

Automatic Meter Management

A customer's perspective



Oxxio
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Oxxio: second largest retailer in every region in NL

NL's largest independent retailer of electricity and gas

Founded 2000, since 2005, part of Centrica PLC

Customer base: 4th largest

600.000 residentials for E

200.000 residentials for G

Key values

Best value: lowest overall energy cost

Sustainable: all residential customers have 'green energy'

Innovation: tool for new products and services to help customers reduce cost

Reliable: Provides services according the expected service levels



Centrica: one of the largest in Europe



Turnover 2004 £11.8 bn

Presence:

- in UK over 20 mio customers
- In US/Canada over 5 mio
- In Europe: NL, BE en SP

Energy, Telecom, home services, business services

Oxxio is step stone and example how to operate in European Markets



AMM helps Oxxio to differentiate and enhance customer processes

December 2004

Fast growth demands more optimized operational processes

- keep low cost level
- focus on fulfillment
- reduce dependencies of network operators (integrated energy companies)

Increased competition

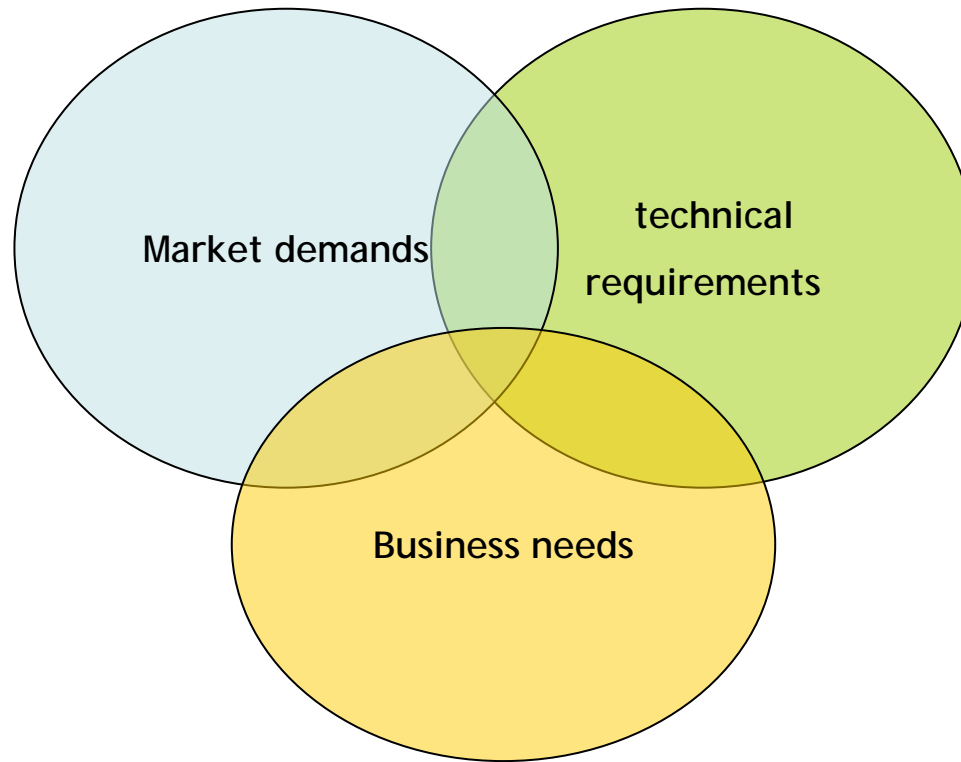
- heavier push-back
- need to differentiate and expand product portfolio

Goals

- independent, improved fulfillment processes (intake, customer services, billing)
- create added value services for long-term relationship with customers



Business case



Oxxio smart meter solution provides more value for the same price level




Business needs

- no increase of meter rental and metering services tariffs
- meter revenues covers the direct operational cost and meter investments
- added value for Oxxio is created through:
 - decrease of customer services cost
 - less churn
 - attract new customers
- added value for customers is created through:
 - accurate and actual insight in energy consumption
 - no more manual read-outs



Market research showed customer's demand to have more control over energy cost



Market demands

Market Research

Non customers: likely to switch: 6% → 8.5%
Customers: likely to stay increases with 24%

Most attractive

- billing on-time and verifiable
- billing on actual read-outs
- energy saving possibilities
- insight in consumption and cost

Not attractive

- monthly billing



Smart meter solution is a platform for future product development



Technical requirements

Demands:

