

BUSINESS CONTACT

JUNE 2009

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PRICE INCREASE UNDER CONSIDERATION

SRP management has under consideration a base price increase that, if approved by SRP's publicly elected Board of Directors, would take effect with the November billing month.

At SRP, raising prices is not something we take lightly. We have delayed this action as long as possible by taking

steps to contain costs and reduce spending until the economy rebounds. So far, we have:

- ◆ Reduced our labor budget
- ◆ Deferred construction projects
- ◆ Decreased capital expenditures significantly

Despite economic pressures, SRP must continue to invest in the reliability and service you have come to expect, as well as meet an increasing percentage of future energy

needs with new, cleaner and more efficient technology.

PUBLIC PROCESS PLANNED

With the concurrence of the SRP Board, we will begin a public pricing process on July 13. Under this process, you will have an opportunity to learn more about the price proposals and provide comments through our information room and a series of public meetings.

The size of the overall increase and other proposal details are still being developed. However, we

anticipate lower fuel and purchased power costs during the next year will help limit the size of the increase.

In the meantime, SRP will continue to offer a combination of energy-saving advice, programs and incentives to help customers manage their energy costs and help the environment.

More details about the price proposal and process will be available next month and in future issues of *Business Contact*.

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SAVING ENERGY CAN MAXIMIZE RESTAURANT OPERATION

Most restaurants are energy-intensive and have significant energy-savings potential. Through wise operation and maintenance, and investment in upgraded equipment, restaurant owners can reduce costs without reducing service quality.

Food safety and food security, along with providing customers with menu choices, are top priorities, and food must be stored and prepared at precise temperatures for health and culinary reasons. Still, there are many practical ways to save energy:

- ◆ Avoid preheating steam tables, grills and broilers. For preheating ovens, 15 minutes usually is adequate.
- ◆ Use microwave ovens when possible, especially for thawing, partial cooking and reheating.

- ◆ When feasible use steamers that utilize less energy and generate less heat.
- ◆ Cover all pots to reduce heat loss and to cook food faster.
- ◆ Do not use large ovens to cook small amounts of food.
- ◆ Do not operate fryers higher than 350°.
- ◆ Pre-cook foods such as potatoes and chicken in a steamer before frying.
- ◆ Schedule cooking times to utilize ovens fully and shorten daily operating times Schedule cooking staff to do prep work during off-peak/cooler hours.
- ◆ Keep equipment clean; carbon and grease build-up inhibit optimal operation.

You can find more detailed advice or energy baseline statistics at www.srpnet.com/restaurants.

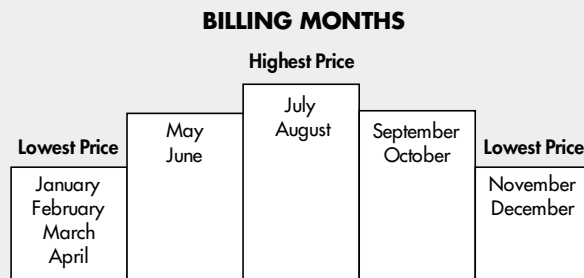
SRP COMPLETES PUBLIC PROCESS

A public process related to four federal ratemaking standards and one industrial energy-use standard was completed at the May 4 SRP Board of Directors meeting. The process dealt with standards relating to the Public Utility Regulatory Policies Act of 1978 (PURPA).

After considering management's recommendations and input from interested parties, SRP's publicly elected Board accepted management's recommendations for the four PURPA standards. Price plan changes were not part of this process. For more details, visit www.srpnet.com/purpa.

SRP'S SEASONAL PRICE PERIODS

The price you pay rises and falls with the demand for electricity as the year progresses. During cooler months, customer demand, generation costs and the price you pay are lowest. During the hottest months, customer usage skyrockets and electricity to meet peak demand is more expensive to produce.



