SMART ENERGY CONSUMER COLLABORATIVE (SECC) 2020 CONSUMER SYMPOSIUM

PRESENTED BY:

Paula Gold-Williams
President & Chief Executive Officer (CEO)

January 27, 2020

Informational Update
San Antonio born, raised and owned.

With a PEOPLE FIRST philosophy running deep through our core,
We acknowledge our community and our customers’ needs
BY THE NUMBERS

Largest Municipally Owned Electric and Gas Utility in the U.S.
Largest Solar Power Production in Texas; Seventh in the Nation
Second Largest Wind Power Production in Texas

Premier Credit Rating
AA+

Our Customers
841K Electric
353K Gas

Most Trusted Brand in the South Region by MSI

Assets
$11B
$2.8B

Annual Revenue
$11B
$2.8B

Years of Serving San Antonio
160

1 as of 1/23/2020
OUR GUIDING PILLARS & FOUNDATION

Reliability  Customer Affordability  Security  Safety  Environmental Responsibility  Resiliency

FINANCIALLY RESPONSIBLE

All business decisions are based on our commitment to being one of the best-managed and most financially responsible utilities in the nation!
LISTENING TO OUR COMMUNITY
COMMUNITY INPUT INFORMS OUR PATH

We use multiple channels to listen and engage with our customers on thoughtful and beneficial two-way conversations.
COMMUNITY FEEDBACK:
CUSTOMER SERVICE IMPROVEMENTS

While we hit a call-handling low in 2015, we have worked hard to improve our customer experience with better training & technology.

<table>
<thead>
<tr>
<th>Award Type</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
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<tbody>
<tr>
<td>Cogent¹ Most Trusted Brand – Residential</td>
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<td>Cogent Customer Champion – Residential</td>
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<td>IVR Doctors² – Top Quartile Ranking “Most Improved IVR System”</td>
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<td>Customer Service³ (CS) Week – Expanding Excellence Award</td>
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<td>Southern Gas Association⁴ Community Service Award Runner-up</td>
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1- Findings based off Escalent’s 2019 Cogent Syndicated Residential and Business Survey
2- 15th Annual Energy Utility Benchmark Report by IVR Doctors on Interactive Voice Response (IVR) systems
3- CS Week Annual Conference
4- Southern Gas Association
WHY AFFORDABILITY MATTERS TO OUR CUSTOMERS

The average energy bill for low income households in Texas is 10% of their income.

In Texas, 36% of Gen Z (18-24 years old) low income household chose to delay or skip food to pay their utility bills.

In Texas, a mix of Gen Z and Millennials (18-34 years old) make up 41% of the total low income population.

Homeowners are a meaningful target to reduce energy poverty, representing 46% of total low income households in Texas.

There is relatively low awareness of energy management programs so we may not be reaching them in channels they prefer.

Date Source: TEPRI – Delighting the Residential Customer 2019
TECHNOLOGY IS RAISING EXPECTATIONS

Customer expectations have shifted drastically because of rapidly advancing technology.

Businesses that ignore the opportunities to engage their customers digitally will be left behind.

Customers have many options and therefore value their money more than ever.
PRODUCTS & SERVICES OUR CUSTOMERS WANT FROM THEIR ENERGY PROVIDER

53%  Energy Efficient Products
41%  Home Energy Generation Products
37%  Home Energy Consultations
36%  Back Up Energy Storage Products
25%  Home Energy Automation Products
25%  Warranty or Financing of Home Energy Improvements
4%   Home EV Charger

Source: Escalent, 2019
PRODUCTS & SERVICES OUR CUSTOMERS WANT FROM THEIR ENERGY PROVIDER

77% Proactive Usage Alerts
72% Monthly Energy Usage Reports
60% On-Demand Detailed Energy Usage
60% Proactive Forecast High Bill Alerts
54% Proactive Outage Alerts

Source: Escalent, 2019
TIME WELL SPENT?

American adults spend almost **40 days annually** on their **smartphones**
(comScore, 2017)

38 of those **days** are spent on **social networks & messaging**
(Globalwebindex, 2018)

**2 days annually** are spent on **telephone calls, mail & e-mail**
(Bureau of Labor Statistics, 2019)

10 **days annually** are spent on purchasing **products & services**
(Bureau of Labor Statistics, 2019)

10 **minutes annually** are spent on their **utility bill**
(Accenture, 2018)

Our customers spend **7 minutes on the phone with us.**
(CPS AHT data, rolling 12 mo avg Sept 2019)
NEXT STEPS & LOOK AHEAD

Adjust business processes, procedures and practices to enhance our customer experience

Adapt to new technologies and implement solutions
Thank You