SRP Smart Meter Program

August 31, 2011

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AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
DOCKETED
SEP 8 2011
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Customer information is strictly confidential and carefully guarded

- SRP smart meters do not capture and report usage by appliance.
- SRP smart meters do not control appliances.
- SRP cannot infer customer activities based on usage collected.
- SRP keeps all customer information strictly confidential and tightly secured. SRP does not give or sell customer information to third parties. SRP is prohibited by law from releasing customer information without authorization. (A.R.S. 30-806(G))

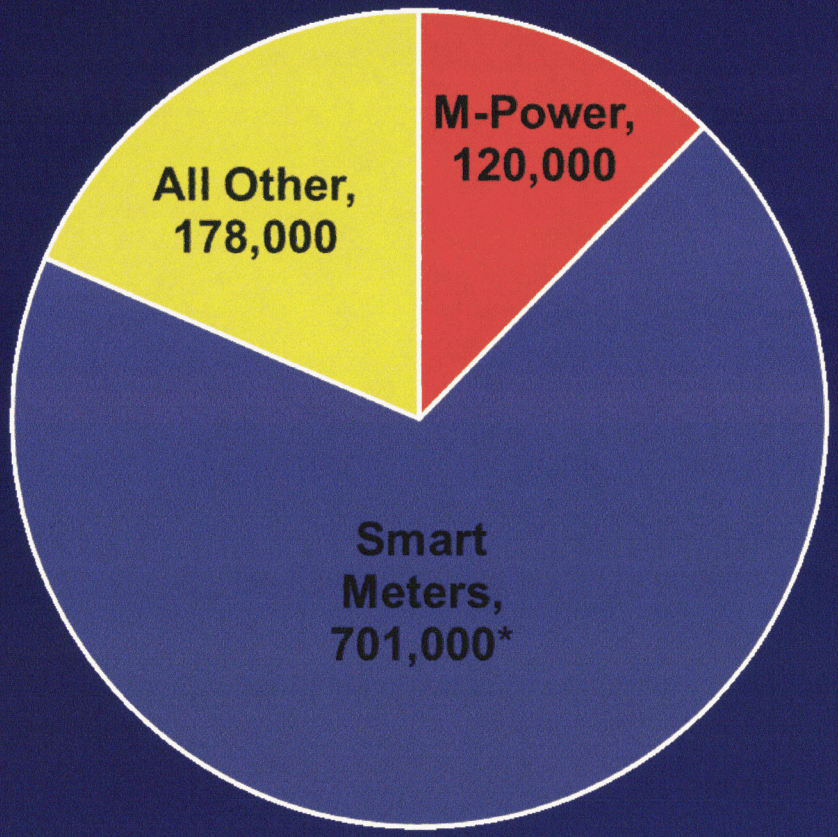
SRP smart meters are designed to prevent hacking

- Communications between the meters and collectors utilize Frequency Hopping Spread Spectrum Radio, which is used in secure military communications as an anti-snoop / anti-hack measure.
- Meters do not broadcast the physical meter number. If the signal were to be intercepted, the source meter could not be identified.
- Meters do not communicate without first being signaled with the correct password. Additional passwords are required to make any changes to meter data or meter programs.
- Meters log and report invalid radio and physical access attempts.
- Communications between collectors and SRP's head-end systems over public wireless phone systems utilize 128-bit encryption.

It would take more than 1,000 years to get as much exposure to radio waves from a smart meter as a typical cell phone user gets in just one month

- Smart meters transmit relatively weak radio signals, similar to those used by baby monitors, cordless phones, and wireless home area networks. At a distance of 10 feet, they are only about one-thousandth (.001) as strong as a typical cell phone.
- A typical smart meter transmits only about 45 seconds a day.
- The signal strength of wireless meters used by SRP is well within the limits set by the Federal Communications Commission.
- SRP responds to customers who are still concerned by providing information on demand and a field visit by an SRP representative with measuring equipment, if necessary.

