



POWERING A VITAL VALLEY

# San Luis Valley Rural Electric Cooperative Residential Customer Survey



**Report of Findings**

31 July 2020

Confidential & Proprietary



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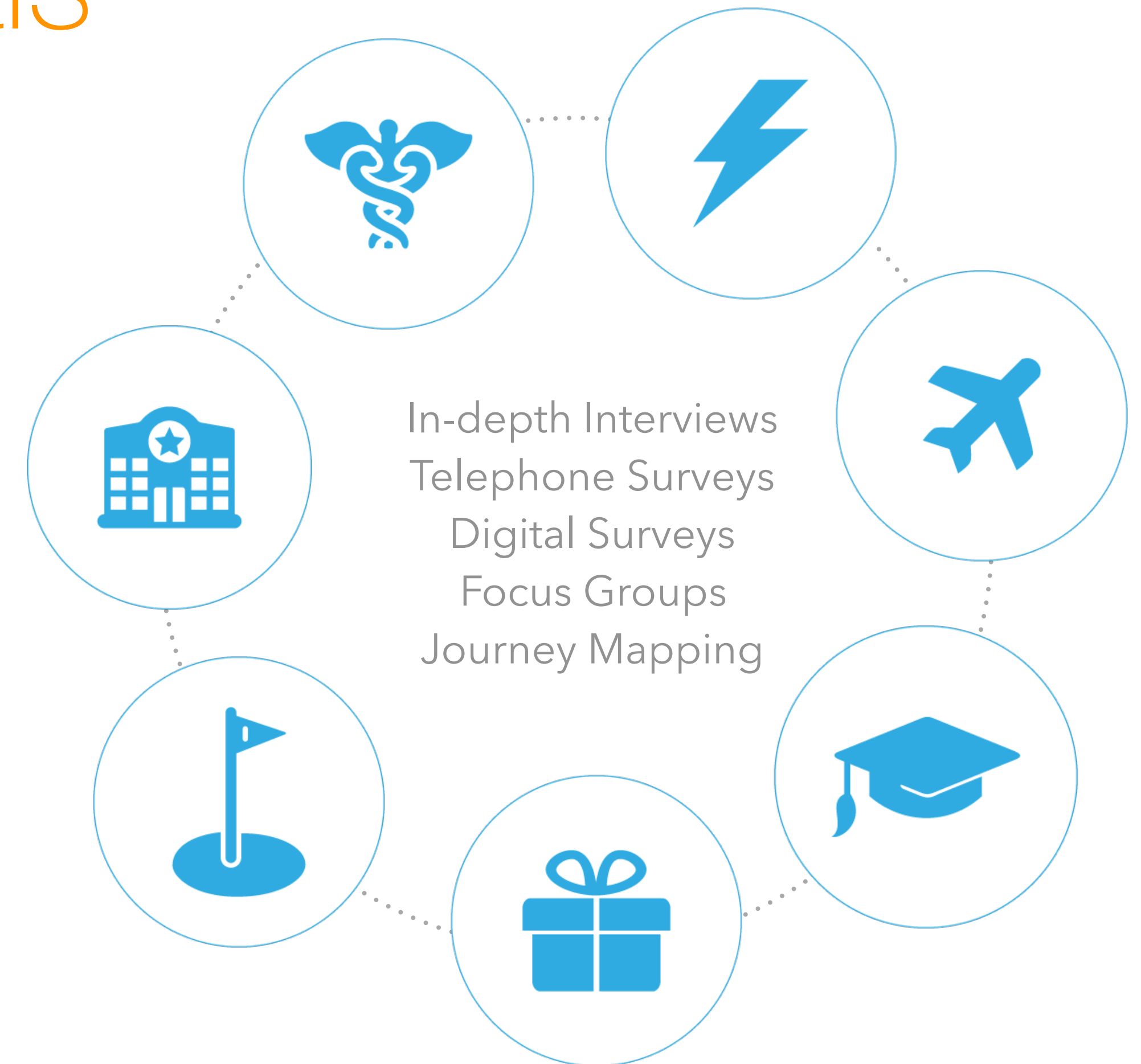


# Harnessing the Power of Data to Help Clients Achieve Organizational Goals

**Data** to support strategic decisions to improve on products and services. Since 1979, our experience with study and instrument design, data collection, analysis, and formal presentation assists our clients in identifying the “why” and “what’s next.”

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**Solutions** that are customized to provide a personalized approach of understanding organizational, employee, and customer needs allowing for more informed decisions.



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# Project Overview

- GreatBlue Research was commissioned by the San Luis Valley Rural Electric Cooperative (hereinafter “SLVREC”) to conduct a market research study to gain insight into the satisfaction levels of its residential customers.
- The primary goals for this research study were to assess satisfaction levels of SLVREC members and highlight attitudes and awareness levels regarding various electric utility-related characteristics.
- In order to service these research goals, GreatBlue employed telephone and digital survey methodologies to capture the opinions of residential customers.
- The outcome of this research will enable SLVREC to a) more clearly understand, and ultimately set, customer expectations, b) act on near-term opportunities for improvement and, c) create a strategic roadmap to increase customer satisfaction.





# Areas of Investigation

The 2020 San Luis Valley Rural Electric Cooperative Residential Satisfaction Study leveraged a quantitative research methodology to address the following areas of investigation:

- Overall satisfaction with SLVREC
- Satisfaction with various organizational characteristics
- Knowledge and sentiment of the current rate structure
- Importance and perceived benefit of renewable energy and net-metering systems
- Current and preferred communication methods
- Demographic profile of respondents



# Research Methodology Snapshot

Methodology <b>Telephone &amp; Digital</b>	No. of Completes <b>665</b>	No. of Questions <b>43*</b>	Incentive <b>None</b>	Sample <b>Provided by SLVREC</b>
Target <b>Residential Customers</b>	Quality Assurance <b>Dual level**</b>	Margin of Error <b>3.62%</b>	Confidence Level <b>95%</b>	Research Dates <b>June 15 - July 22, 2020</b>

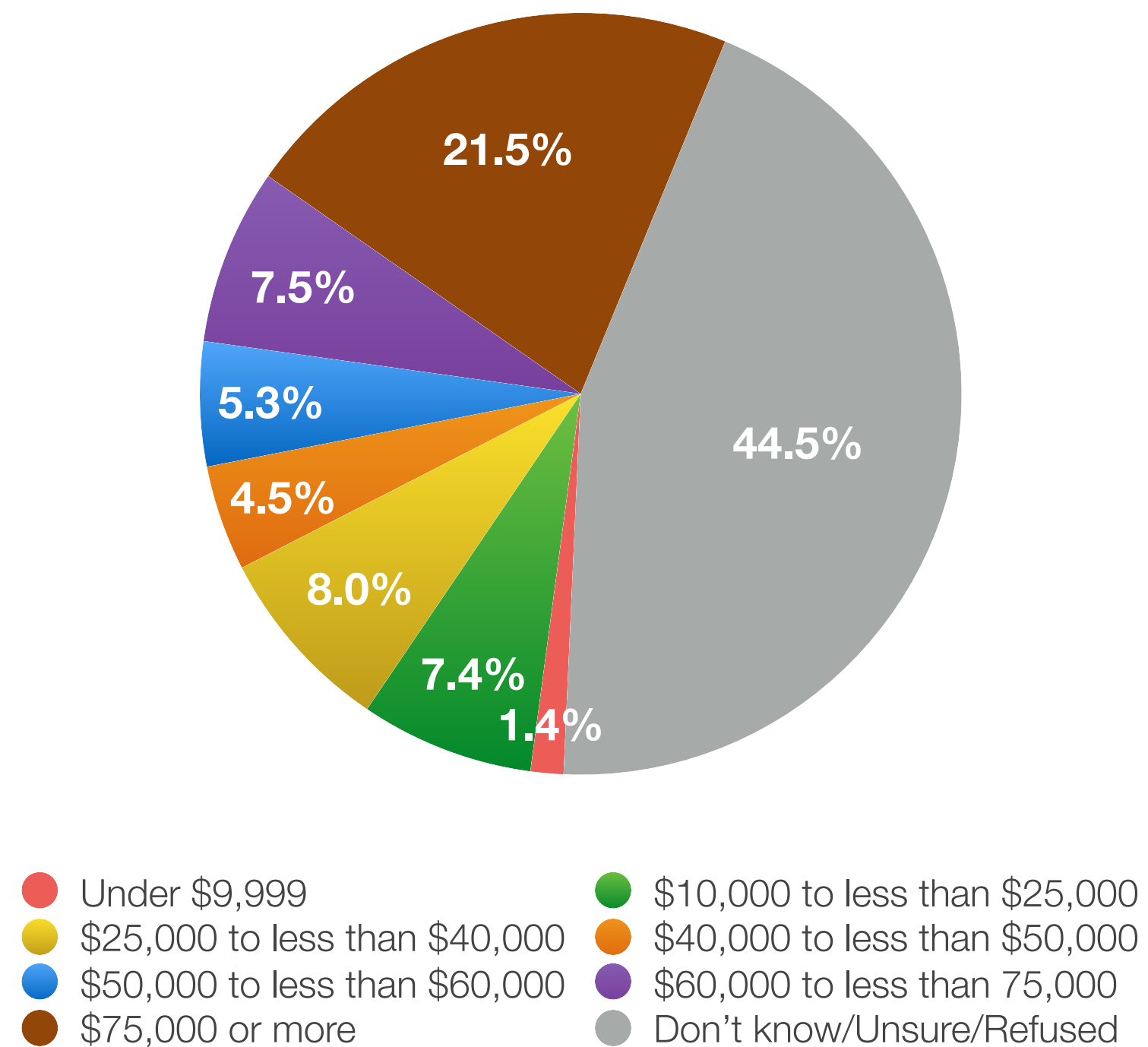
\* This represents the total possible number of questions; not all respondents will answer all questions based on skip patterns and other instrument bias.

\*\* Supervisory personnel, in addition to computer-aided interviewing platform, ensure the integrity of the data is accurate.

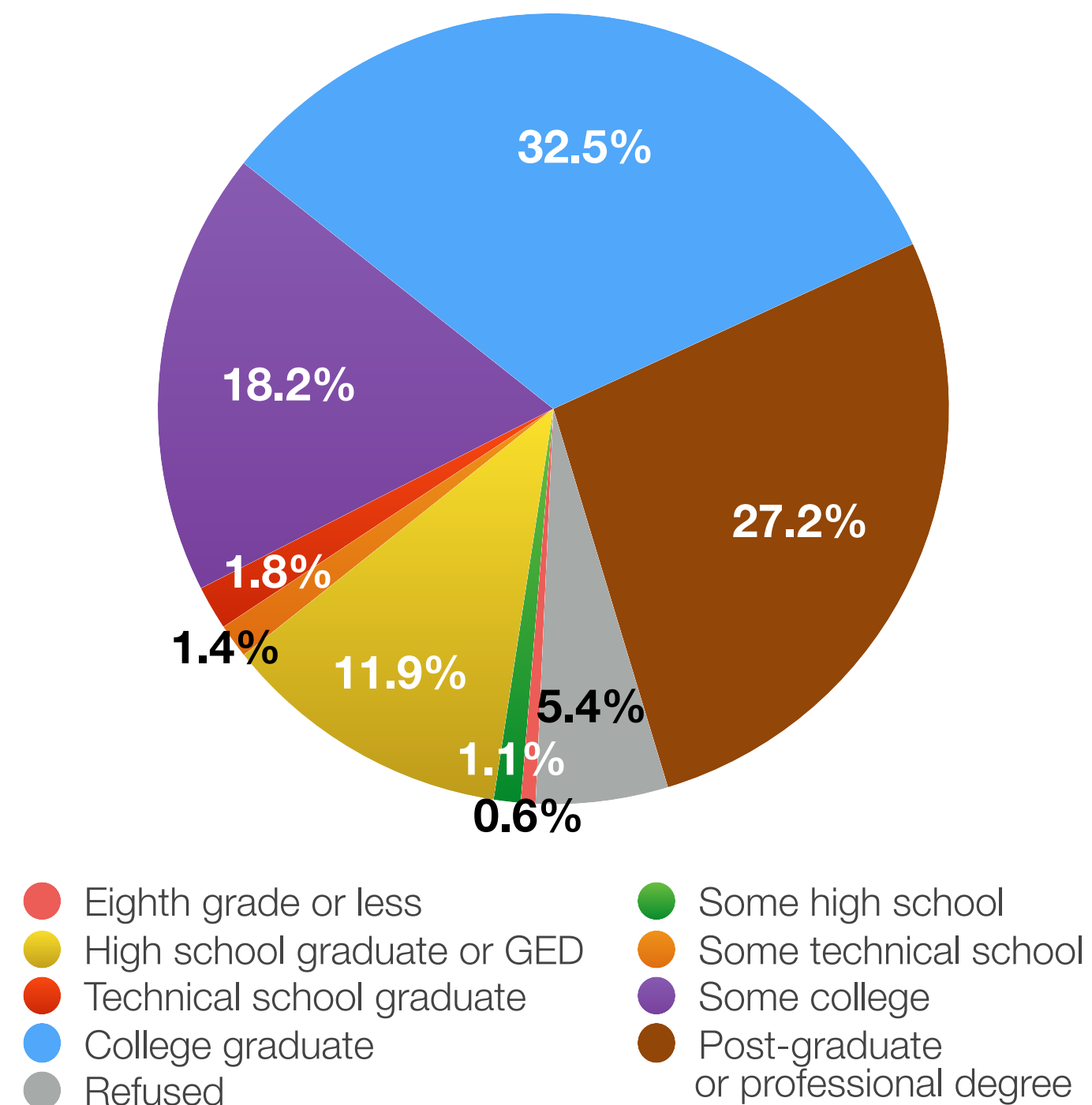
# Respondent Snapshot

This slide quantifies select data points to provide context for this research study. The data is not meant to be statistically significant, rather to provide an empirical view into the demographic profile of the participants.

