

BUSINESS CONTACT

OCTOBER 2009

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BASE PRICE DECISION DELAYED

As a result of an SRP Board of Directors decision last month, the proposed base price increase that would have gone into effect with November bills will be delayed. Any change to base prices will not happen before the May 2010 billing cycle.

The Board's decision regarding base prices responded to customer concerns about the timing of the increase and

the ongoing weakness in the economy.

Base prices include the costs related to producing and delivering electricity (excluding fuel), new capital infrastructure and the maintenance of SRP's aging generation, transmission and distribution systems.

Changes to other portions of customer bills will be addressed at the Oct. 1 Board meeting.

These changes are related to additional funding for renewable generating resources, energy-efficiency programs and smart meters, and lower fuel costs.

These changes, if approved by the Board, will offset each other. This means SRP customers won't see a price increase this November.

Go to www.srpnet.com/priceinfo after Oct. 1 for information on the Board's decision.

ANNUAL REPORT NOW AVAILABLE ONLINE

SRP's fiscal year 2009 annual report – *Navigating Change* – is now available online at www.srpnet.com/annualreport. Topics addressed in this year's report include SRP's efforts in energy

efficiency, conservation and sustainable resources, as well as water rights and community involvement.

To reduce costs, the report this year is being issued largely online, with fewer printed copies. The audited financial statements

also are only available online, reducing the number of pages in the printed report by 50%.

Please visit the online report at your convenience. If you would like a printed copy, please contact (602) 236-2598.

IN THIS ISSUE

Local Economy Still Sluggish	2
Winter Schedule Begins In Nov.	2
Some Fees Will Change	3
SRP Helps Honor Teachers	4

ECONOMIC FORECAST: LOCAL ECONOMY TO REMAIN IN DOLDRUMS

The Arizona economy won't see job gains or stable home prices until 2011 as more foreclosures and anticipated issues in retail construction inhibit progress. Some state economic indicators may rebound by then, but others may take until 2013 or 2014.

Speaking last month at the SRP Economic Forecast 2010, economist Lee McPheters said

the Phoenix housing market still has yet to bottom out. The Valley ranks third worst nationally in home-value declines over the past year (down 38%), and has the ninth worst foreclosure rate.

McPheters, an economist at Arizona State University's W.P. Carey School of Business, also expects Arizona's current 9.4% unemployment rate to soon hit

double digits. Arizona ranked last in job creation between July 2008 and July 2009; Phoenix lost the highest percentage of jobs over the past 12 months (7.8%) among large U.S. metro areas.

National economist and futurist Don Reynolds told an audience of about 1,000 business leaders at the Arizona Biltmore Resort & Spa that "things are

getting better, but they aren't getting better as fast as you'd like.

"We will see more taxes, more budget deficits, a little deflation, then a little inflation," he said, adding that more government regulation will be part of the mix going forward.

The event was sponsored by SRP and the *Phoenix Business Journal*.



PRICE, TIME-OF-USE SCHEDULES CHANGE IN NOVEMBER

As the cooler weather returns, November ushers in the winter billing "season" for SRP customers. Your November bill will reflect winter's lower prices.

The price differential results from seasonal shifts in electricity demand. During warmer months from May through October, demand increases the costs to produce and deliver electricity. Summer and summer peak prices reflect the higher costs. Demand decreases in cooler months from November through April and our winter prices reflect lower production costs.

Note: Hours for SRP's General Service Time-of-Use (TOU) Price Plan – E-32 – change effective Nov. 1. Winter TOU hours are: on-peak, 5-9 a.m., Mon.-Fri.; shoulder, 5-9 p.m., Mon.-Fri.; off-peak, all other hours, including weekends. Winter TOU hours are in effect through April.

With the TOU price plan, about 88% of the hours each winter month are lower-priced off-peak or shoulder hours. You can save money by shifting consumption from higher-priced on-peak hours to lower-priced off-peak and shoulder hours. Visit www.srpnet.com/tou/business for details.

OPPORTUNITIES AROUND FOR ENERGY SAVINGS IN HEALTH CARE FACILITIES

Nationwide, health care facilities use an average of 26.5 kilowatt hours per square foot, more than all other commercial buildings, and second only to the food industry in average energy use. It follows that many hospitals and health care facility systems are good candidates for energy savings opportunities. Consider these recommendations:

- ◆ **Chillers** 10 years or older may be retrofitted; chillers over 20 years old probably should be replaced. Some suggested retrofits include installing newer controls, trimming impellers and replacing older R-12 refrigerant.
- ◆ **Lighting** energy costs can be reduced up to 35% by replacing all conventional incandescent or older T12

fluorescent bulbs with newer, more efficient T8 lamps and electronic ballasts.

- ◆ **Energy Management Systems (EMS)** employ a computer, software, sensor and controls, and a communications network (in a larger setting). An EMS can control HVAC systems, boilers, water heating, pumps, ventilation fans and lighting for optimal operation.
- ◆ **Variable speed drives** can be used on HVAC equipment and programmed to operate during specific peak periods and shut down or reduce speed during “off-peak” periods.
- ◆ **Water heating** is one of the single largest users of energy in health care



facilities. Consider newer, more energy-efficient boiler technologies that, combined with water conservation measures, should lower water-heating energy costs.

Visit www.srpnet.com/healthcare for more information about this industry, including benchmark data, tools and calculators.

SOME SERVICE FEES WILL INCREASE NOV. 1

The SRP Board of Directors voted Sept. 12 to increase a number of service fees, including late payment fees. The changes go into effect Nov. 1; SRP was losing money on the services because of the labor involved. Details about service fee changes will be included in next month’s issue.

FIVE TEACHERS HONORED BY CHICANOS POR LA CAUSA

Five Latino teachers recently received a great surprise in their classrooms as Chicanos Por La Causa, Inc. (CPLC) notified the winners of this year's Esperanza Latino Teacher Awards.

This year's winners are Vanessa Valenzuela from Carl Hayden High School, Irene Trujillo from Whittier School, Vidal Mejia from Chandler High School, Cindy Amos of Lela Alston Elementary and Lily Gomez of Tempe High School. These five

educators have unique backgrounds and inspiring stories that have led them to where they are today.

In its 11th year, this awards program honors teachers who go the extra mile to make a difference in the lives of students. For the past three years, SRP has partnered



Chicanos Por La Causa, Inc.

with CPLC to make the Esperanza awards possible. This year's winners will be honored at a dinner ceremony in October at the Wyndham Hotel Downtown Phoenix.

"It is an honor for us to recognize these heroes in our community," said CPLC President and CEO Edmundo Hidalgo. "They often work long hours with limited resources to inspire the children who will grow up to become our future leaders. They truly exemplify empowerment through education, a core philosophy of ours at CPLC."

TUTORS HELP STUDENTS IMPROVE READING SKILLS

Second- and third-graders at the Aguilar Elementary School in Tempe are receiving help with their studies through SRP's Tempe Tutors program.

In partnership with the Tempe Elementary School District, the program seeks to bring students' reading scores up to grade level or higher. SRP volunteers meet with selected students

each week for one hour to read together or work on reading-related homework. Last year, nearly nine out of 10 students who participated in the program met the district reading level.

Tempe Tutors is part of SRP's commitment to supporting Arizona schools and enhancing the quality of education in our state. Visit www.srpnet.com/education 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.

BUSINESS CONTACT

News for SRP Business customers is published monthly.

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09-1569-01 9/09