Meters Deployed
as of August 2011



* Have received 70 complaints to date
SRP's smart meter rollout will be completed in 2012

Customers receive prior notification on smart meter installs and a 2 page bill post installation

SRP

YOUR ELECTRIC METER WAS EXCHANGED TODAY FOR A SMART METER.

Some benefits of your new smart meter are:

- Because your smart meter will be read remotely each day, we will no longer need to visit your home each month to read your meter.
- Starting within five business days from today, you can look at your daily usage on the Internet at www.srpnet.com/myaccount.
- You may receive weekly estimates of your monthly bill based on month-to-date usage through our e-Notifications. Sign up at www.srpnet.com/myaccount.

WE APOLOGIZE FOR THE SHORT, BUT NECESSARY, LOSS OF POWER.

THANK YOU FOR YOUR COOPERATION. FOR INFORMATION CALL:

SRP

PO BOX 2950 • PHOENIX, AZ 85062-2950
WWW.SRPNET.COM

Residential Customer Services
(602) 236-8888 or (800) 258-4777
Monday - Friday, 7:00 am - 7:00 p m

Amount Due	**$44.68**
Due Date	**03/15/2010**
Account No.	**138-814-005**

RICHARD C COLLINS
2264 S DREXEL CIR MESA
Res Basic Plan
Services
Deposit Paid $0.00

ELECTRICITY YOU USED

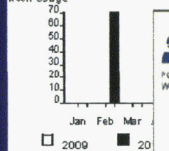
Meter No 5339670 was read on 02/19/2010

	Current Read	Previous Read	Energy used
kWh	0070	0000	70
Total kWh			70

COMPARING YOUR MONTHLY USAGE

	Days	Average Daily kWh	Cost	Temperature
February '10 Bill	18	4	$0.80	59.2*

kWh Usage



YOUR ACCOUNT SUMMARY AS OF 02/22/2010

Previous SRP Account Balance	$0.00	
Previous Balance		$0.00
Monthly Service Charge	$7.19	
Energy (kWh) Charge	$6.17	
Mesa City Tax	$0.23	
County and State Tax	$0.84	
Service Establishment Fee	$30.25	
This Month's Charges		$44.68
NEW ACCOUNT BALANCE		$44.68

NOTES

- You can maintain your SRP credit rating and avoid a late payment fee when we receive your payment by the due date. The late payment fee is 2% of the amount due, with a minimum of $5.00, plus tax.

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MANAGE YOUR ACCOUNT ONLINE

SRP provides convenient online options to manage your account, free of charge. Your secure information is available from the Account Login box at www.srpnet.com. After creating a User ID and Password, you have access any day, any time to:

Check account details -Access your bills, amount due, payments, daily and monthly energy usage.

Compare costs - See what you could save on our Time-of-Use Price Plan by taking advantage of lower-priced hours of the week, when it costs SRP less to provide energy. For customized energy- and money-saving advice, check out our online Energy Manager.

View daily energy usage - Your Smart Meter automatically sends data to SRP via radio signals. It allows us to capture daily electric usage, which you can view the next day on our Web site. Use this tool to better understand how and when you use energy.

Receive alerts to help manage costs - With your Smart Meter, you can request that SRP sends an e-mail or text message each week with an estimate of your monthly bill amount based on your month-to-date usage. We can also remind you when your bill is coming due, alert you when your electric usage reaches a predetermined amount, or even confirm when payment has been posted to your account.

Make a Payment - Pay by check online with our free e-Chex service. Payments made prior to 9 p.m. post to your account the same day.

Go Paperless - Sign up for e-Bill. We will send you an e-mail or text message each month to let you know that your bill is ready to be viewed. Your online bill will include all the information and details available on your paper statement and we will store up to three years of data for you. If you prefer, you can receive both a paper bill and an e-bill.

I encourage you to take advantage of these services. Thank you for being a valued customer.

