



Customer Information System Workshop



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June 27, 2017



Overview

Market and Customer Review

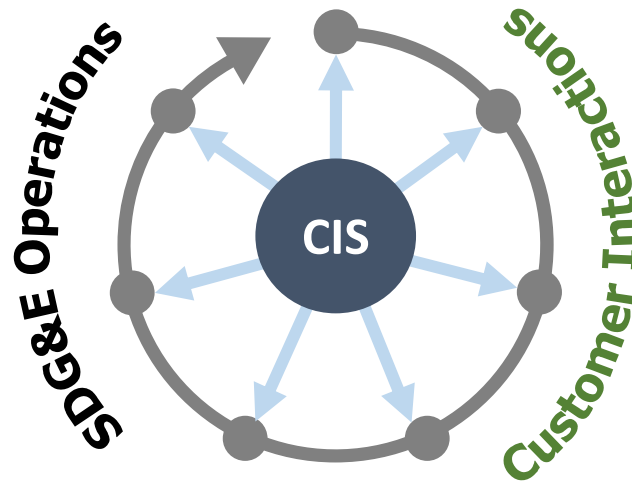
- CIS Defined
- Changing Demands
- Legacy Challenges
- Drivers for Change
- Timeline

Technology Review

- Scope
- Proposed Solution
- System Life
- Risk Mitigation
- Benefits that Transform SDG&E's Business



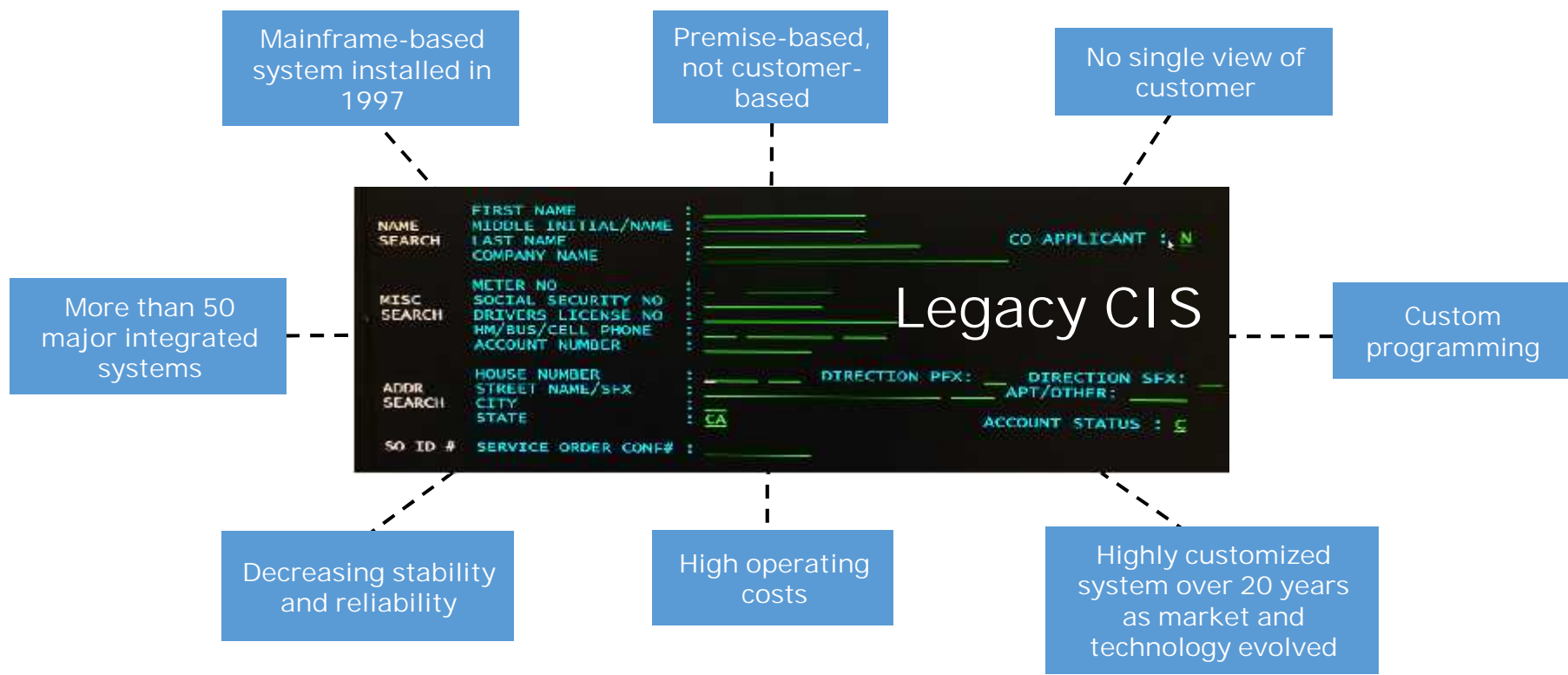
CIS is foundational system of SDG&E operations and customer engagement