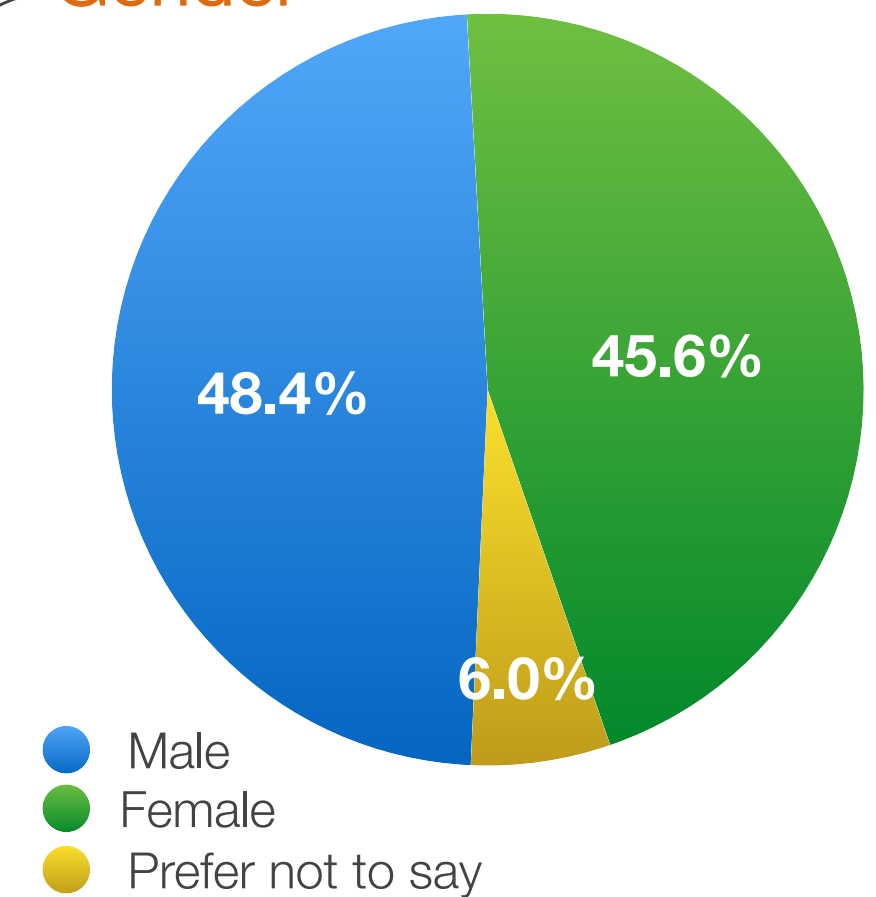
## Income



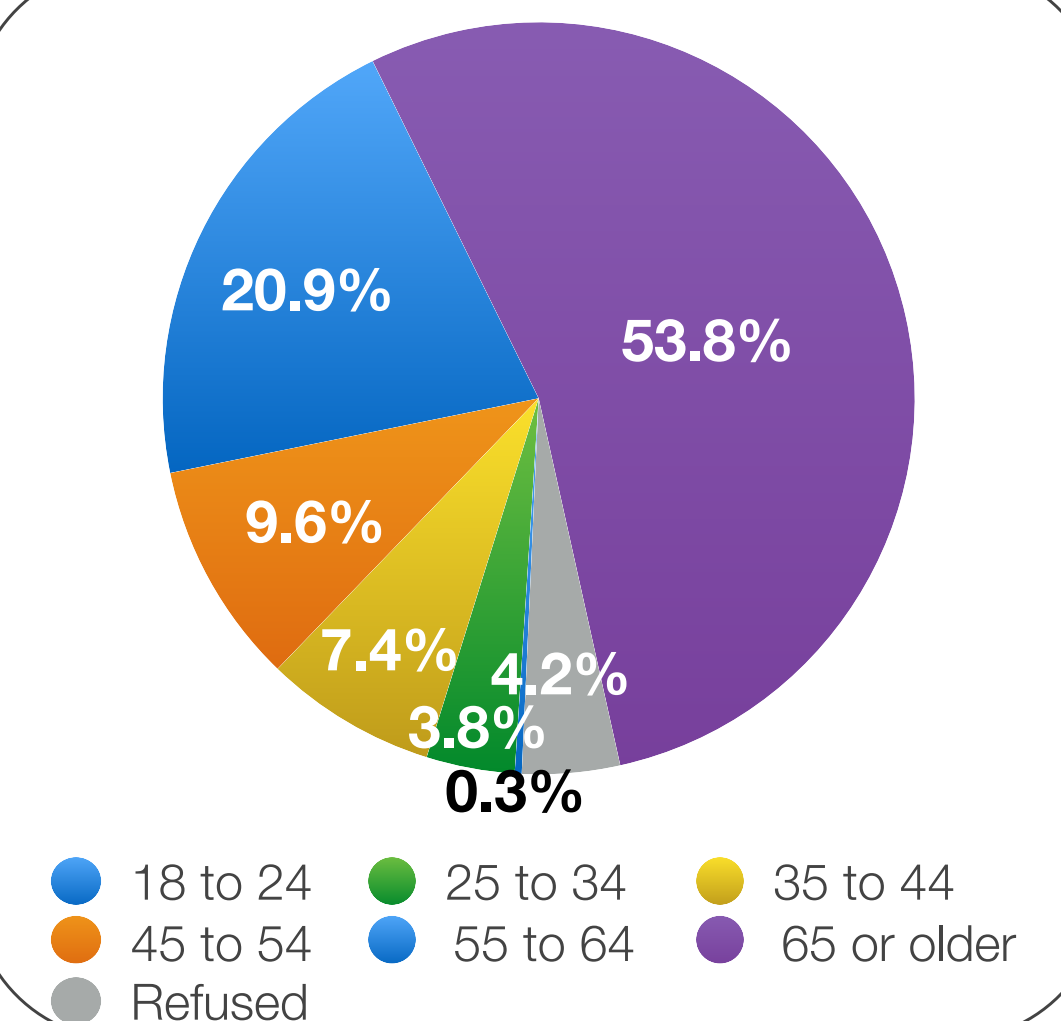
## Education



## Gender



## Age

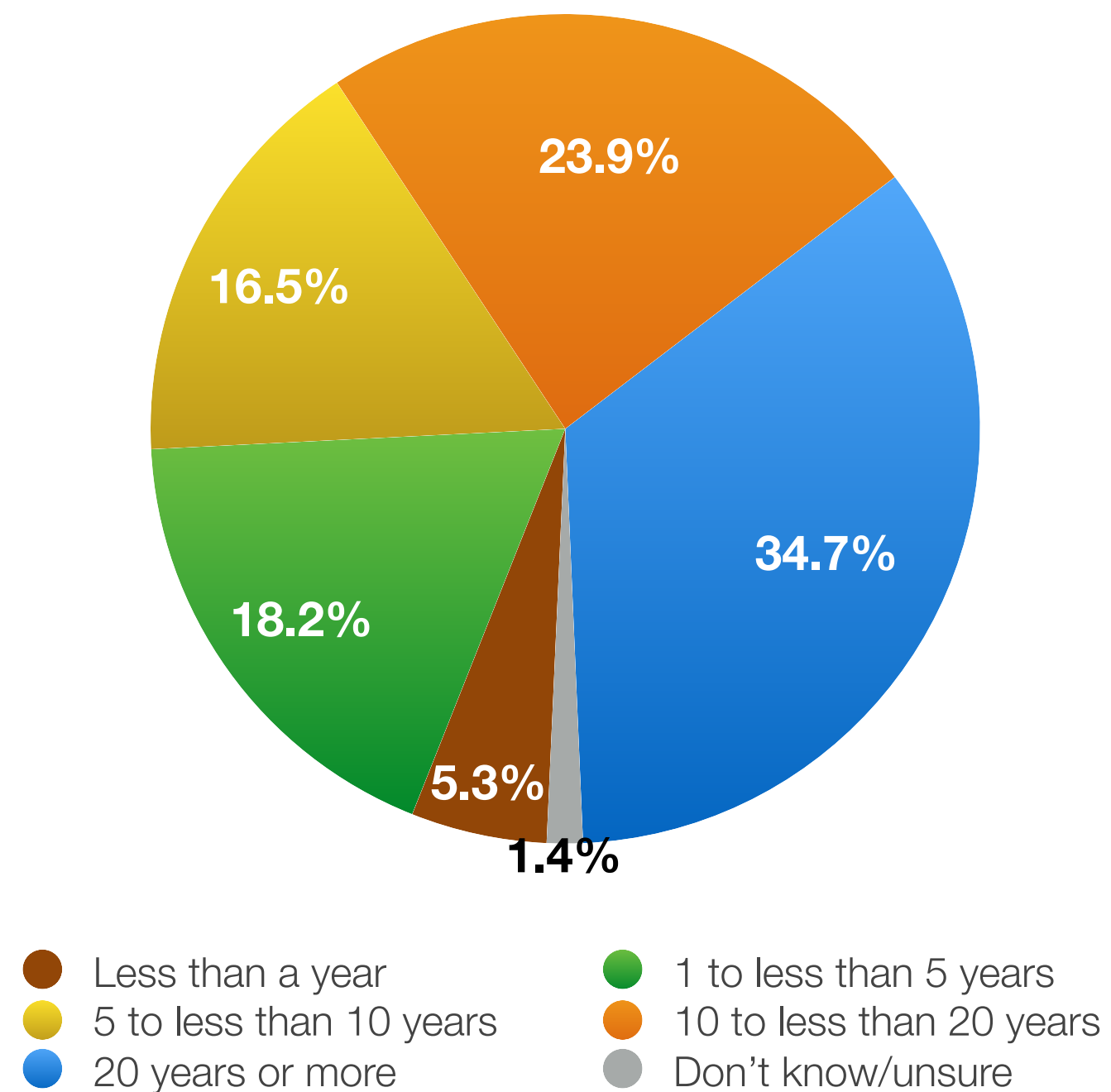




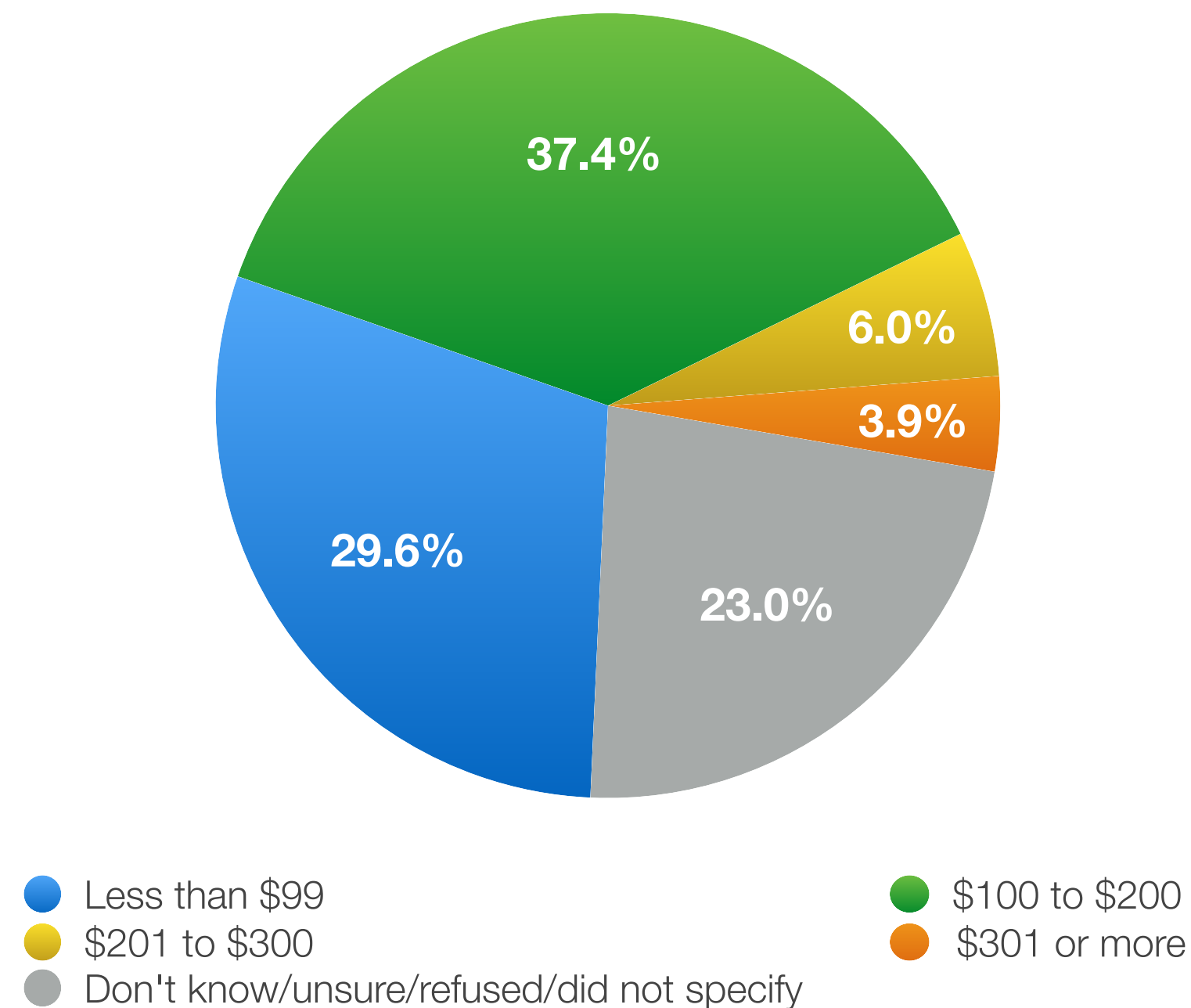
# Respondent Snapshot

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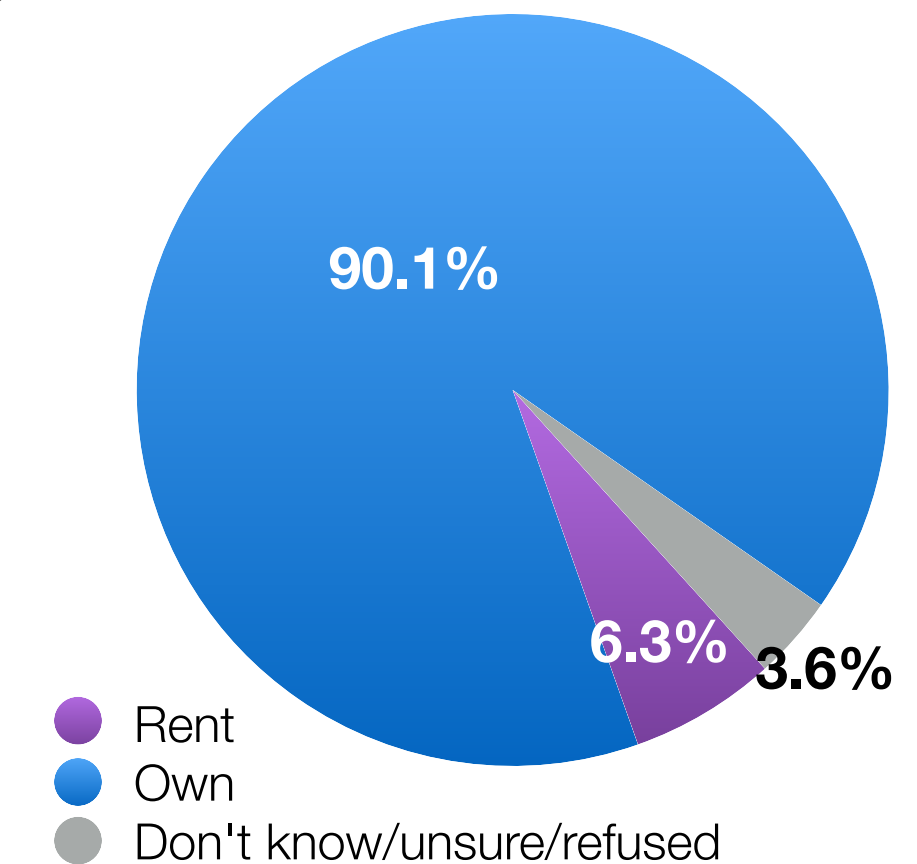
## Length of Time as a Customer



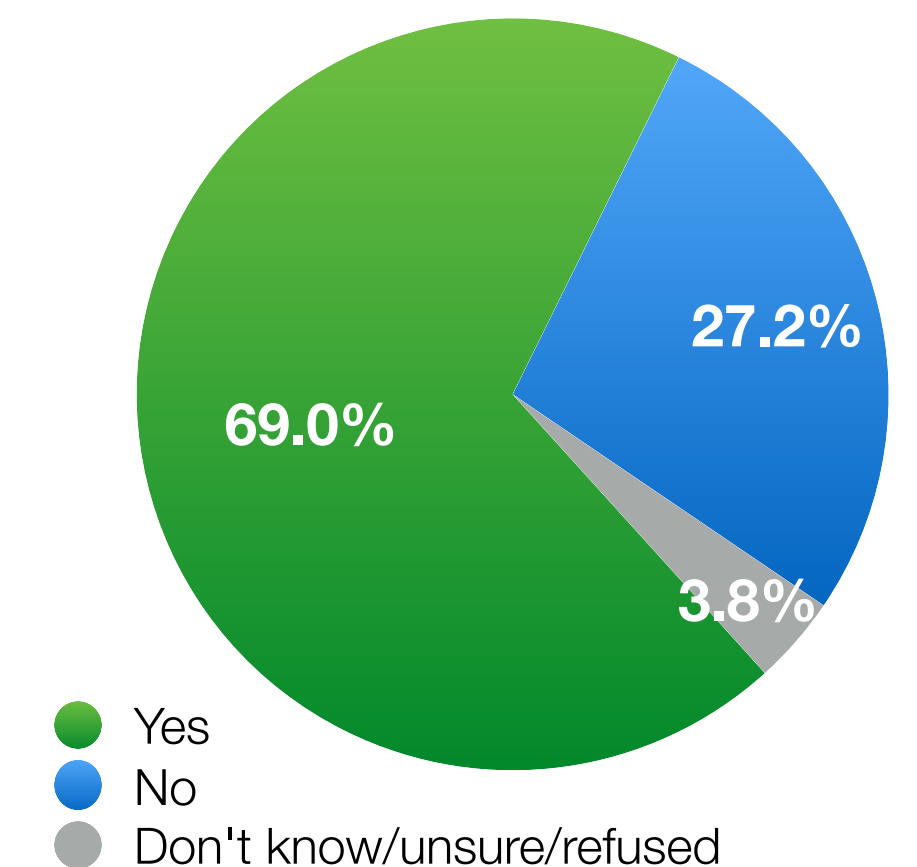
## Average Monthly Electric Bill



## Rent/Own



## Primary Residence



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71.5%

would still purchase  
at an increased  
price point

5.4%

8.9%

2.8%

Negative Impact

Boomers



# Key Study Findings

- In 2020, the frequency of positive ratings (ratings of 1-4) varied among the eight (8) organizational characteristics, with the highest positive ratings recorded for “maintaining modern and reliable infrastructure” (79.4%), “community involvement” (76.5%), and “responding promptly to customer questions and complaints” (73.6%).
  - Of those who provided unsatisfactory ratings (ratings of 7-10) for at least one (1) organizational characteristic, the most frequent reason recorded was “unfair billing/high rates/poor rate structure” (47.7%).
- 79.8% of respondents indicated SLVREC meets their expectations and the most frequently indicated expectation reported was “reliable/consistent service/no interruptions” (67.2%), followed by “pricing/rates” (60.9%), “good customer service” (16.8%) and “prompt response to outages/issues” (16.4%).
- When asked to indicate the importance of reliability and cost, 70.7% indicated that reliability was more important than cost, while 19.5% indicated cost was more important than reliability.
- 72.2% of respondents indicated they were aware of the current SLVREC rate structure, while 27.8% reported being unaware. Additionally, 51.0% of respondents reported being satisfied with the current rate structure. When prompted to provide an explanation for their satisfaction rating, 22.0% of respondents indicated “too expensive/rates too high,” 21.8% indicated “okay with rates/no issues” and 12.0% indicated “unfair billing/don’t agree with charges.”

# Key Study Findings, continued

- 53.0% of respondents reported being knowledgeable about the various types of utility rate structures, 60.6% reported being knowledgeable of fixed and variable costs and 54.3% reported they were knowledgeable about the allocation of customer, demand and energy charges.
- 69.2% of surveyed customers indicated they believe that grouping rate classes by residential, commercial and industrial customers is a fair method of cost allocation. Additionally, 57.0% reported they were interested in information and education about how cost of service studies are performed.
- 86.0% of respondents reported the development and implementation of renewable energy is important. However 59.5% indicated they would not be willing to pay higher electric rates to increase support for renewable energy initiatives.