SAVE ENERGY, UPGRADE OPERATIONS WITH REBATE PROGRAM

You can save money on your monthly electric bill and get rebates for installing proven energy-efficiency technologies and equipment at your business. When you choose one or more of SRP's PowerWise Standard Business Solutions options, you also can experience less downtime and fewer repairs while benefiting from a cleaner, healthier indoor and outdoor environment.

Any current SRP commercial electric customer who installs qualifying measures in a facility served by SRP is eligible. Rebates may apply to the purchase and installation of certain high-efficiency equipment in either new or existing facilities.

Examples include:

- ◆ Energy-efficient lighting systems and retrofits

- ◆ Efficient air-cooled unitary air conditioners, heat pumps and chillers
- ◆ Premium efficiency three-phase induction motors
- ◆ Variable-frequency drives on select applications
- ◆ Compressed-air components and storage
- ◆ Select refrigeration measures and devices

Lighting rebates are based on verifiable installed demand reduction; other equipment rebates are per unit. Certain limitations apply.

Interested? Details and all application forms are available online at www.srpnet.com/standardrebate. You also may call (602) 236-3054.

SRP RECOGNIZED FOR CALL CENTER EXCELLENCE FOR FOURTH YEAR

SRP has been recognized for customer satisfaction excellence for a fourth consecutive year by the J.D. Power and Associates Certified Call Center Program. To become certified, SRP's call center operations passed a detailed audit of recruiting, training, employee incentives, quality assurance capabilities,

and management roles and responsibilities.

As part of its evaluation, J.D. Power and Associates conducted a random survey of SRP customers who recently contacted its call center. SRP handles more than 3 million telephone, e-mail and fax inquiries from customers annually.

For certification status, a call center must perform within the top 20% of customer service scores, which are based on benchmarks established in J.D. Power and Associates' cross-industry customer satisfaction research.

J.D. Power and Associates launched its call center program in 2004 to evaluate overall customer

satisfaction with call centers and to help call centers in various industries establish best practices.

"The J.D. Power and Associates certification of our residential and commercial call centers is a testament to the commitment of our employees to meet and exceed the expectations of our customers," said Michael Lowe, manager, Customer Services/Power.

SRP DONATES \$25,000 TO FOOD BANKS

Fighting hunger has become more challenging with the uncertain economy. Fortunately, local food banks and meal services for seniors are providing thousands of meals to Arizona families.

SRP is pleased to support the important work of these organizations that are

experiencing a significant demand for their services. In April, we donated \$25,000 split among the St. Mary's Food Bank Alliance, United Food Bank, The Salvation Army, East Valley Senior Services, Interfaith Cooperative Ministries, Tempe Community Action Agency and YWCA. Families with children under

age 18 can also get low-cost meals at many school sites. Visit the Arizona Department of Education Web site – www.ade.az.gov/health-safety/cnp/sfp for details. For more about SRP's community efforts, visit www.srpnet.com/community.

OUTBREAK SHOWS NEED FOR PREPAREDNESS

The recent flu outbreak underscored the importance of preparing for emergencies. The U.S. Department of Homeland Security encourages emergency preparedness at home, business and school. Areas of focus include:

Contingency planning for critical business processes – Companies and organizations are urged to implement business continuity planning. This includes a formal process of developing arrangements and procedures in advance to respond to an emergency or crisis so that critical business functions continue. For example, SRP had a pandemic flu plan that was updated and tested during the recent flu outbreak.

Family emergency plans – Your family may not be together when disaster strikes, so plan how to contact one another, where to meet and what to do in different situations. Visit www.ready.gov for details, including a supply list for a home emergency kit and a family emergency plan template.

Role in hometown security – Become involved in hometown security by learning first aid and emergency skills, and by supporting local emergency groups, disaster relief and community safety organizations. Visit www.citizencorps.gov/ for details.

CALL ON US

If you have a question or need assistance, please call on us.

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**SRP'S HOME PAGE
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CUSTOMER ASSURANCE
You will continue to receive the same reliable, responsible delivery of electricity from SRP regardless of whether you purchase energy or any other product or service from another provider.

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