CIS IS MORE THAN A BILLING SYSTEM

- Credit and collections
- Customer communications hub
- Customer data
- Meter data collection and processing
- Billing history
- Payment processing
- Reporting and analytics
- Outage coordination and notification
- Rate comparison
- Relationship management
- Energy data access

Legacy CIS is nearing obsolescence and is not a reliable platform for the future



- Ownership and Support Model**
- SDG&E owns 80% of the system hardware and 90% of software/applications
 - System supported by 20% internal staff and 80% external labor

Evolving market and customer demands driving immediate need for modern CIS

Customer, **technology**, **industry** and **regulatory** demands have changed the way utilities interact with customers

Customer Experience

Customers expect an experience comparable to top retailers
On-demand service through digital channel of their choice
Personalized communications and offers



Technology Obsolescence

High operating costs
System instability and increased risk of failure
Exponential increase in data volume

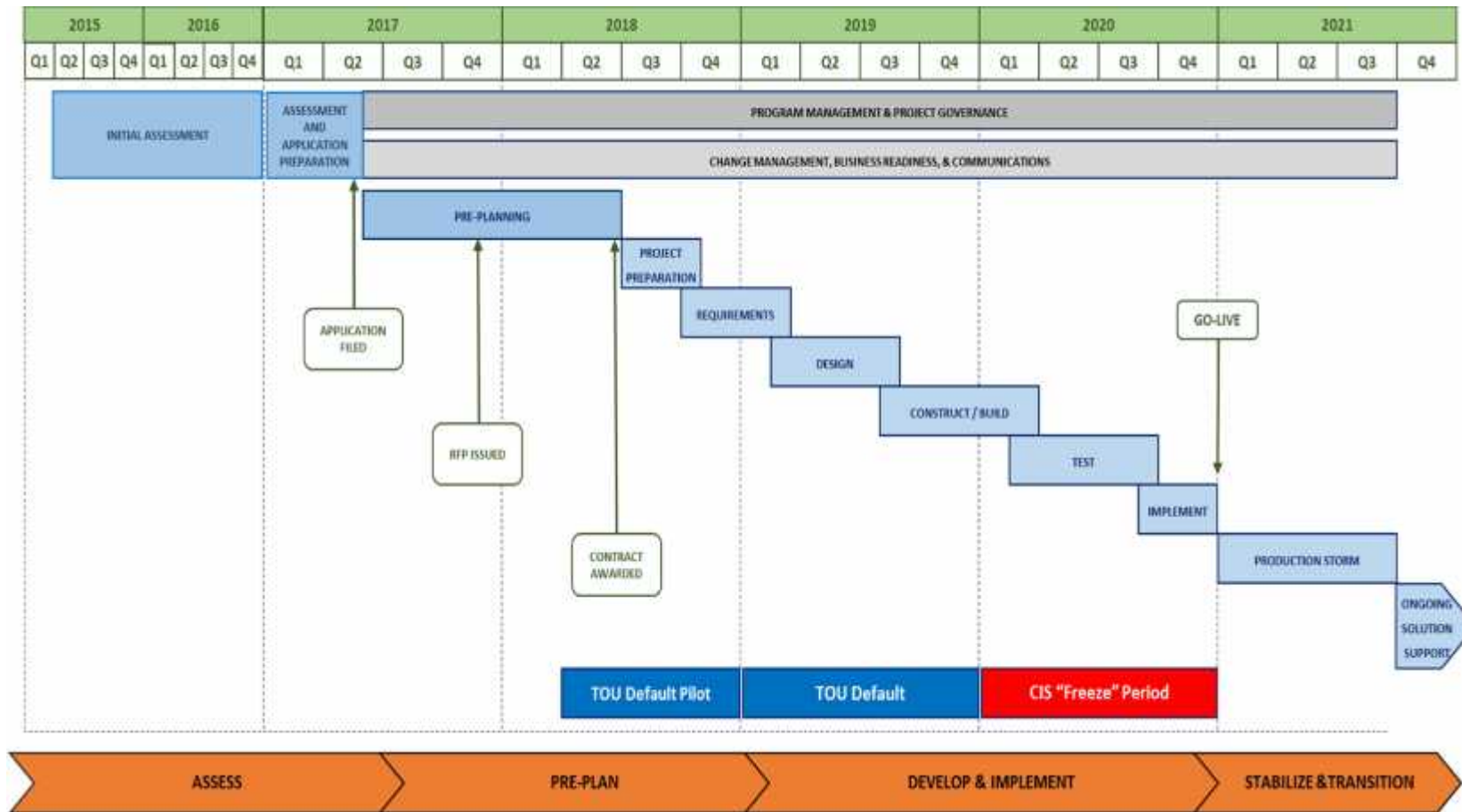


Industry and Regulatory Changes

Expanding customer choice and options
Complex rates and programs introduced at rapid pace



Schedule designed to expedite transition while minimizing impacts to other initiatives