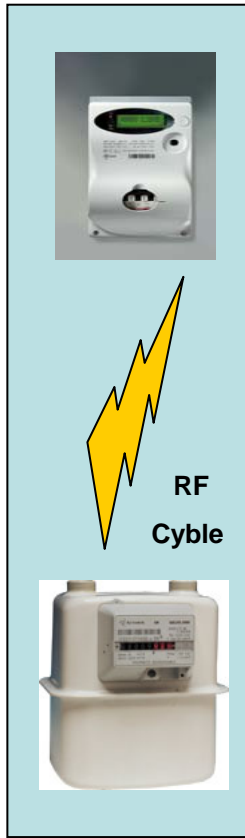
- electricity and gas
- open communications: TCP/IP over GPRS
- proven technology
- prepared for future enhancement
 - wireless interface for connections inside the home
 - more meters can be added

Functions:

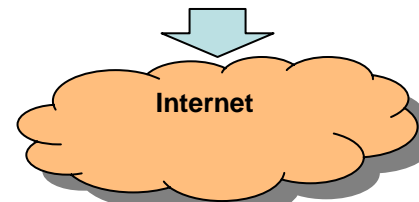
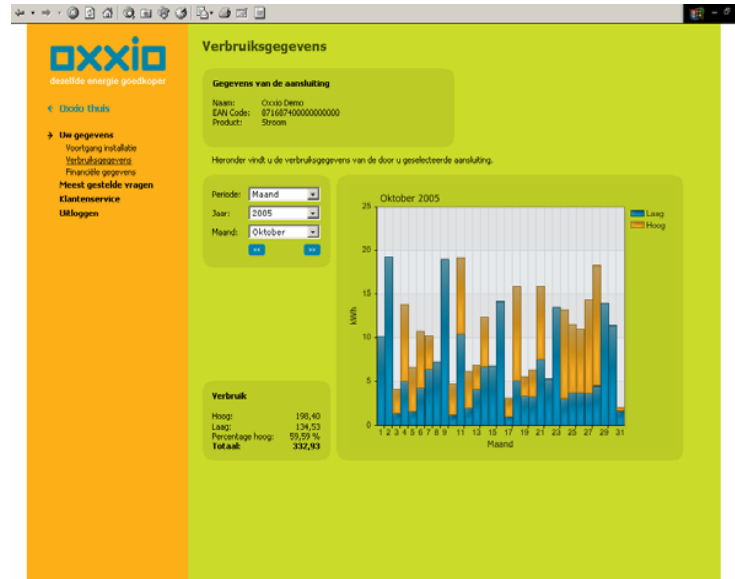
- high resolution: daily update, hourly read-outs
- two-way communications
- monitoring of power quality, interrupts
- remote switch on/off, reduce capacity



Product: Oxxio smart metering system



Local installation



Proven technology and strong alliances are key for succes

Proven technology

- ENEL/IBM solution world largest AMM implementation
- Standard communications: GPRS/RF, IP protocol
- Easy to install

Strong partnerships

- Risk and benefit sharing



Future proof

- extended functionality
- scalable
- modular



Oxxio's roll-out of smart meters is the largest in NL

AMM project on schedule:

- over 60.000 contracts (115.000 meters)
- MyOxxio life since October 2005
- AMM solution in place in February 2006
- roll out since march 20, 2006
- over 30.000 meters installed
- daily over 50 technicians install Oxxio's smart meter
- scale up installation capacity towards 12.000 per month in October 2006



Roll-out in progress!



Customer demand for smart metering is overwhelming, 'one-visit-installation' is more difficult than expected

AMM project on schedule:

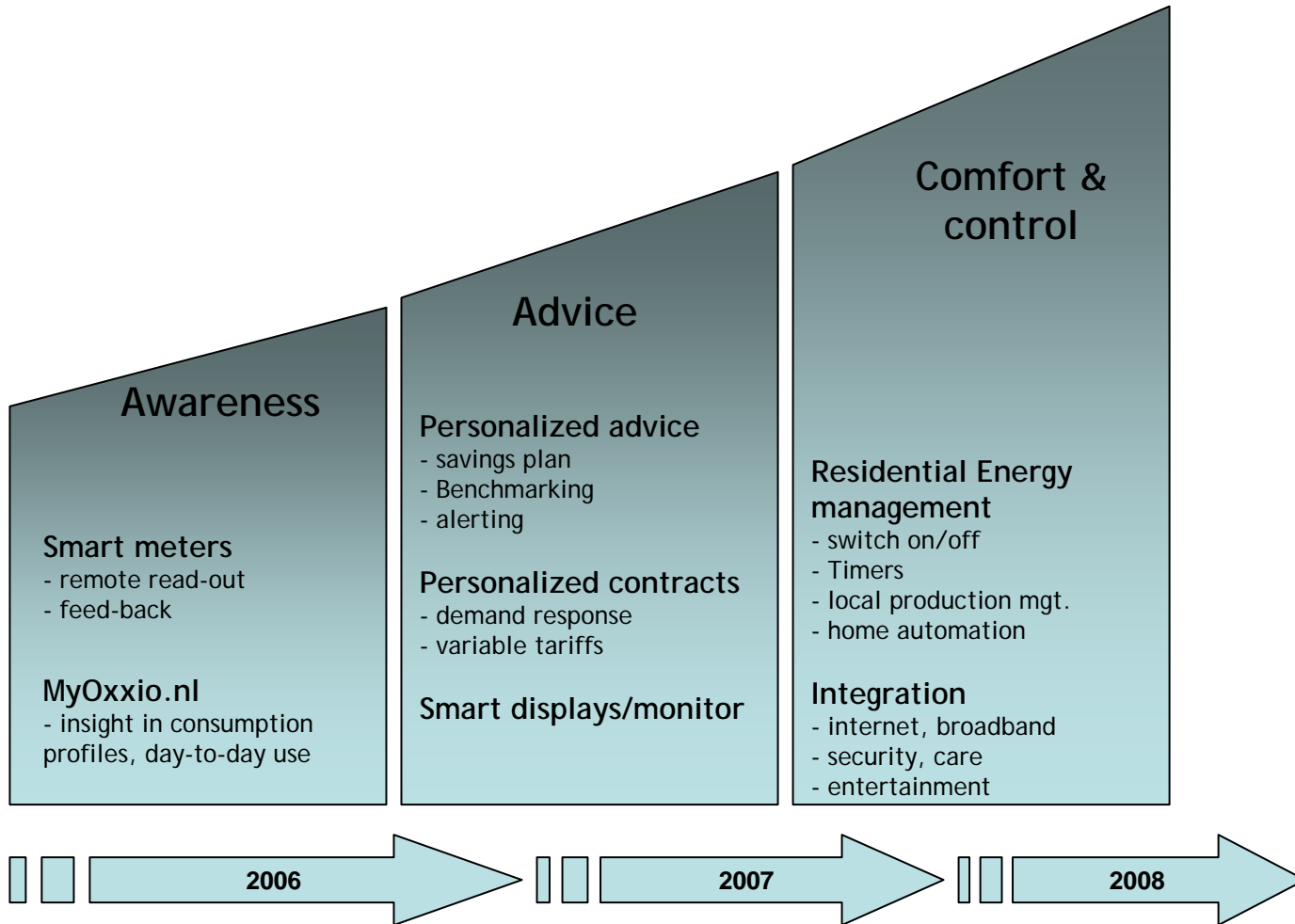
- sales above expectations
 - more than 40% of new customers
 - and 60% of installed base
- issues in market processes can be handled well
- >88% meter readouts successful at first try
- approx 70-75% of first visits successful
 - 10-15% not at home
 - 10-15% technical constraints



AMM works!



Strategy



More focus on added value through enhanced energy saving services

Oxxio gives customers a long term reduction of energy cost

- best value: low prices and energy saving reduces customers cost
- sustainable: 'green' energy and reductions of energy consumption contributes to environment
- innovative: make technology available and useful for the customer
- reliable: use technology to improve own processes

Project initiated to develop energy savings service for customers

- Goal: launch new products based on smart meter solutions
- Requirements:
 - distinctive from current 'tips and tricks'
 - increase overall awareness
 - enhance MyOxxio functionality to save cost
- Progress
 - study research, customers panel, competition analysis, data analysis solutions in progress
 - first product launch expected in January



Oxxio continues to launch new products in 2007

Personalized energy advice

- e-mail service with energy advice
- data analysis and interpretation on customer's behalf
- give indirect (and direct) feedback on customers energy behavior
- create benchmarking groups
- facilitate customers to share experiences
- display of actual consumption

Enhanced MyOxxio facilities

- self service functionality
- day-to-day insight in cost
- data analysis and monitoring
- set saving goals and alerting

Enhanced energy contracts

- flat fee
- contract based on tailor made profiles
- new tariff blocks



End of show



Any questions?