



CUSTOMER ENGAGEMENT AND OUTREACH

Strategic Plan Ratepayer Engagement Initiative

Review Panel Meeting – April 30, 2013



GOALS OF RESEARCH & SURVEY

- Identify the best practices nationwide in engaging the public, customers and stakeholders in utility rate design or other public processes.
- Review and survey what other utilities are doing in similar public engagement programs, gauge effectiveness, and explore new tools to reach more customers.
- Identify the critical components of effective outreach and engagement to incorporate into a Council adopted resolution
- Use the resolution as a framework to guide the ratepayer outreach and engagement component for the strategic plan update and new rate ordinance, including potential new rate design and structure.

SEEKING BEST PRACTICES

- Between March 12th and April 12th, Seattle City Light telephoned, emailed, searched web sites and reviewed more than 25 public engagement plans from major utilities.
- Between April 10th and April 22nd, 2013, Seattle City Light surveyed 25 communications leaders from different utilities and asked questions about what they did, how it worked, improvements they would suggest, and comments on new approaches they are considering. There were 11 in-depth responses.

FINDINGS: Best Practices used by SCL are widely used

City Light has history of engaging different levels of customers; these tactics are now utility-wide best practices:

- Meeting communities of color at their own community centers and offering them information in their own language, case studies involving their community and prospective choices for future energy management.
- Specialized communications' plans and long term relationships between the top customers and the individual account managers.
- Website engagement/ongoing customer feedback: stakeholders, interested publics, media and key insiders are informed through Facebook, Twitter, and utility websites which identify specific link or page dedicated to rate review processes.

FINDINGS: Targeted and accessible outreach more effective

- Fewer public meetings where customers are asked to leave their homes to attend a meeting; the trend is to find ways to engage from home, online, or through meetings they already attend.
- Micro-targets are more popular than general public engagement targets. Focus: build ongoing relations with a targeted groups, and keep them up-to-date with more opportunities to comment on many different utility subjects.
- Even though information is complex to explain, the amount of words used to communicate to the public is much less (more research is being done to refine and focus on the most salient/resonating messages).

FINDINGS: New partnerships and messengers

- Partnerships with community/civic organizations are taking on creative paths. More utilities are directly hiring or finding some other incentive for messengers, facilitators and feedback agents.
- Some of the more interesting include Rotaries, ethnic groups, Hotel/Restaurant associations, and non-profits. Meetings on rate reviews and strategic plans are reviewed at regular meetings of these groups.
- Process for rate reviews is beginning earlier, including more diverse utility staffers who stay with the process for more than one or two rate review processes, and is more focused on proactive, aggressive, and multi-channelled communications.

SUMMARY OF BEST PRACTICES RESEARCH

- More emphasis is being placed on on-going customer account management than on cycles of rate review process.
- Where most of the public involvement has been around the rate review process, more utilities are moving their emphasis on strategic, long range and capital plans. The rate reviews are anticipated as part of a greater plan.
- Customers and stakeholders want dependability and predictability terms of rate increases. They would prefer to hear about rate changes from their account manager than mass communication.
- The public is no longer as interested in how rates compare with other cities; they are more interested in when and what other services and investment the utility is planning.

ONLINE SURVEY OF OTHER UTILITIES – OVERVIEW

25 Large Public Power Council Members - 11 respondents (3 > 650,000 customers)

- 36% plan rate changes every year; while 45.5% propose as needed.
- 45% plan a year ahead; followed by 36% who plan 6 months ahead of rate change.
- Most started with stakeholder discussions/briefings or a targeted education campaign.
- Most engaged commercial/industrial customers; civic and community influencers
- 18% of utilities engaged a specifically designated advisory board/committee; 36% engaged an existing advisory board.
- 30% engaged special targeted populations (low income, energy efficiency programs).
- 45% engaged employees in the planning process.
- 9% engaged non-English speaking customers.

MOST COMMON TOOLS FOR INFORMING CUSTOMERS

- Print Ads – 70%
- Social Media – 60% and growing, more customers/more comment/more informed
- Customer Bills – 50%
- Presentations to standing community groups – steadily increasing
- General public round table discussions – steadily decreasing

PROBLEMS WITH THE ENGAGEMENT PROCESS

- Engagement was dominated by a small number of stakeholders.
- The information was extremely complicated and too time-consuming for customers to master and give thoughtful feedback upon.
- The one-size-fits-all public engagement doesn't work; classes of customers need to be paired together.

WHAT CHANGED BECAUSE OF OUTREACH EFFORTS?

- Processes are starting much earlier.
- Relationships with industrial customers improved.
- Relationships were established more than education was received by the customers/stakeholders.
- Residential customers more willing to use web page to check for changes and information.
- In a few cases, stakeholders were able to drive the public engagement so that the board reduced the rate as much as 2%.

THEIR ADVICE/NEW BEST PRACTICES

- Need for more two way communications with customers.
- Worry more about building trust than imparting too much info or pushing customers to make simple conclusions just for the sake of making conclusions.
- Include upper management in listening to customer feedback so all can be on the same page.
- Worship community, schools and low income communities require special attention and engagement.
- Gradual, expected, consistent rate increases garner more acceptance and desired certainty for customers.

COMBINED ANALYSIS: RESEARCH & SURVEY

- The future is more about going to customers and not making them come to the utility.
- Rate review process needs to start sooner, with community partnerships and regular monthly civic meetings rather than utility hosted meetings for the general public.
- Classes of customers need to be approached with different tools, strategies, messages and expectations - no one message fits all targets.
- There is a greater need to reach beyond the usual suspects – stakeholders can prompt outcomes not shared by the majority of customers.
- Customers want to see the Big Picture of how the utility is growing and prefer to talk about needed outcomes as opposed to more technical rate information.
- Best Practices on the Rise: building trust, extending relationships, being more predictable, and allowing for direct, targeted and interactive contact.