- Proposed schedule anticipates deployment of new CIS in Q1 2021
- No expected impact to residential TOU rate transition
- Deployment of new requirements during system "freeze" introduces risk

SDG&E's proposed solution transforms customer engagement and operations



Digital Self-Service (My Account)

Bill payment

Online energy management tools

Energy efficiency rebates

Service requests

Customer Relationship Management (CRM)

Customer communication

Customer preference management

360 view of customer

Personalized rate and program offers

Core Functionalities (CIS)

Predictive analytics

Service order processing

Meter data processing

Credit and Collections

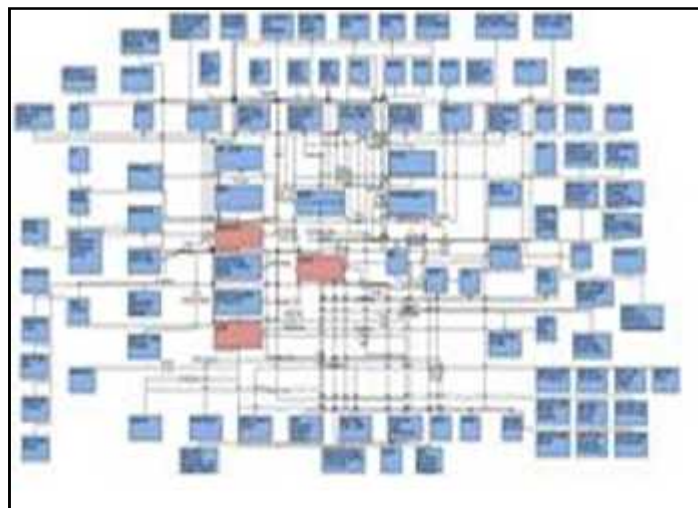
Billing and invoicing

Omni-channel communications

Consolidates functionality from over 40 disparate systems into a single platform

SAP CR&B Enables SDG&E to Evolve

Today



Decentralized view of customer

Delays and increased cost of regulatory implementations

Reliability and scalability challenges



Tomorrow

Simplified

- Replaces 75% of CIS system portfolio
- Reduced implementation and support costs
- Improved reliability and scalability

Flexible

- Built in configuration capabilities
- Quicker regulatory implementations
- Cloud-based functionality for certain functions
- Avoids extensive customization