Sincerely,

Michael Lowe,
Manager, Customer Services

Presence of a smart meter is disclosed on every bill, every month

YOUR ACCOUNT SUMMARY AS OF	08/31/2011		
Previous Account Balance	$53.71		
08/12 Payment Thank you	$53.71	CR	
Balance Before Usage Charges			**$0.00**
Monthly Service Charge	$15.00		
Energy (kWh) Charge	$38.83		
Mesa City Tax	$0.94		
County and State Tax	$3.93		
This Month's Usage Charges			**$58.70**
NEW ACCOUNT BALANCE			**$58.70**

NOTES

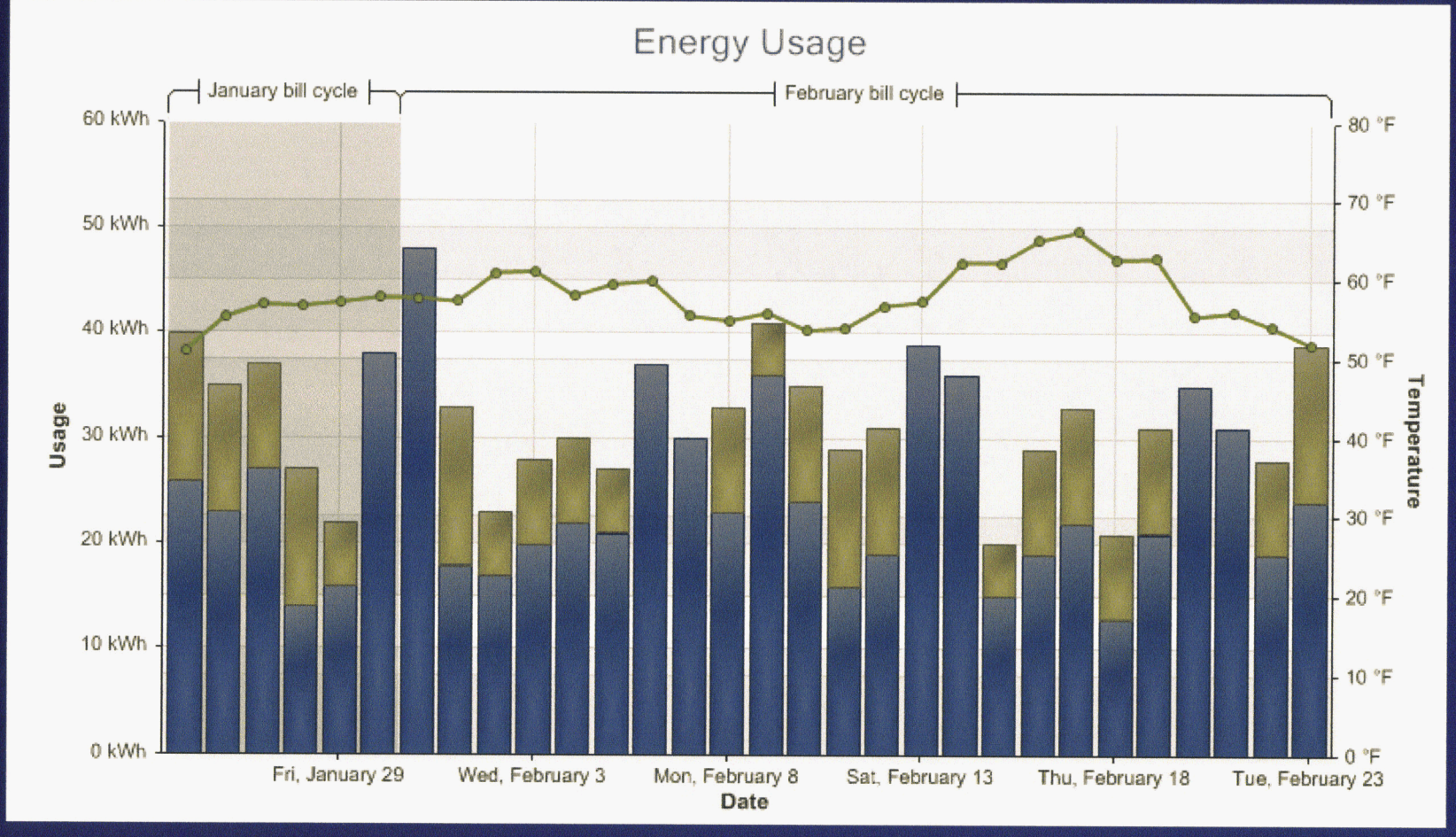
- The Energy Charge includes a Fuel and Purchased Power Adjustment Factor of $0.03130 per kWh and an Environmental Programs Cost Adjustment Factor of $0.00370 per kWh.