- 75.5% of respondents indicated they did not have a net metering system installed at their residence and 42.6% reported “don’t know/unsure” when asked if they believe net metering systems at other residences operating under SLVREC benefit them. Of note, 46.0% of respondents indicated they were interested in a program assisting with net metering installations.
- 52.3% of residential customers reported they currently receive information from SLVREC through “newsletters” and 41.7% indicated receiving information through “email.” Of note, the most frequently indicated preferred method of communication was recorded for “email” (34.4%).



# Key Study Findings, continued

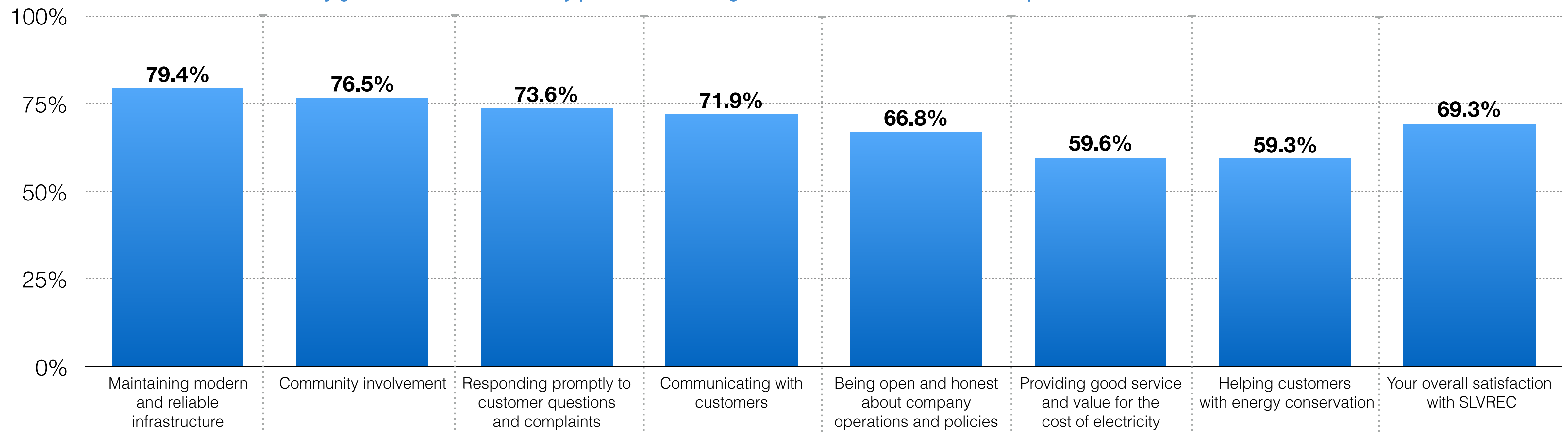
- Over one-half of respondents (53.4%) of respondents reported they had not visited the SLVREC website in the past six months. Of surveyed customers who did visit the website, 83.3% reported they were satisfied with the content and 88.1% were satisfied with the ease of navigation/use. When asked to indicate what one thing SLVREC could do to improve the website, the most frequent substantial responses\* included “improve content/more information” (12.3%) and “user friendly/easier to navigate” (9.9%).
- The highest frequency of respondents reported “online with a computer or tablet” as both their current (34.9%) and their preferred (34.1%) electric bill payment method, followed by “auto pay” (current 20.8%; preferred 23.2%) and “US Postal Service” (current 20.0%; preferred 18.8%).
- While 23.5% of respondents reported their electric utility bill payment process was better than other utility bill payment options, 67.7% indicated the process was the same.

\*Top three substantial responses (“none/nothing” and “don’t know/refused” not included)

# Varied Ratings for Organizational Characteristics

In 2020, the frequency of positive ratings (ratings of 1-4) varied among the eight (8) organizational characteristics, with the highest positive ratings recorded for “maintaining modern and reliable infrastructure” (79.4%), “community involvement” (76.5%), and “responding promptly to customer questions and complaints” (73.6%). The characteristics with the lowest recorded ratings included “providing good service and value for the cost of electricity” (59.6%) and “helping customers with energy conservation” (59.3%).

Now, I will read you a list of different organizational characteristics. For each one, please rate SLVREC on a scale of one to ten where one (1) is “very good” and ten (10) is “very poor.” (Total ratings of 1-4 without “don’t know” responses)





# Rates and Rate Structure Account for Nearly One-Half of Poor Ratings

Of the 665 surveyed SLVREC residential customers, 193 rated at least one (1) of the eight (8) organizational characteristics unsatisfactory (ratings of 7-10). When asked to indicate the reason for the low rating, the most frequent open-ended responses included “unfair billing/high rates/poor rate structure” (47.7%), followed by those who “expressed multiple issues” (21.2%)\*, and those who indicated “poor communication/transparency” (9.3%).

