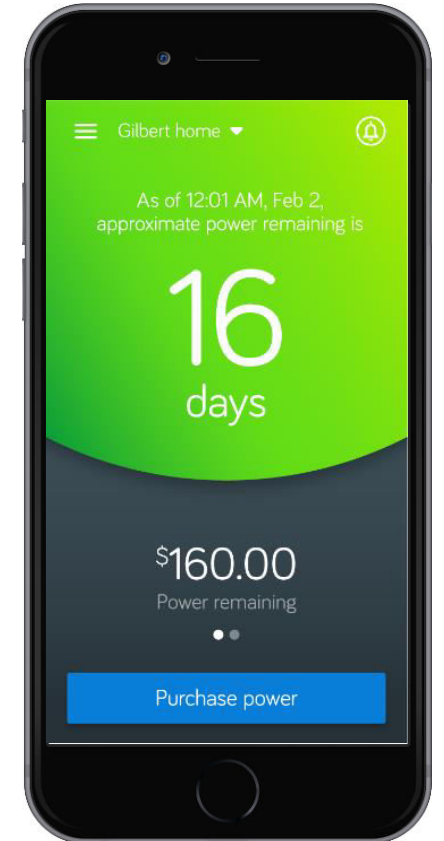


Benefits of Prepay

- Lower startup cost: \$114 plus tax, paid over time
 - compared to \$290 deposit
- No credit check
- Pay for electricity as you use it
- Better control over budget and cash flow
- Ability to pay down past due and remain in power

Benefits (continued)

- Real-time display in the home
- Real-time remote payments
- No surprise bills or late charges
- No payment fees with cash or check
- View days remaining
- Prepay App



Benefits (continued)

- Cancel without penalty
- Unused credit returned upon cancel
- Friendly credit every night
- Monthly discount for income eligible customers



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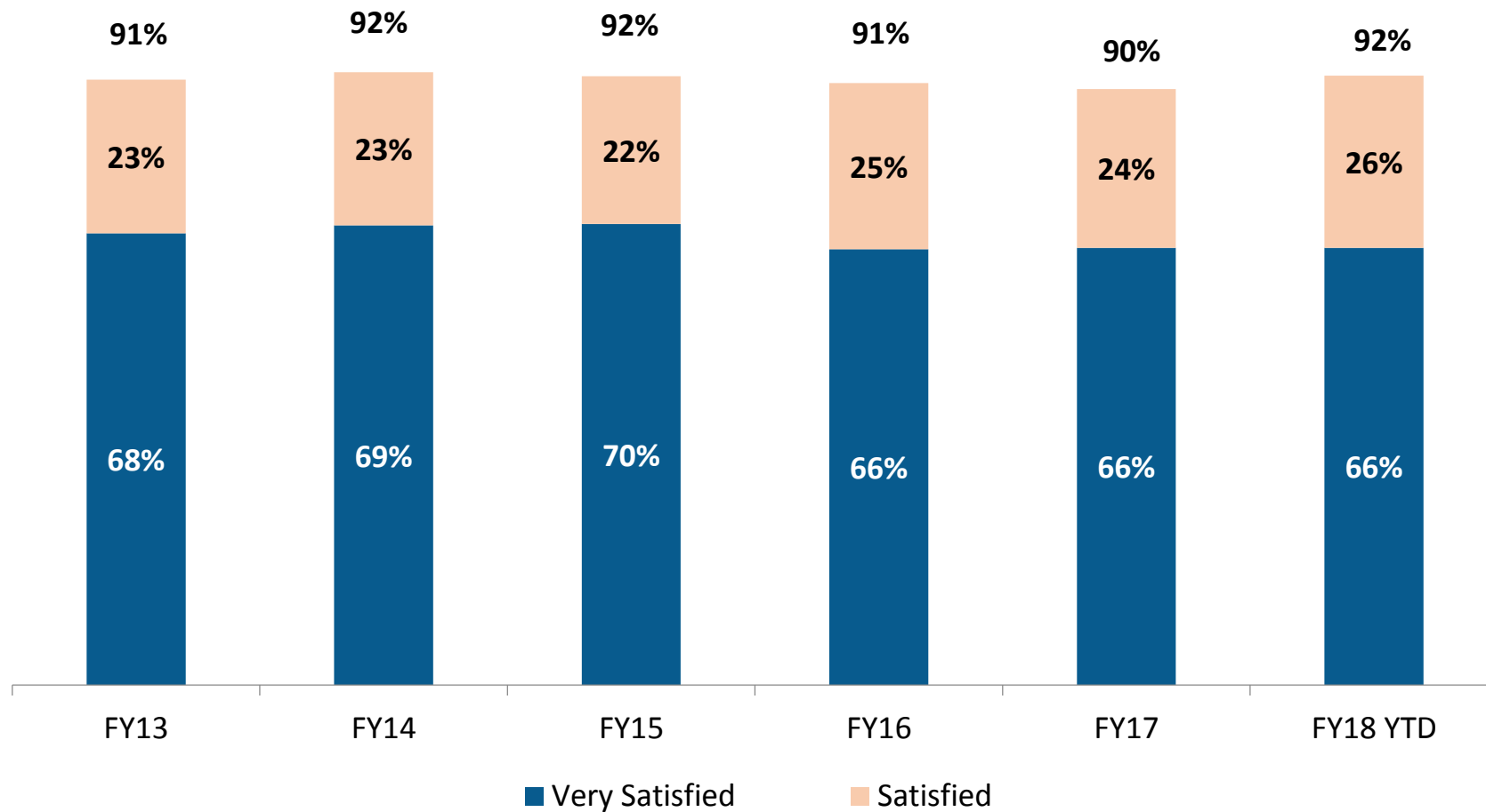
Benefits to SRP

