

CUSTOMER PROCESS UPDATE

July 27, 2011

CPS Energy is committed to serving its customers and meeting their expectations. To ensure our commitment, we sought and obtained customer feedback on current processes and performance. Some key points our customers raised were as follows:

- Single Point of Contact who is Empowered to Resolve Issues and Move Project Forward
- Consistent Processes
- Accountability for Meeting Deadlines
- Conduct Customer Satisfaction Surveys
- Want to be treated as Valued Customers
- Project Updates and Schedule

New Organization – Customer Engineering

A CPS Energy team was formed to review all customer connect processes and to incorporate customer feedback. CPS Energy had 6 different design areas where customer service requests were handled. Depending on the type of project requested by a customer, it was possible to have multiple design areas assigned to the same project. CPS Energy has consolidated all of the previous design areas, including New Service Delivery, into one new organization to handle all customer service requests (see attached organizational chart). This organization is in the process of being established and will mirror the 4 market segments that we serve. These market segments are as follows:

- Residential Services
- Residential Developments
- Commercial Services
- Large Commercial Services & Developments

The alignment of the new organizational structure with the 4 market segments will ensure that accountability for all service related issues will reside with each respective area. Additionally, this new structure will help eliminate some of the inconsistencies that customers are currently experiencing.

Other Significant Changes

- Assigned Point of Contact per Residential Developer
- Customer Surveys
- Increased project updates and schedules

Next Steps:

The new organization should be in place by September 1, 2011, or shortly thereafter. In the meantime, we will continue to operate on a business as usual basis in order to minimize disruptions to our customers. An update on the status of our new Customer Engineering organization will be provided at the next CPS Energy Real Estate Council meeting.