Please tell me why you provided poor ratings for SLVREC. (N=193)

Response...	%
Unfair billing/high rates/poor rate structure	47.7
Expressed multiple issues*	21.2
Poor communication/transparency	9.3
Messages not returned	3.1
Average/room for improvement	2.1
Need more renewable energy options	2.1
Poor customer relations	2.1
Poor customer service	1.6
Unreliable service/frequent outages	1.6
Satisfied/no issues	1.6
Poor management/leadership	1.6
Not too familiar/no need for contact	1.0
Other	3.1
Don't know/unsure/refused	2.1

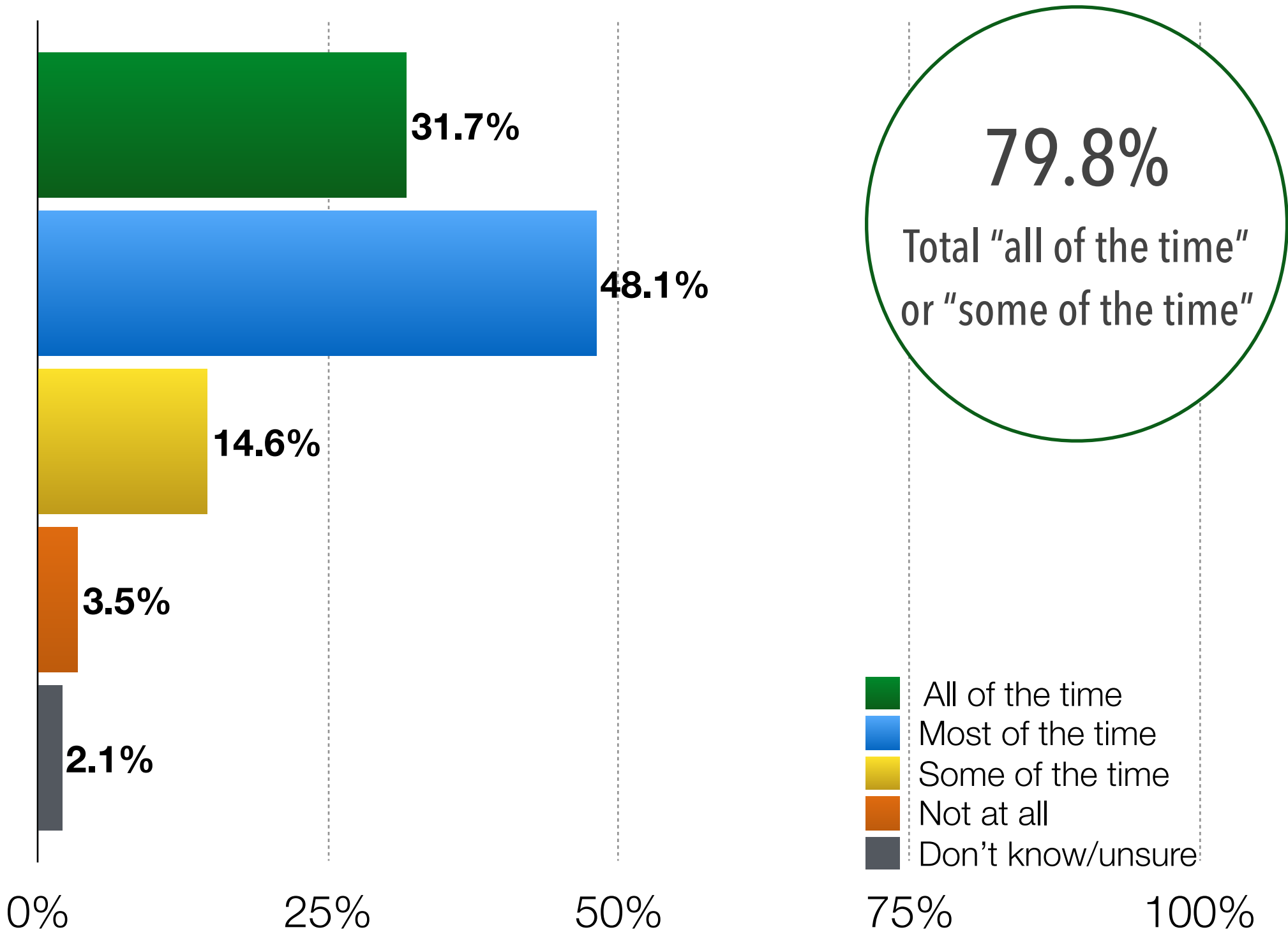
\*Indicates open-end verbatim responses provided separately.

# Expectations Met at a High Frequency

The strong majority of respondents, 79.8%, indicated SLVREC meets their expectations either “all of the time” (31.7%) or “most of the time” (48.1%). The highest frequency of respondents reported a top expectation of SLVREC is “reliable/consistent service/no interruptions” (67.2%), followed by “pricing/rates” (60.9%).



Does your electric utility meet your expectations...



Please tell me your top three expectations regarding SLVREC?

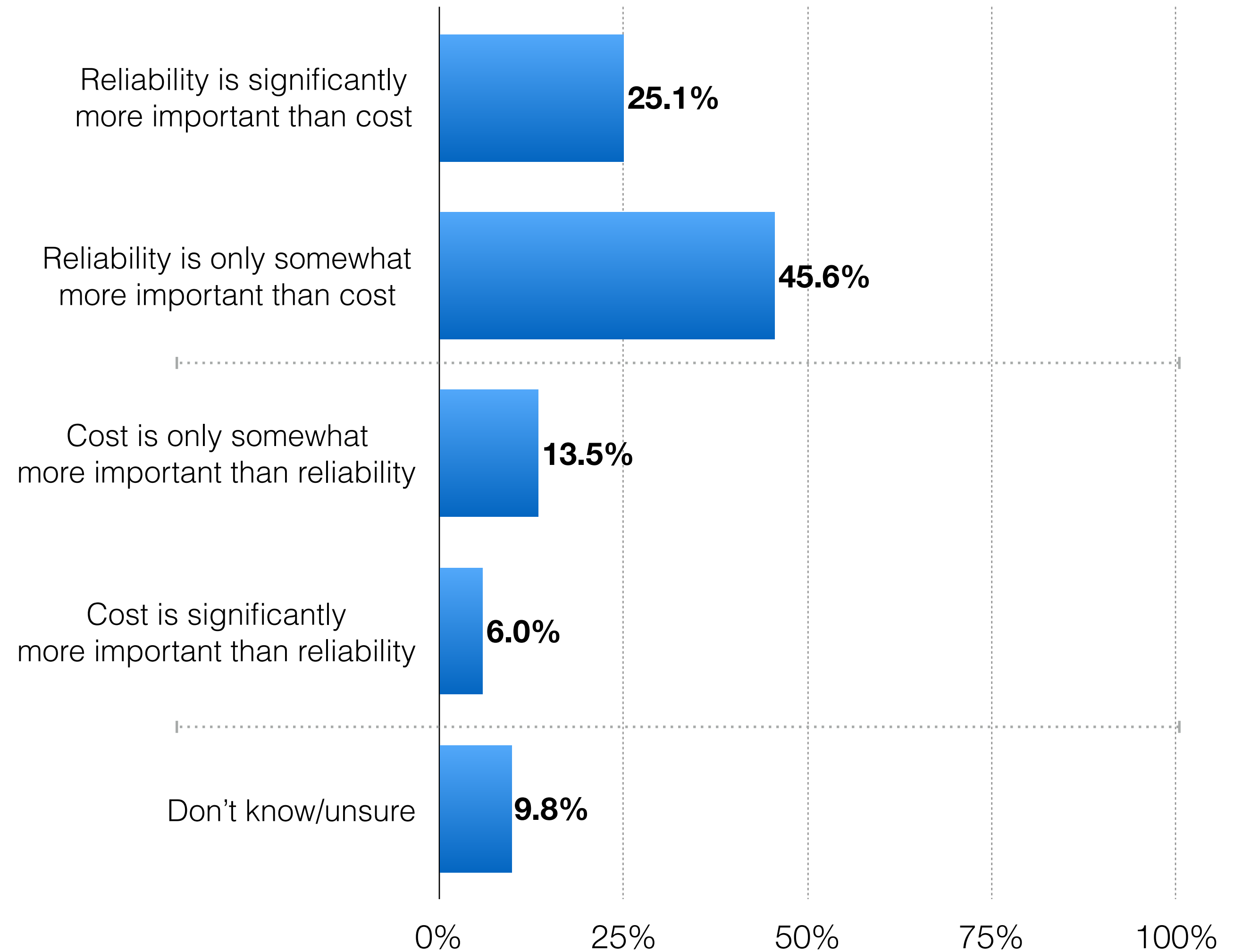
Expectation...	%
Reliable/consistent service/no interruptions	67.2
Pricing/rates	60.9
Good customer service	16.8
Prompt response to outages/Issues	16.4
Good communication/prompt notification/provide updates	14.0
Satisfied/doing a good job/no issues	7.8
Honesty/trustworthy/transparency	7.2
Renewable energy options	6.2
Internet (fiber optic, clear, reliable, fast, etc.)	5.7
Update/maintain infrastructure	3.8
Billing (fair, timely, accurate, easy to read, etc.)	3.2
Answer questions/solve problems/support/knowledgeable reps	3.2
Other (various; each 2.7% or less)	36.0
Don't know/unsure/refused	0.9



# Over Two-thirds Prioritize Reliability Over Cost

Overall, more respondents indicated “reliability” as a top priority over “cost.” 70.7% indicated that reliability was either significantly (25.1%) or somewhat (45.6%) more important than cost. Conversely, roughly one-fifth of respondents, 19.5%, indicated cost was significantly (6.0%) or somewhat (13.5%) more important than reliability.

Which of the following statements best describes how you feel about the importance of reliability and cost?