- Reduced credit related costs
- Positive, no up-front cost option to offer customers
- Avoid negative customer interaction
- Energy management
- Passive collections
- Highly satisfying program



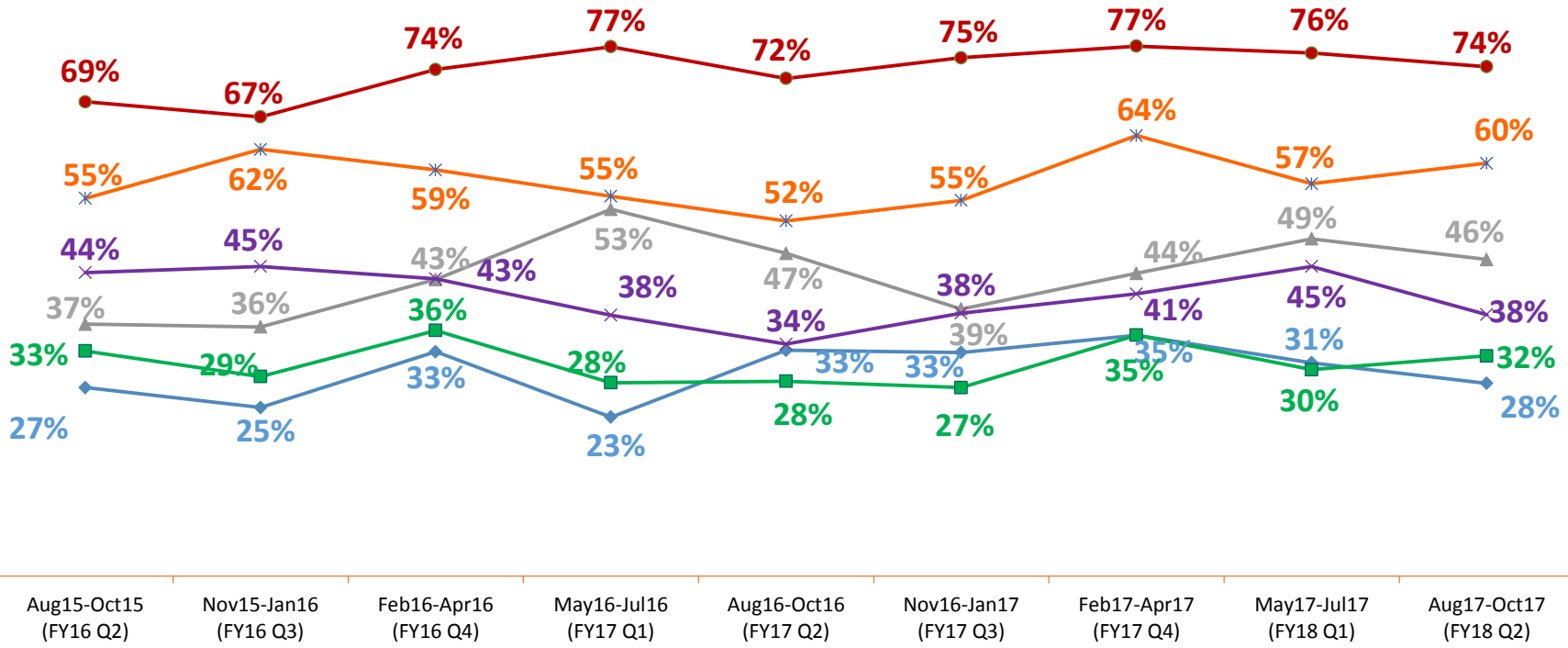
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Satisfaction with M-Power Program