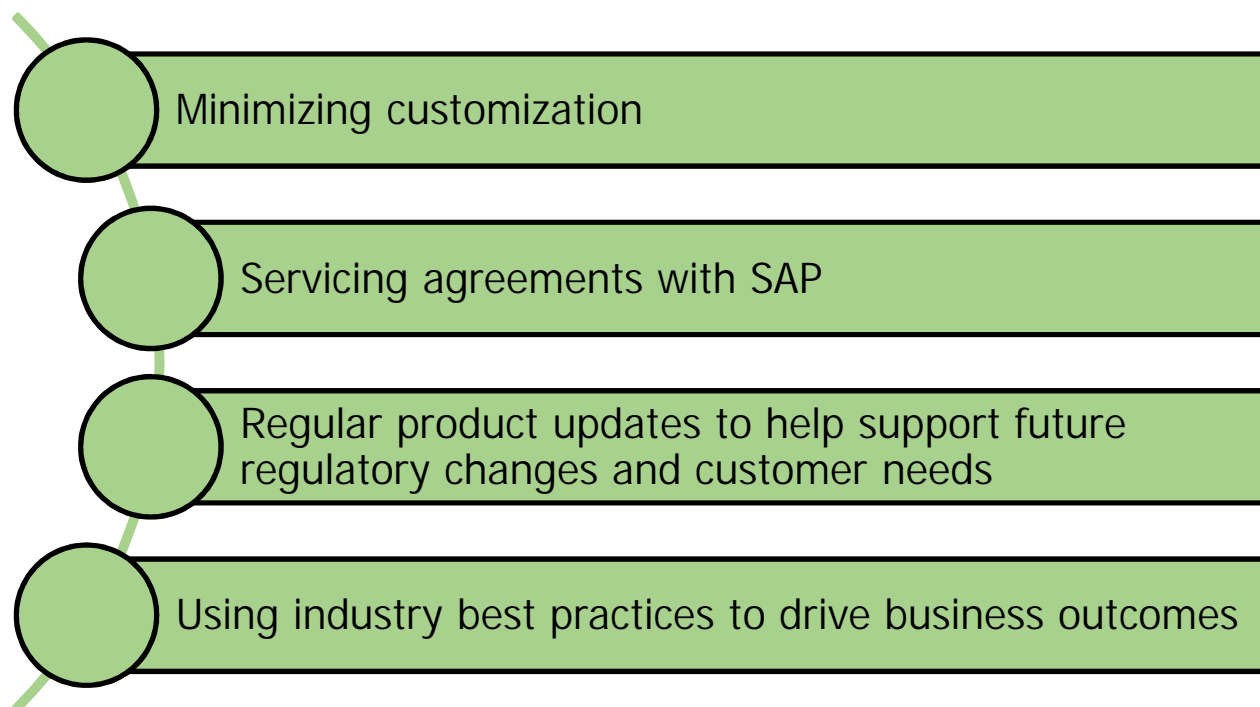
Capable

- Designed to store, process and leverage data
- Efficiently manages vast amounts of data
- Enables 360 degree view of the customer
- Effortless interactions with customers
- Informs customer choice and utility decision making

SAP CR&B will reduce the cost of future IT implementations, increase SDG&E's operational efficiency, and create effortless customer engagement

SAP CR&B system useful life

We will ensure the system remains useful over an extended period of time by:



Leveraging this approach, SDG&E assumed a 15-year useful life post-implementation in its Application

Focus on mitigating potential customer impacts during CIS transition

Potential Customer Risks

Data conversion

Delays or inaccuracies in billing / collections

Decrease in customer service efficiency



Transition Mitigation Strategies

System Integrator and Vendors

Partnership with experienced System Integrator vendors to oversee the implementation and help apply best practices

Data preparation for new CIS

Extensive data validation and conversion efforts to ensure integrity

Quality assurance

Extensive testing to ensure high quality deliverables and to mitigate risk

Increased staffing through transition

Temporary increase in staffing levels to minimize customer impacts while staff is becoming proficient with the new system

Change management

Extensive training and preparation activities to ensure customer and internal staff readiness

Benefits of new CIS drive the business forward in a dynamic market

Customer Benefits



Understanding customer needs and better connecting with our customers to be their trusted energy advisor

Example Benefits

Current State	Future State
Complex interactions with SDG&E	Simplified interactions with SDG&E
Customer experience across platforms and channels can be siloed	Communicate with SDG&E through any channel consistently
Lengthy time to implement new programs and services	Quickly implement programs and customer options
Limited personalized recommendations	Tailored customer experience

Operational Benefits



Transforming our business to be dynamic to meet market needs and regulatory changes

Example Benefits

Current State	Future State
Manually intensive back office processes	Automated /streamlined modern processes
Static customer engagement processes	Personalized and more efficient processes
Inflexible, customized systems	Agile, configurable vendor products
Reliability challenges and limitations	Improved system reliability and scalability