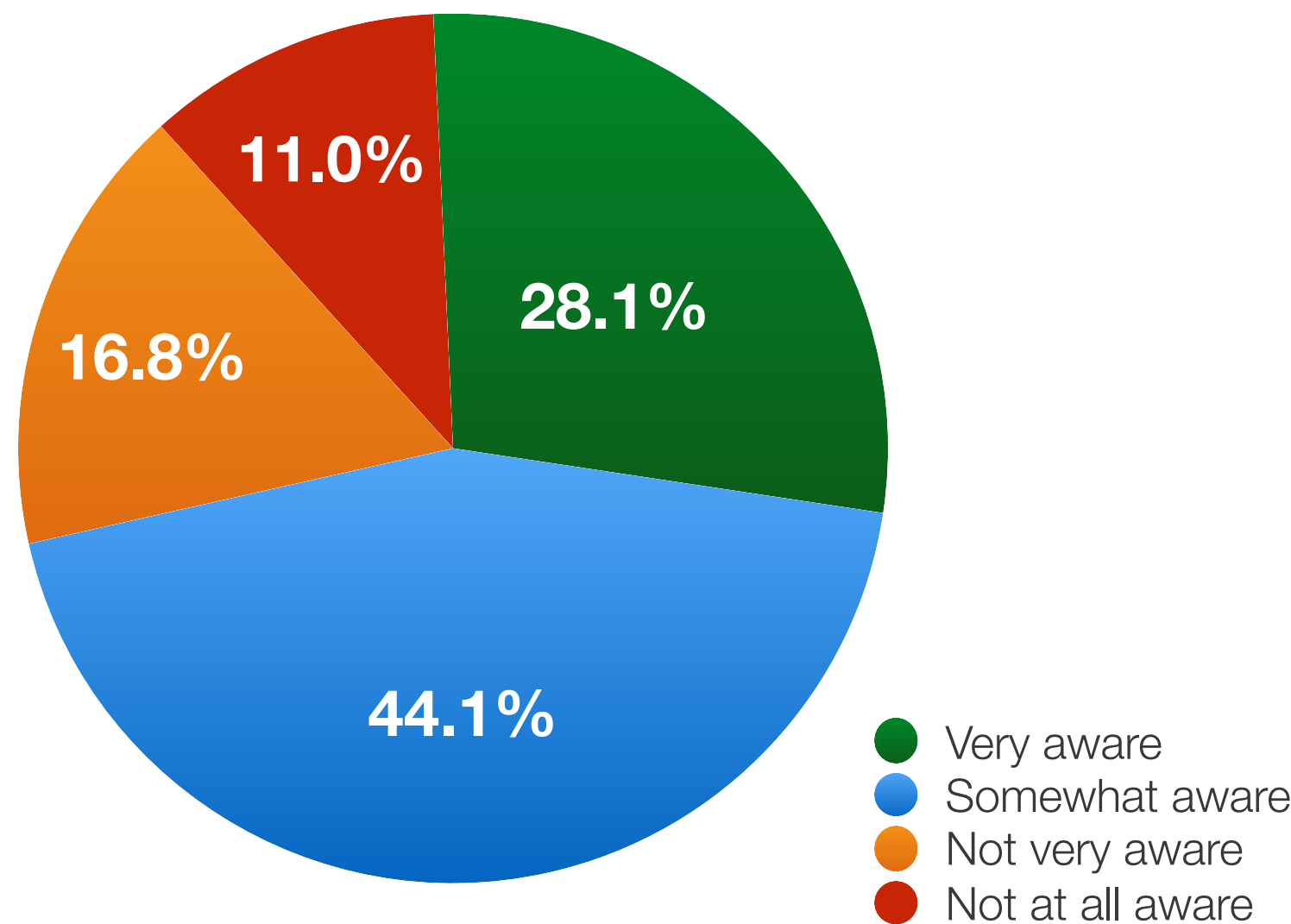


# Over One-quarter 'Unaware' of Rate Structure

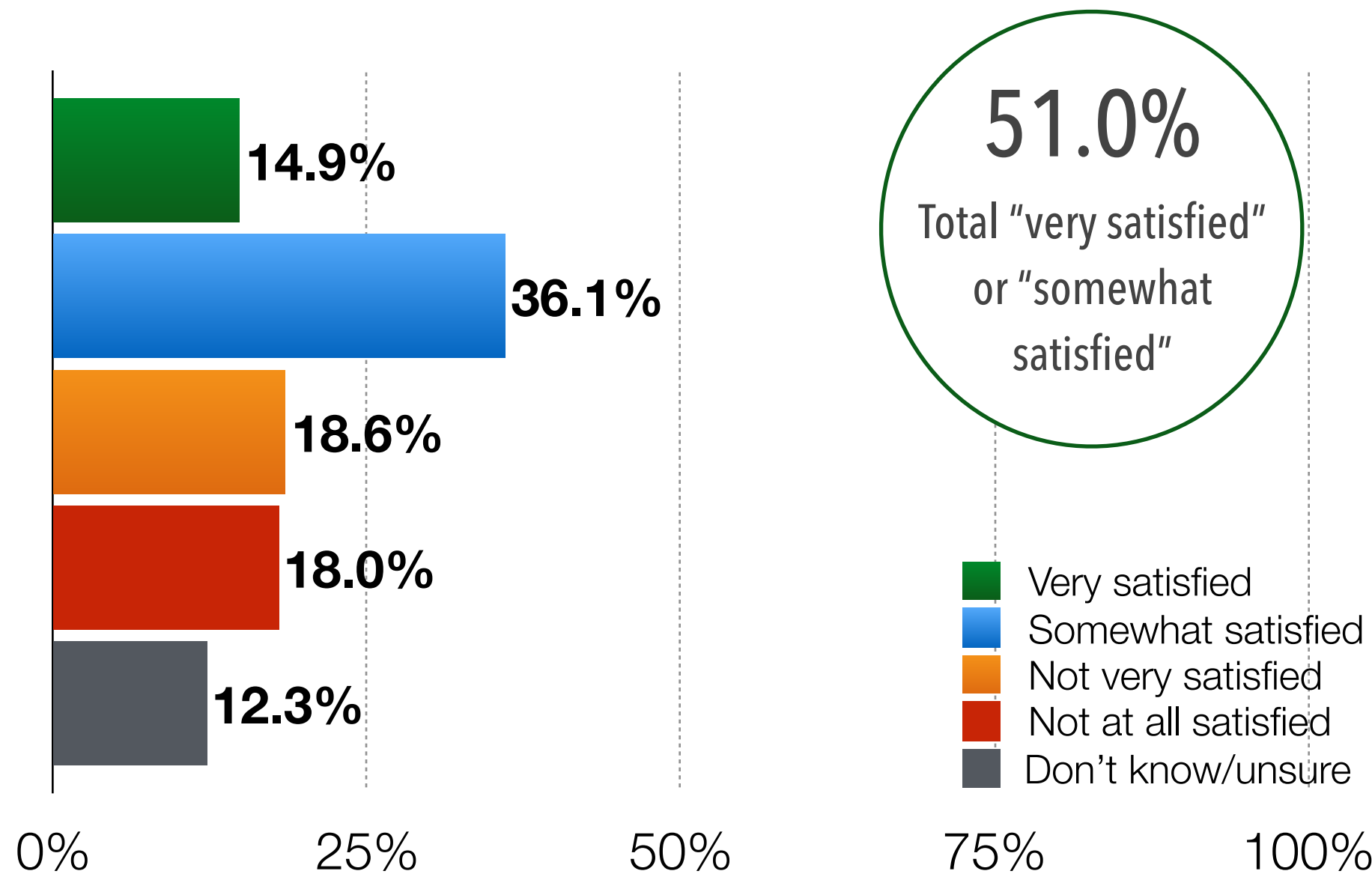
While roughly seven-out-of-ten respondents, 72.2%, indicated they were either “very aware” (28.1%) or “somewhat aware” (44.1%) about the current SLVREC rate structure, 27.8% reported being either “not very aware” (16.8%) or “not at all aware” (11.0%). Additionally, 51.0% of respondents reported being either “very satisfied” (14.9%) or “somewhat satisfied” (36.1%) with the current rate structure.

When prompted to provide an explanation for their satisfaction rating, 22.0% of respondents indicated “too expensive/rates too high,” 21.8% indicated “okay with rates/no issues” and 12.0% indicated “unfair billing/don’t agree with charges.”

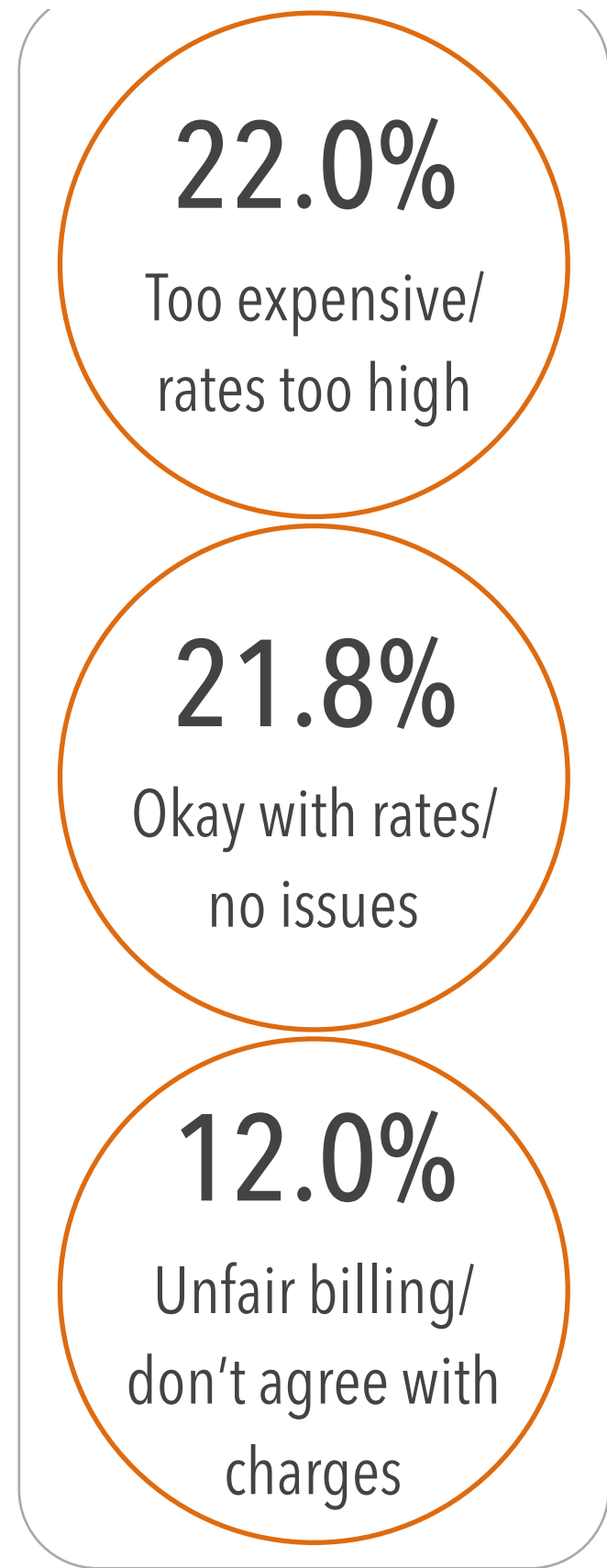
How aware would you say you are about the current rate structure SLVREC operates under? Would you say...



And how satisfied would you say you are with this rate structure?