Reasons for Signing Up for M-Power

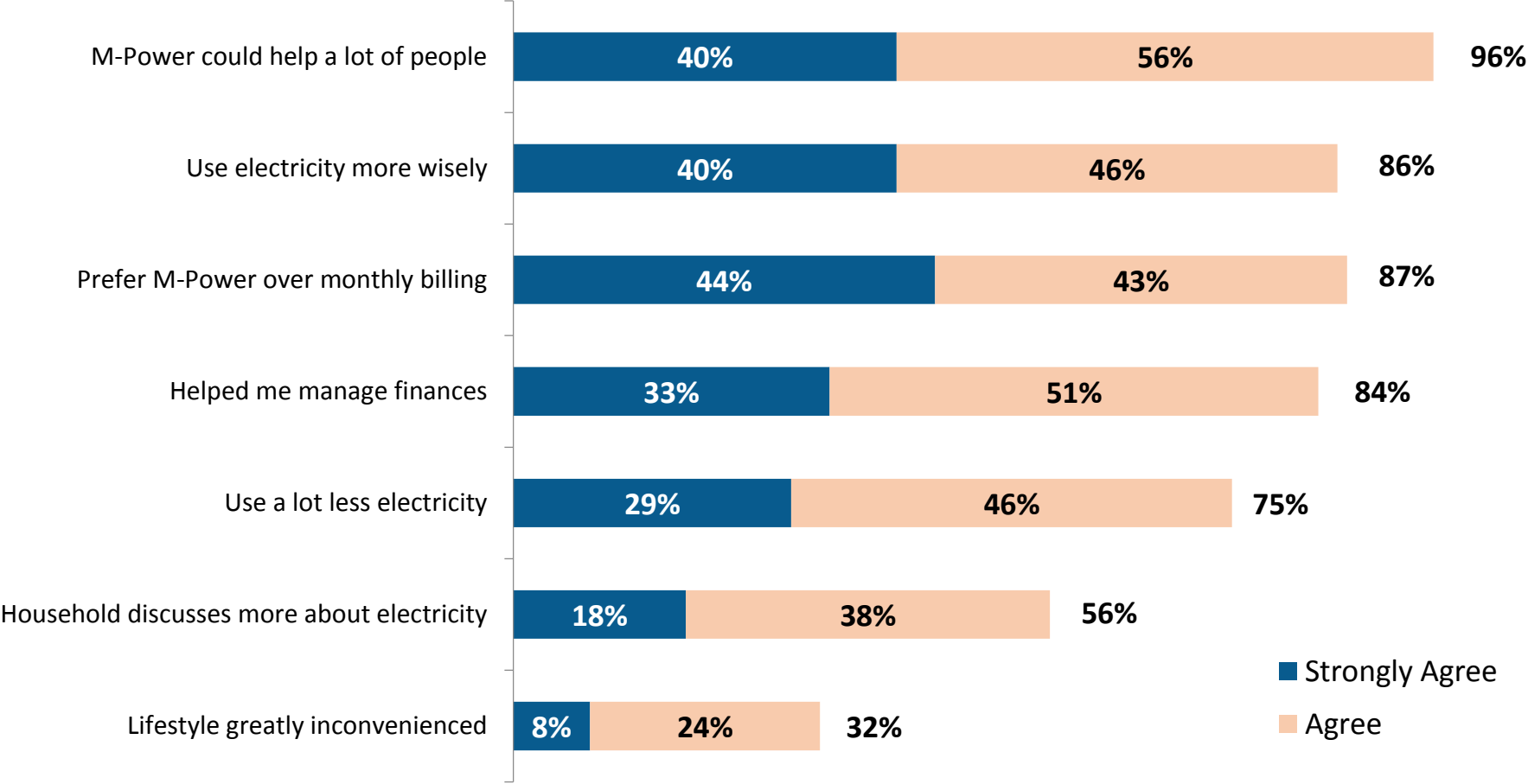
The top three reasons for enrolling in M-Power continue to be: *Control over electricity usage* (74%), *Reduce deposit to start service* (60%), and *Previous M-Power customer* (46%).



