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OBJECTIVES AND METHODOLOGY

Research Objectives
To Understand Customer...

- Interest
- Perceptions
- Understanding
- Preferences

Methodology

- Online Panel Survey
- 596 CO residents;
- 1,032 invitations sent
KEY FINDINGS

Customers are in favor of smart meters
- 79% agree that XE should provide smart meters
- 64% are highly favorable towards smart meters
- Only 19% were unfavorable

Customers believe that benefits are important and some are willing to pay for them
- The majority of customers (82-86%) believe that the benefits of smart meters are important
- Customers believe that reliability benefits are most important; 18% are willing to pay for them
- Almost a third (27%) are willing to pay for environmental benefits

Interest in smart meter enabled products is high
- Customers are most (69%) interested in outage alerts
- Roughly half (47-57%) are interested in energy management tools, high bill alerts, peak pricing/DR, and TOU rates

Online channels are most preferred
- The most (44%) preferred way to access meter data was online
- The majority (74%) want to hear about smart meter options via email
DETAILED FINDINGS
CUSTOMERS ARE IN FAVOR OF SMART METERS

How favorable are you towards smart meters? n=596

- Highly favorable: 37%
- Favorable: 16%
- Not favorable: 11%

64% are highly favorable

Do you agree that Xcel Energy should provide smart meters for its customers? n=596

- Agree: 79%
- Disagree: 21%

Why aren’t you favorable towards smart meters? n=114

- I’m worried my energy bills will increase: 39%
- I need more information: 36%
- I’m worried about data security: 35%
- Upgrades to the power grid will be expensive: 30%
- Other (Please Specify): 25%
- I don’t see the value: 20%
- I’m worried about the accuracy of the meters: 17%
- I don’t know: 17%
- I don’t understand what it is: 7%
UNDERSTANDING OF ELECTRICITY TERMS IS FAIRLY LOW

How well do you understand the following terms?

- Outage
- Peak demand
- Electricity Meter
- kW
- kWh
- Time of Use rates
- Smart Meter
- Smart Grid
- AMI (Advanced Metering Infrastructure) Meter

- I have a fairly complete understanding
- I have a basic understanding
- I’ve heard the term but don’t know what it means
- I have not heard that term
CUSTOMERS BELIEVE BENEFITS ARE IMPORTANT AND SOME ARE WILLING TO PAY FOR THEM

Do you think these benefits are important and are you willing to pay?

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Not Important</th>
<th>Not Sure</th>
<th>Important But at No Additional Cost</th>
<th>Important and Willing to Pay More for It</th>
<th>Important and Willing to Pay More for It, But Not at This Time</th>
<th>Not Important</th>
<th>Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliability</td>
<td>18%</td>
<td>10%</td>
<td>68%</td>
<td>10%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Economic</td>
<td>22%</td>
<td>10%</td>
<td>60%</td>
<td>6%</td>
<td>2%</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Environmental</td>
<td>27%</td>
<td>9%</td>
<td>57%</td>
<td>5%</td>
<td>2%</td>
<td>2%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Definition of Terms

- **Reliability** benefits are those that allow utilities to detect and prevent outages, reduce outage length, and provide immediate notification to customer.
- **Economic** benefits are those that help customers save money by providing real time energy usage information and better control/reduction of energy use.
- **Environmental** benefits are those that not only allow customers to optimize their energy use but also enables the power grid to run more efficiently, thus reducing emissions.
Interests in Smart Meter enabled products and services (Top 3 Box):

- Outage alerts: 69%
- Mobile/Online Energy management tools: 57%
- High bill alerts: 55%
- Peak pricing or demand response programs: 54%
- Time of Use Rates: 47%
- Prepay options: 12%
CUSTOMERS PREFER ONLINE CHANNELS

If Xcel Energy provided a smart meter for your home, how would you prefer to access your meter data?

- Online: 44%
- Mobile app: 26%
- Emailed reports: 22%

Other options include:
- Paper reports: 3%
- Other: 3%
- I don’t know: 3%

How would you prefer to hear about smart meter options?

- Email: 74%
- Directly on my bill: 8%
- Printed ads: 7%
- Bill insert: 6%
- Other: 2%
- I don’t know: 2%
- Radio: 0%
- Printed ads: 0%