- Your Smart Meter is read automatically each day ensuring an accurate bill. View your daily usage at srpnet.com/myaccount.

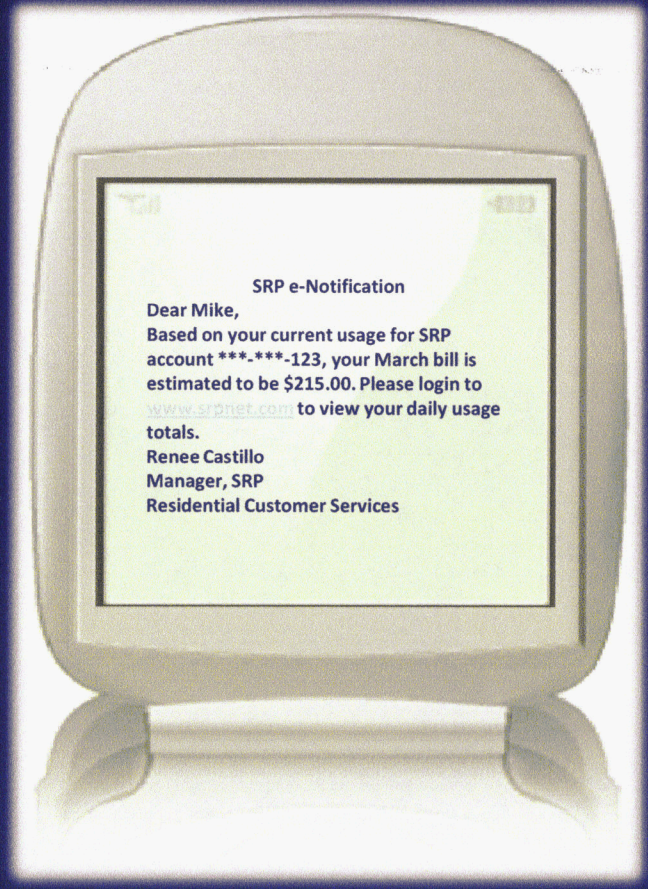
- The summer peak pricing season ends with this bill. Your next bill will reflect summer season pricing.

- Keep your air conditioning filters clean. They should be cleaned or changed at least once a month to allow adequate air flow and proper cooling.

Customers can see their daily usage on a secured website the next morning



No bill surprises: smart meter customers can receive weekly estimates of their monthly bill



Smart meters enable new time-of-use options, lowering SRP peak load and costs and participating customers' bills

Additional Realized Benefits

- Since 2006, SRP has:
  - Completed over 1.2 million "field" orders without rolling a truck
  - Prevented over 2 million miles of driving
  - Saved over 198,000 gallons of motor fuel
  - Avoided over 401,000 labor hours
  - Reduced personal injuries and vehicular accidents
- Smart meters have enabled new time-of-use price plans and the use of time-of-use price plans at residences where access to the meter is limited.
- Lower electricity bills by 4-8% for consumers participating in EZ-3, a time-of-day rate with a three-hour on-peak period.
- Lower peak demand by as much as 26% for those customers participating in EZ-3.

Further Anticipated Benefits

- Lowered costs by averting 570,000 field visits and saving 210,000 gallons of fuel, annually.
- Lowered emissions from vehicle usage reductions.
- Other operational improvements including outage management, loss detection, and load forecasting.
- Ability to integrate energy storage, renewable energy and electric vehicles.
- Provide the smart grid infrastructure to further improve reliability, security, and efficiency of the electric grid while enabling energy conservation and cost savings for customers.

Customer Alternatives to a Smart Meter

- Now: SRP M-Power prepaid electric service.
- Under consideration:
  - Standard meters read manually, for a fee to recover the cost of the field visit.
  - Smart meters read automatically only one-time per month.