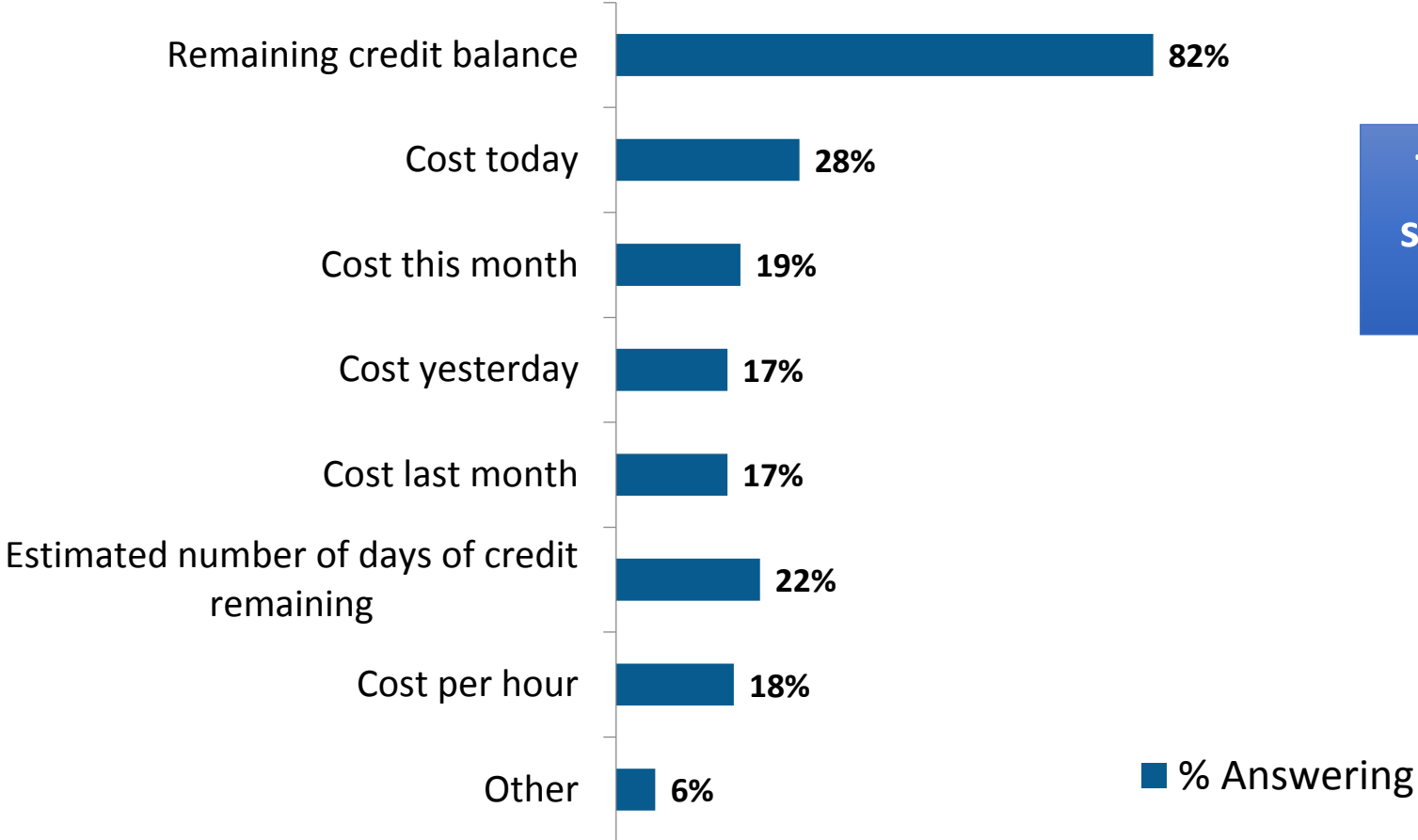
- ◆ Family/Friend recommended
- Pay off past bills
- ▲ Previous M-Power
- ✕ Avoid late fee/disconnect
- ✱ Reduced deposit to start service
- Control over electricity usage