Top 3 responses for satisfaction rating

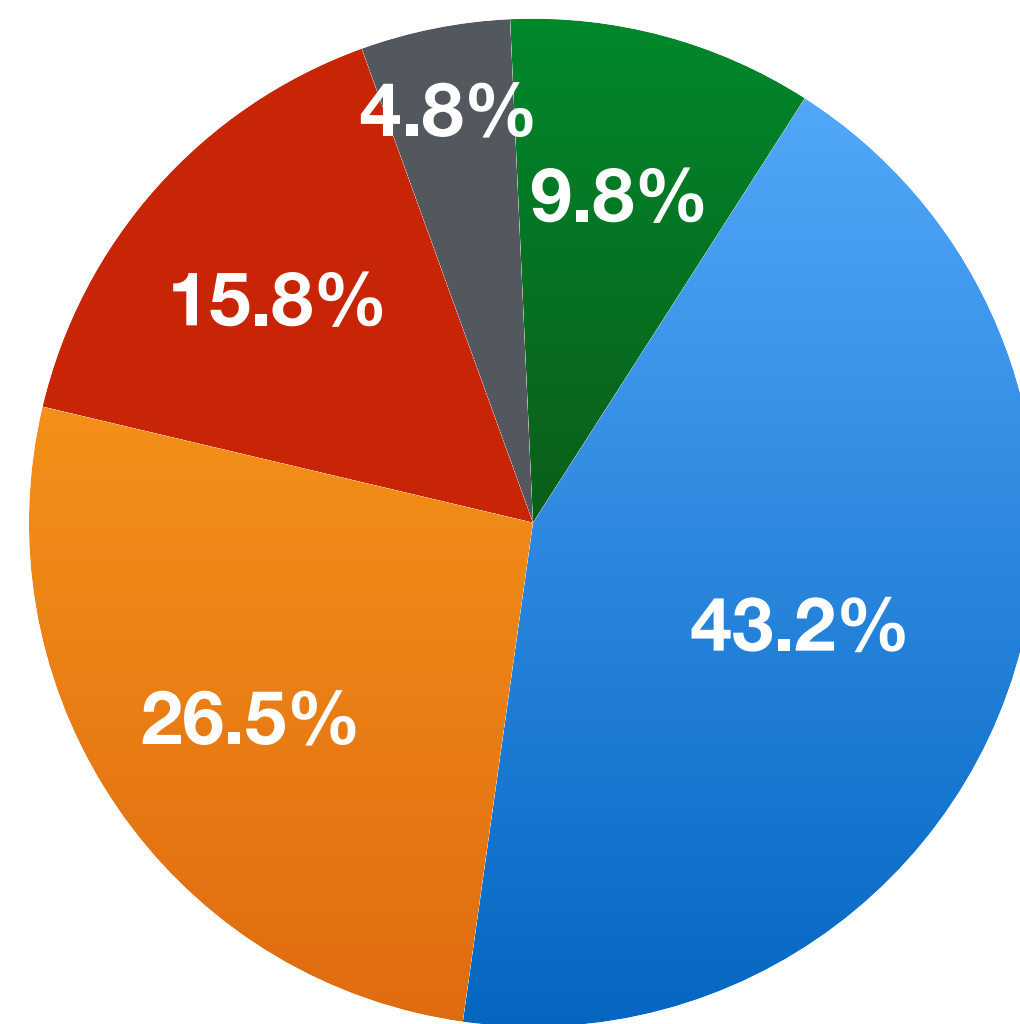




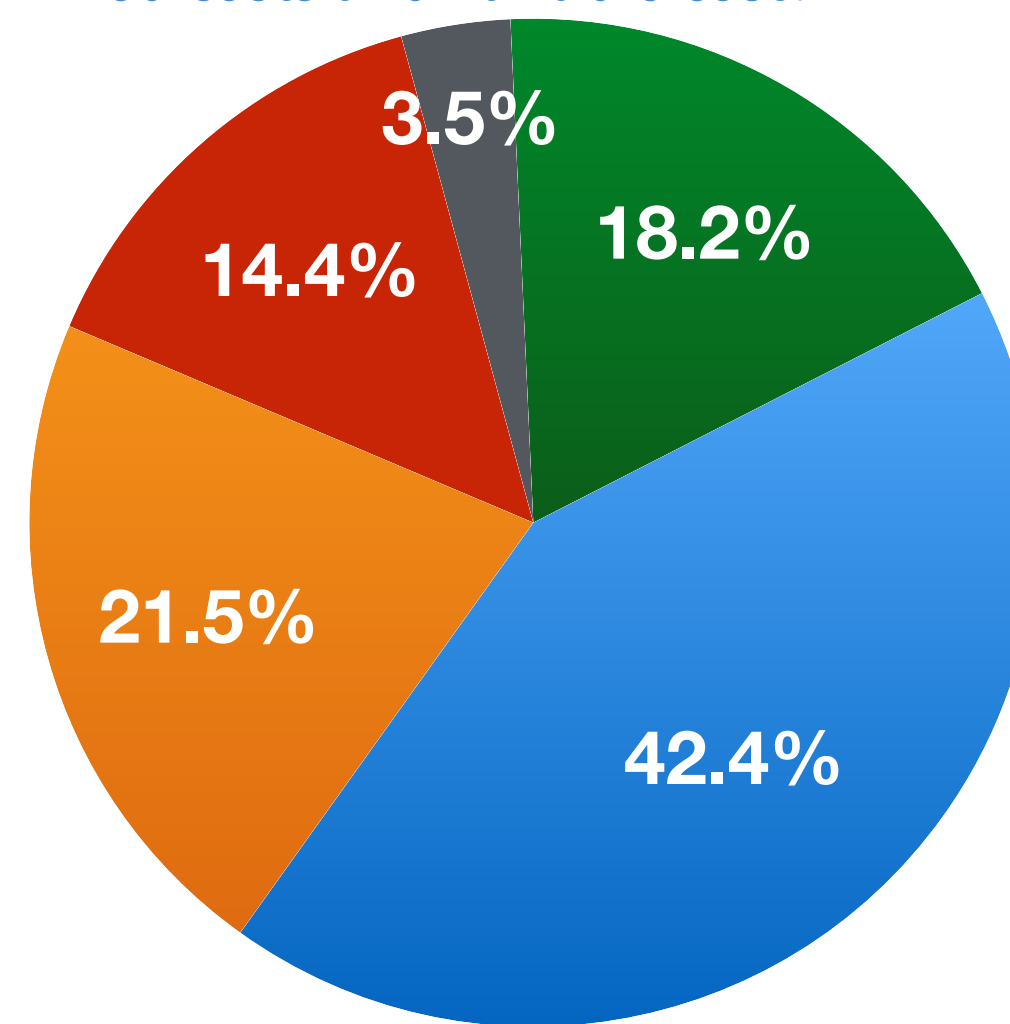
# Consistent Awareness of Rate Structures

Over one-half of residential customers, 53.0%, reported being either “very knowledgeable” (9.8%) or “somewhat knowledgeable” (43.2%) about the various types of utility rate structures. When respondents were asked to indicate their knowledge with respect to fixed and variable costs, 60.6% reported being “very knowledgeable” (18.2%) or “somewhat knowledgeable” (42.4%). Additionally, 54.3% of respondents reported they were “very knowledgeable” (14.6%) or “somewhat knowledgeable” (39.7%) about the allocation of customer, demand and energy charges.

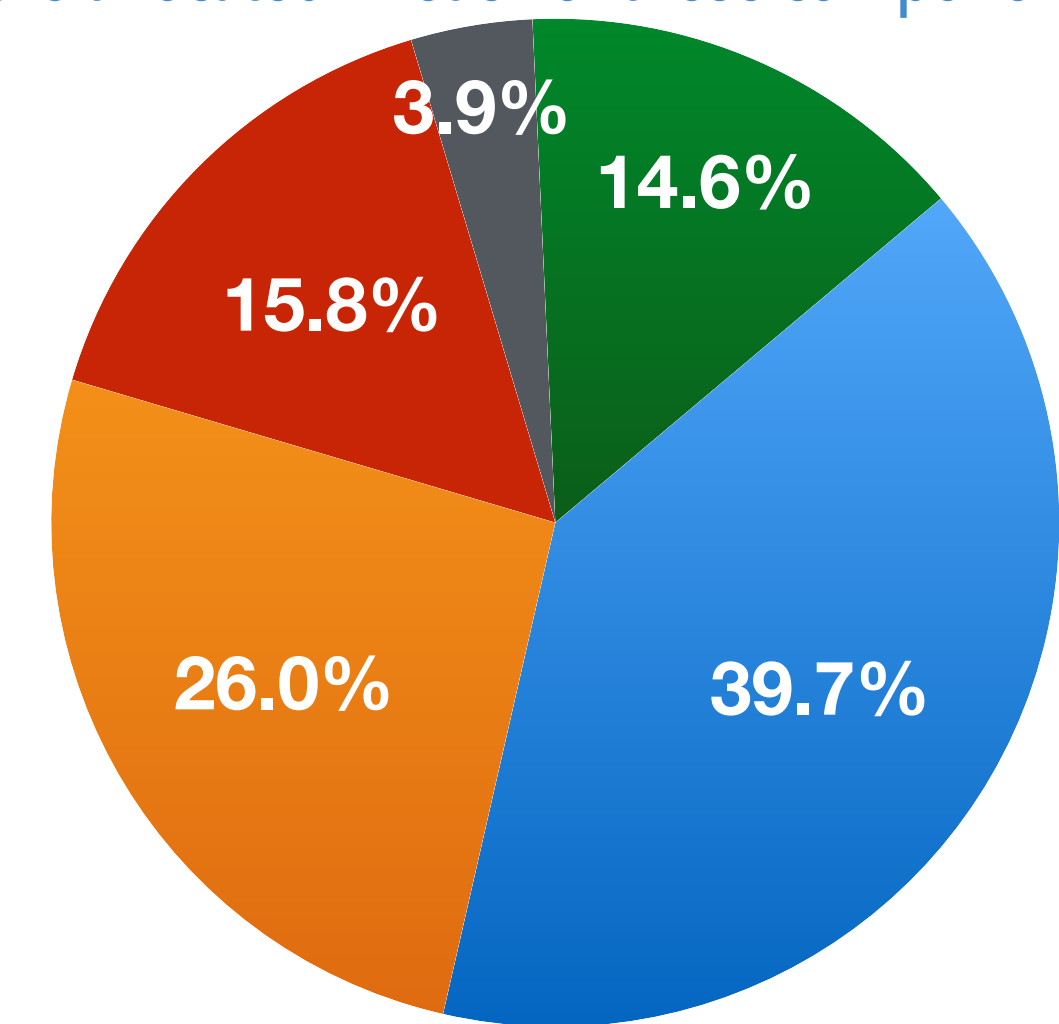
How knowledgeable would you say you are about the various types of rate structures utilities use?



Electric rates are designed to fairly allocate the cost of generating and delivering electricity to members. How knowledgeable are you with concepts of fixed costs and variable cost?



Current SLVREC rates all have three components – a customer charge, a demand charge and an energy charge. How familiar are you with how costs of providing electricity are allocated in each of these components?

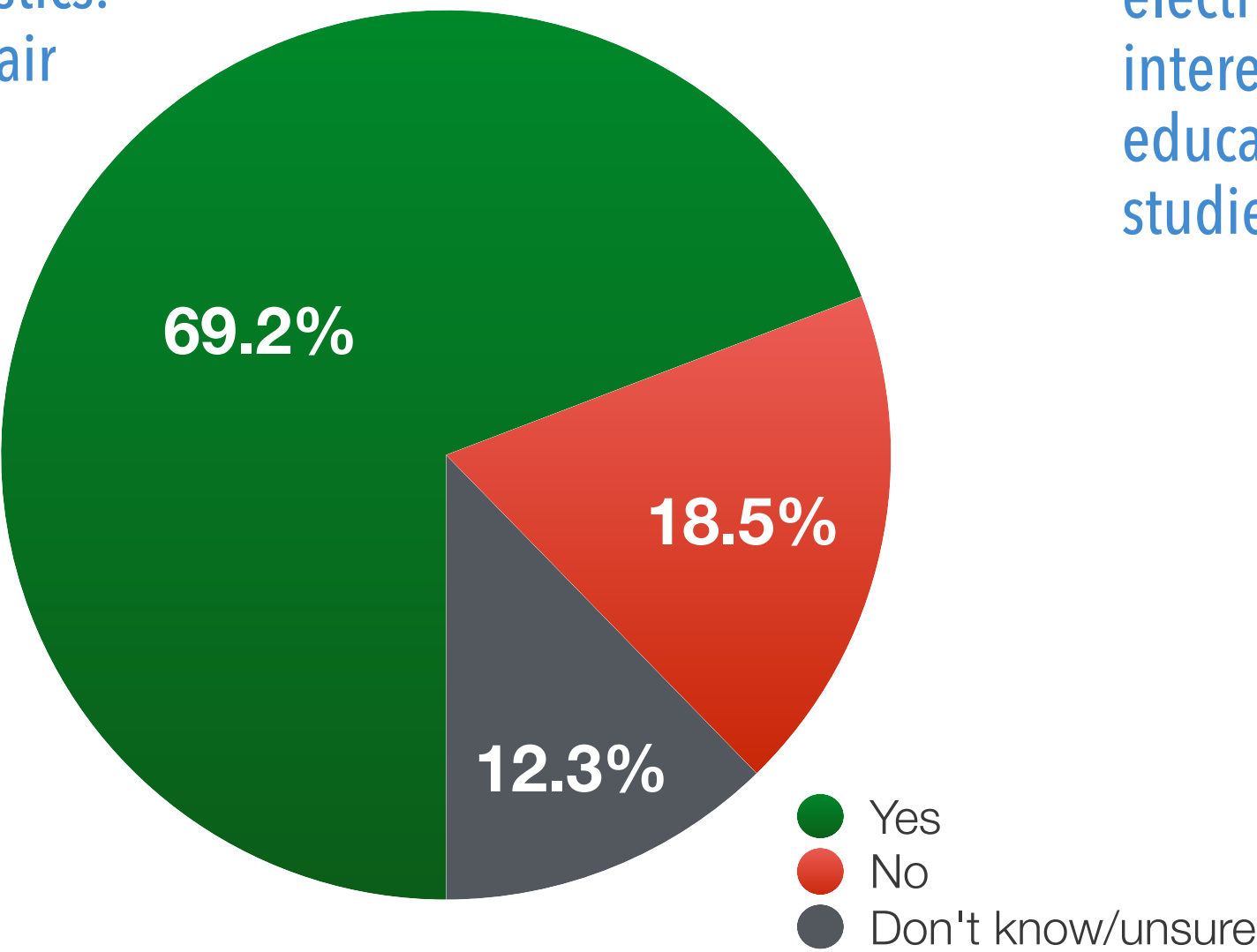


● Very knowledgeable ● Somewhat knowledgeable ● Not very knowledgeable ● Not at all knowledgeable ● Don't know/unsure

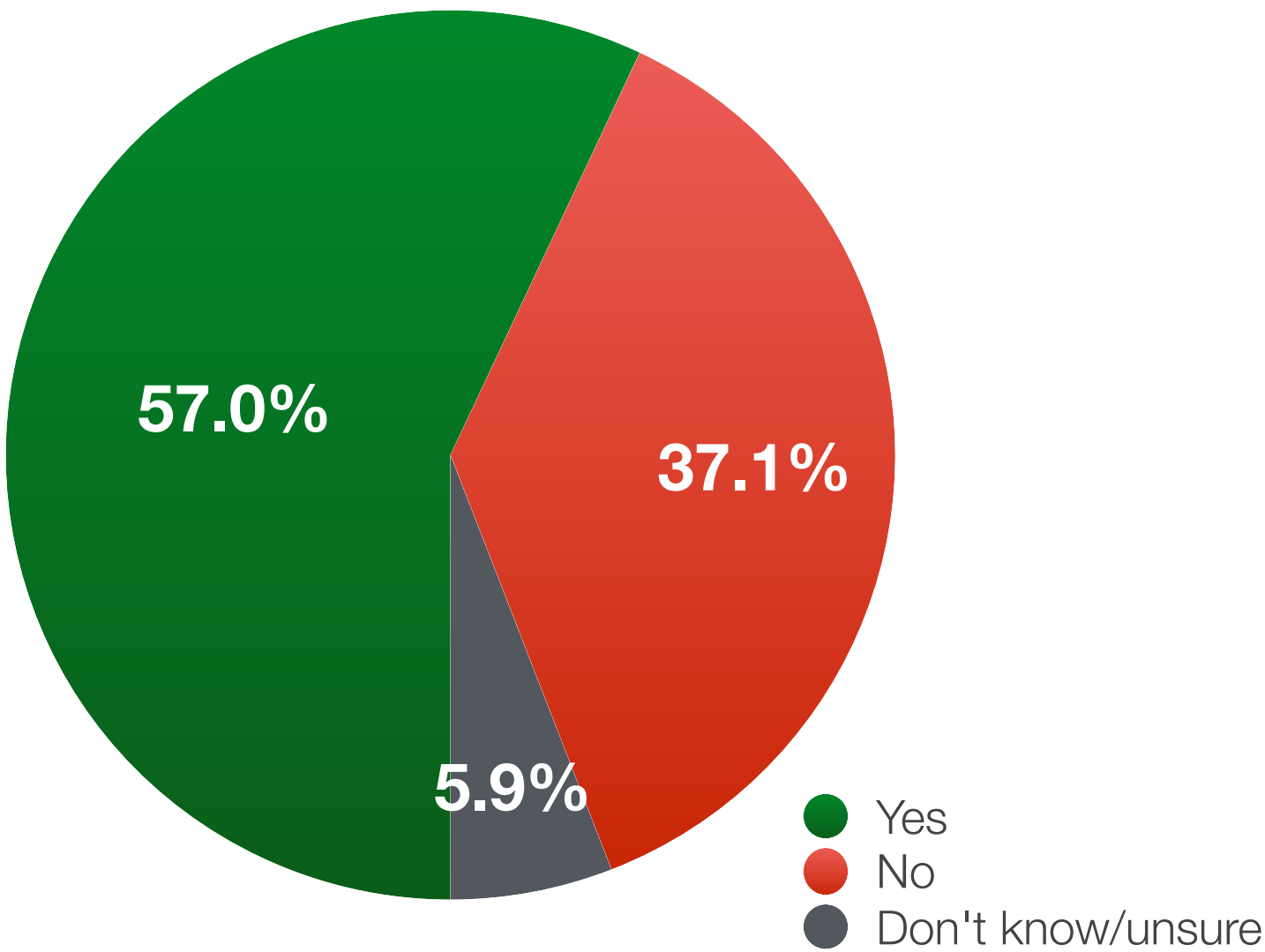
# Notable Interest in Cost of Service Education

When residential respondents were asked to indicate if they believe grouping rate classes by residential, commercial and industrial customers is a fair method of allocation, roughly seven-out-of-ten (69.2%) indicated “yes.” Additionally, 57.0% of respondents reported “yes” when asked if they were interested in information and education on how cost of service studies are performed.

SLVREC rates are grouped into classes such as residential, commercial and industrial because of their various usage characteristics. Do you think this grouping is a fair method of allocating the cost of providing electricity?



Every three years, SLVREC performs a cost of service study to ensure costs are allocated correctly in the electric rates. Would you be interested in information and/or education on how cost of service studies are performed?

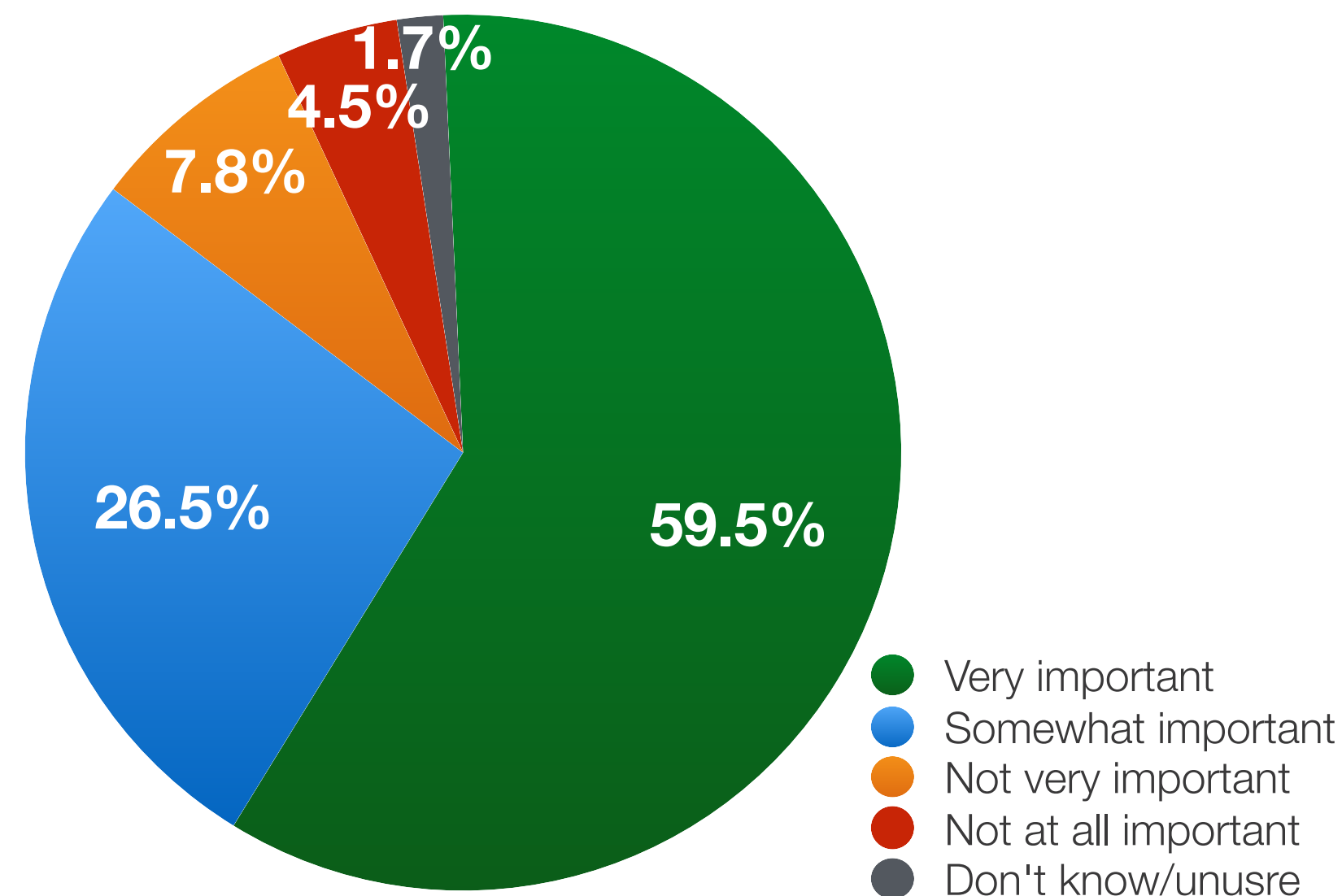




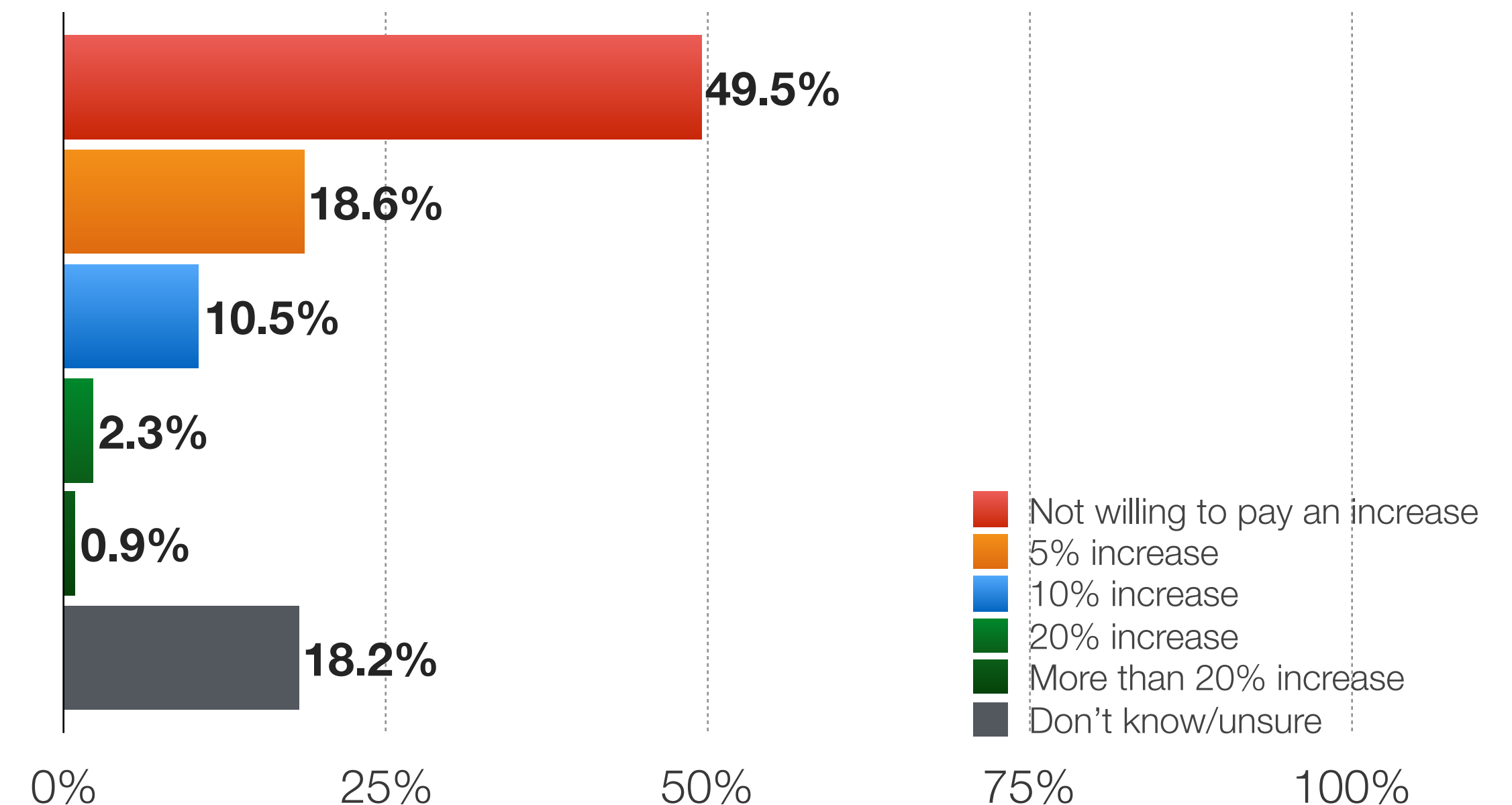
# Inconsistent Sentiment Toward Renewable Energy Development

While the strong majority of respondents, 86.0%, reported the development and implementation of renewable energy is either “very important” (59.5%) or “somewhat important” (26.5%), roughly three-fifths (49.5%) indicated they would not be willing to pay increased electric rates to support renewable energy initiatives. Roughly one-third of respondents indicated they would be willing to pay either a “5% increase” (18.6%), “10% increase” (10.5%), “20% increase” (2.3%) or “more than 20% increase” (0.9%).

How important would you say the development and implementation of renewable energy is?



What percent more would you be willing for your electric rates to increase to support renewable energy initiatives?