M-Power Customer Opinions (FY18)



User Display Terminal – Screens Used Most Often (FYTD18)



The most frequently viewed screen is the *remaining credit balance* (82%).



Customer's Comments

“What caught my eye is that we didn't have to put this huge amount on the card at first. We could pay it off slowly. I was really happy to see this option.”

“It made me feel uneasy at first just because I was so used to a bill, but now I love M-Power...never want to go to a normal bill.”

“Reps were awesome. They were really good at explaining the whole program to me over the phone. Very simple and to the point. I felt really good about my decision to make the switch.”



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Customer's Comments

“When we are going somewhere like running errands, we will just reload.”

“I like watching all the usage and information on the box.”

“I would rather now go back to M-Power because I now pay a lot more than I was for my electric bill.”



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Customer's Comments

“New meter for m-power is so nice. Great job SRP on this nice upgrade. It is really nice to pay from your phone and you can see what your spending every day. Amazing one happy customer. Thank You Thank You Thank You”

FINALLY!!! I WISH YOU WOULD HAVE DONE THIS A FEW YEARS AGO!! This is so much easier.... especially when you don't have a car and it is 115 degrees outside!! Anyways thank you again!”

“I have been looking forward to this M power feature ever since I started using M power 7 years ago. I love using M power because I can manage and see my electric usage. This app is going to make buying electricity fast, simple and one less errand in the car. Thank you SRP!!!”

Community-Based Organization Speaks



“We have noticed that clients who are budget conscious prefer the pay as you go option and purchase when they have the funds “a little bit at a time”. For people that are on a fixed income, or self employed clients this is a great way to purchase when you get the income outside of the traditional monthly or bimonthly pay schedule. Folks that get paid weekly also prefer the pay as you go rather than the monthly “big bill” allowing them to stay on track with their electric needs...”

- Gene Munoz-Villafane, HS Coordinator,
Vista del Camino Center



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Next Generation of Prepay



Questions?



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