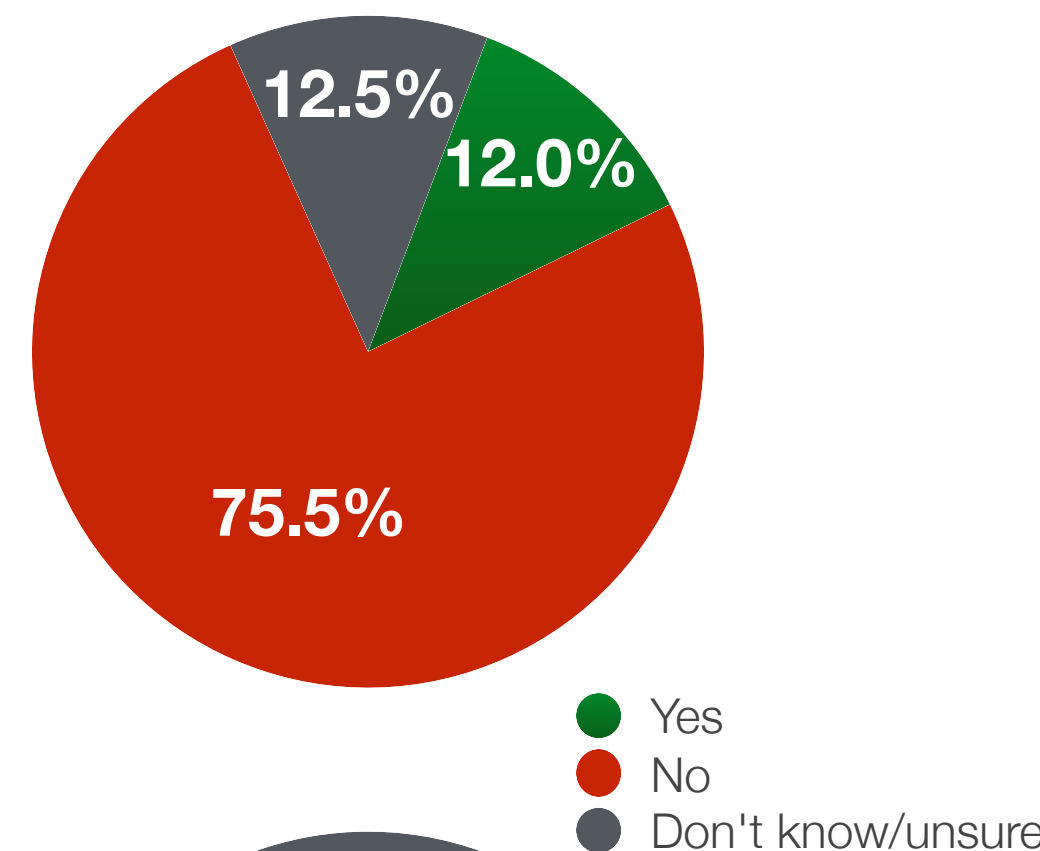


# Noted Interest in Net Metering Programs

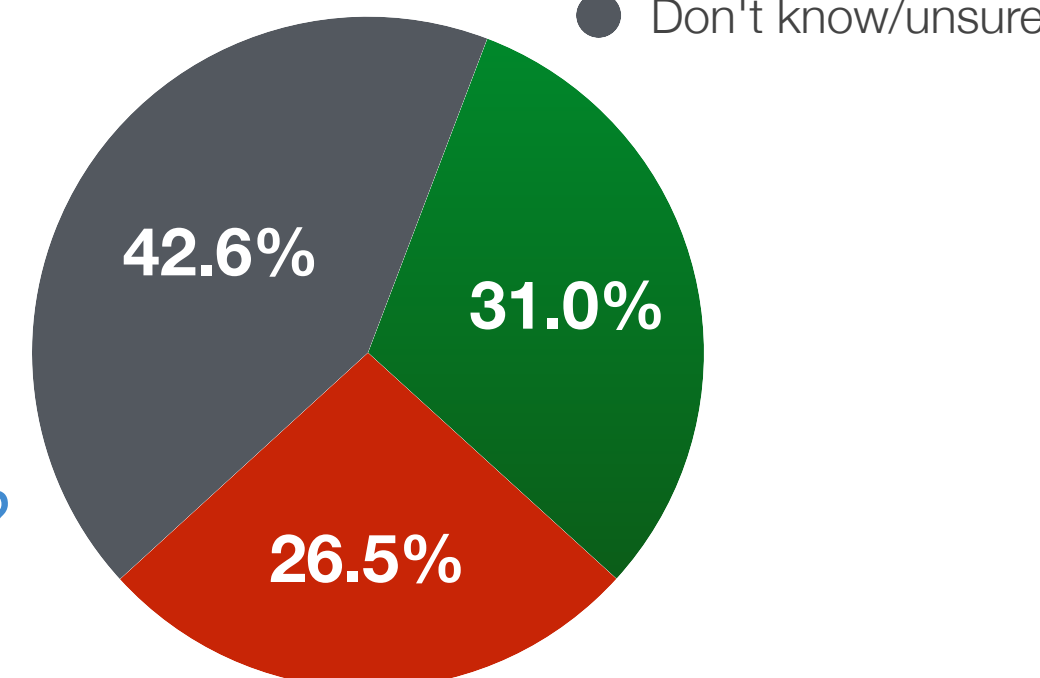
Roughly three-quarters of respondents (75.5%) indicated they did not have a net metering system installed at their residence. Of note, a large frequency of residential customers (42.6%) reported “don’t know/unsure” when asked if they believe net metering systems at other residences operating under SLVREC benefit them. Also of note, 46.0% of respondents indicated they were interested in a program assisting with net metering installations.

Net metering is a system that allows electric utility customers to install renewable energy generators, typically solar panels, while remaining connected to the grid. Surplus power is transferred onto the grid, which the electric utility purchases at the average wholesale rate.

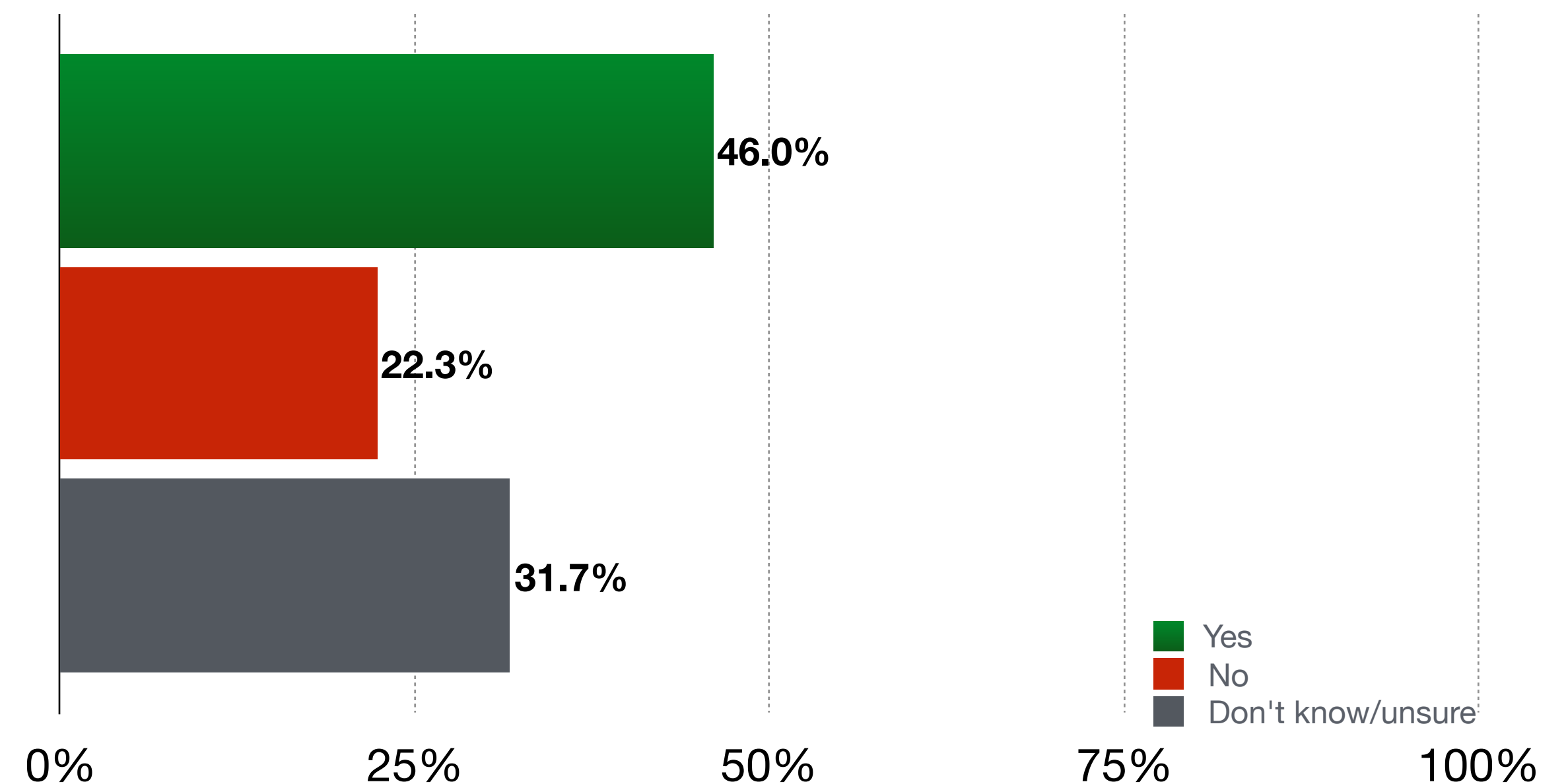
Q Do you have a net metering system installed at your residence?



Q Do you believe that net metering systems installed at other residences operating under SLVREC benefit you?



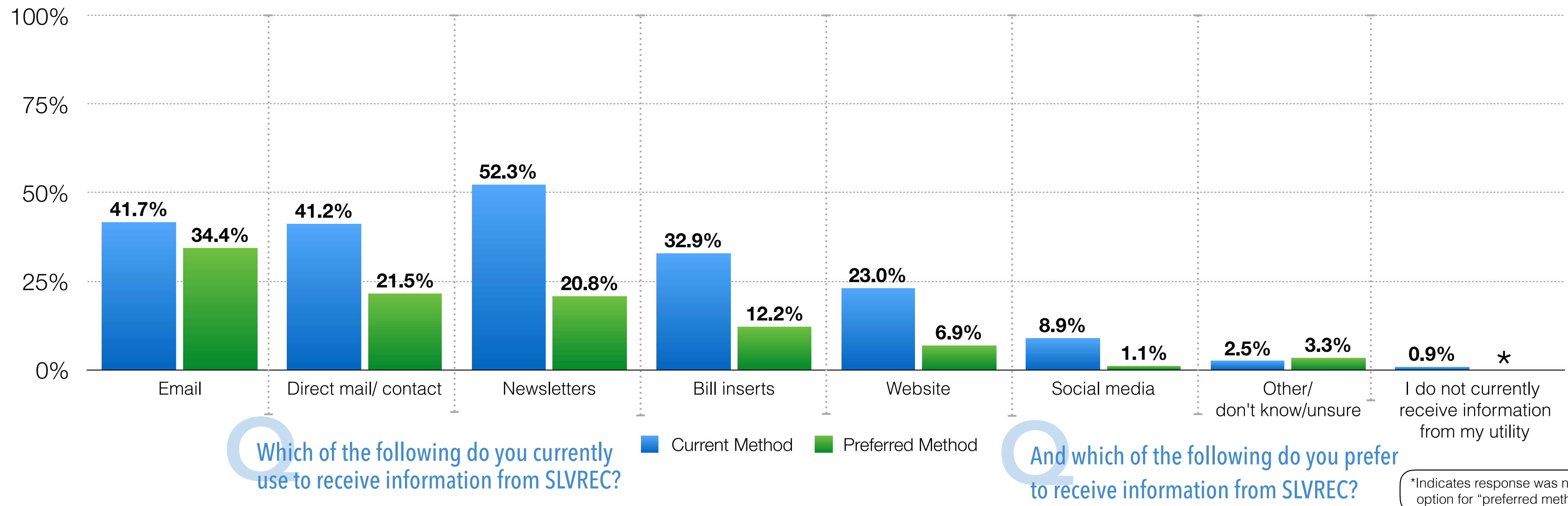
Q Would you like SLVREC to offer a program assisting with net metering installations?





# Marked Preference for 'Email' as a Communication Method

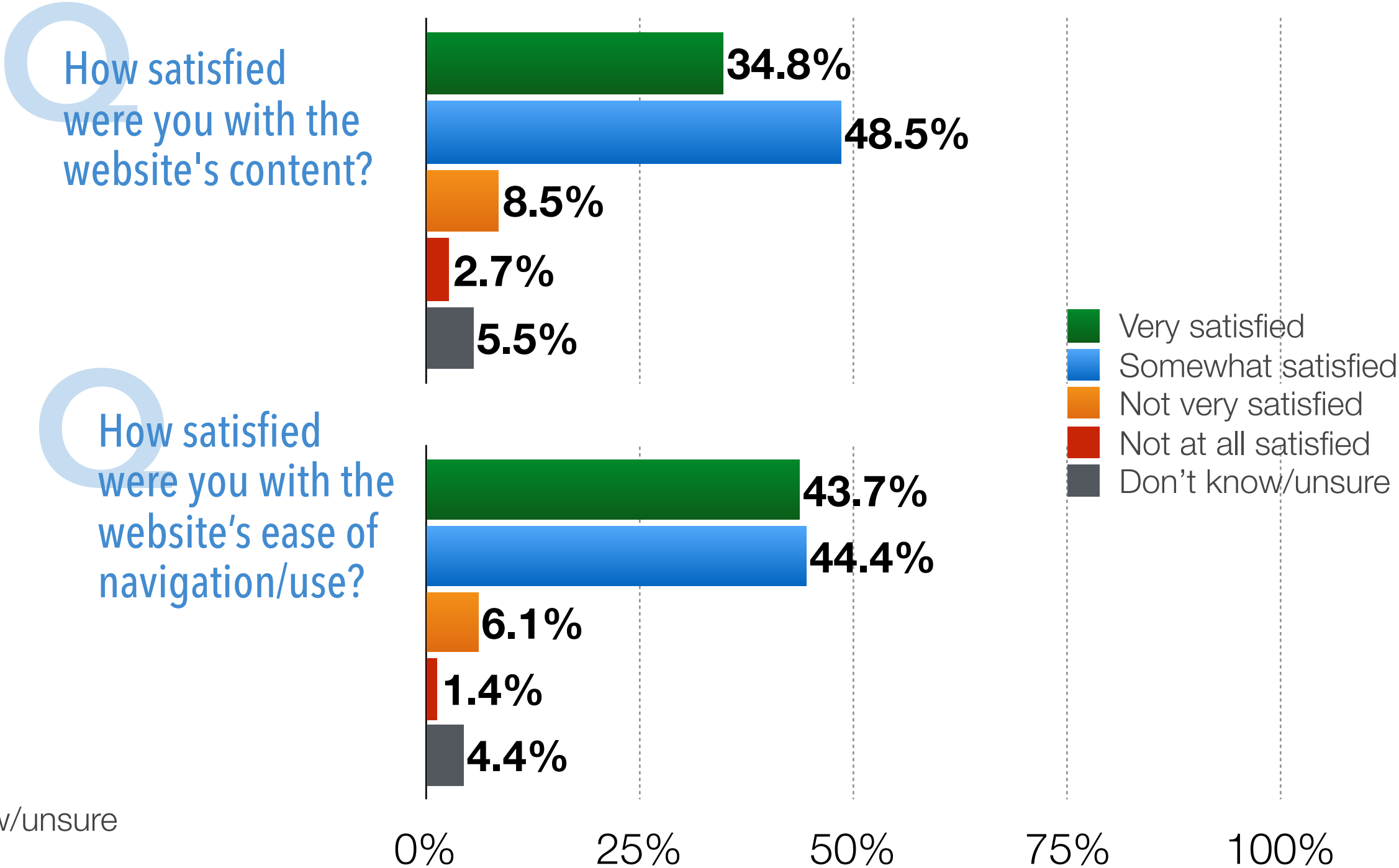
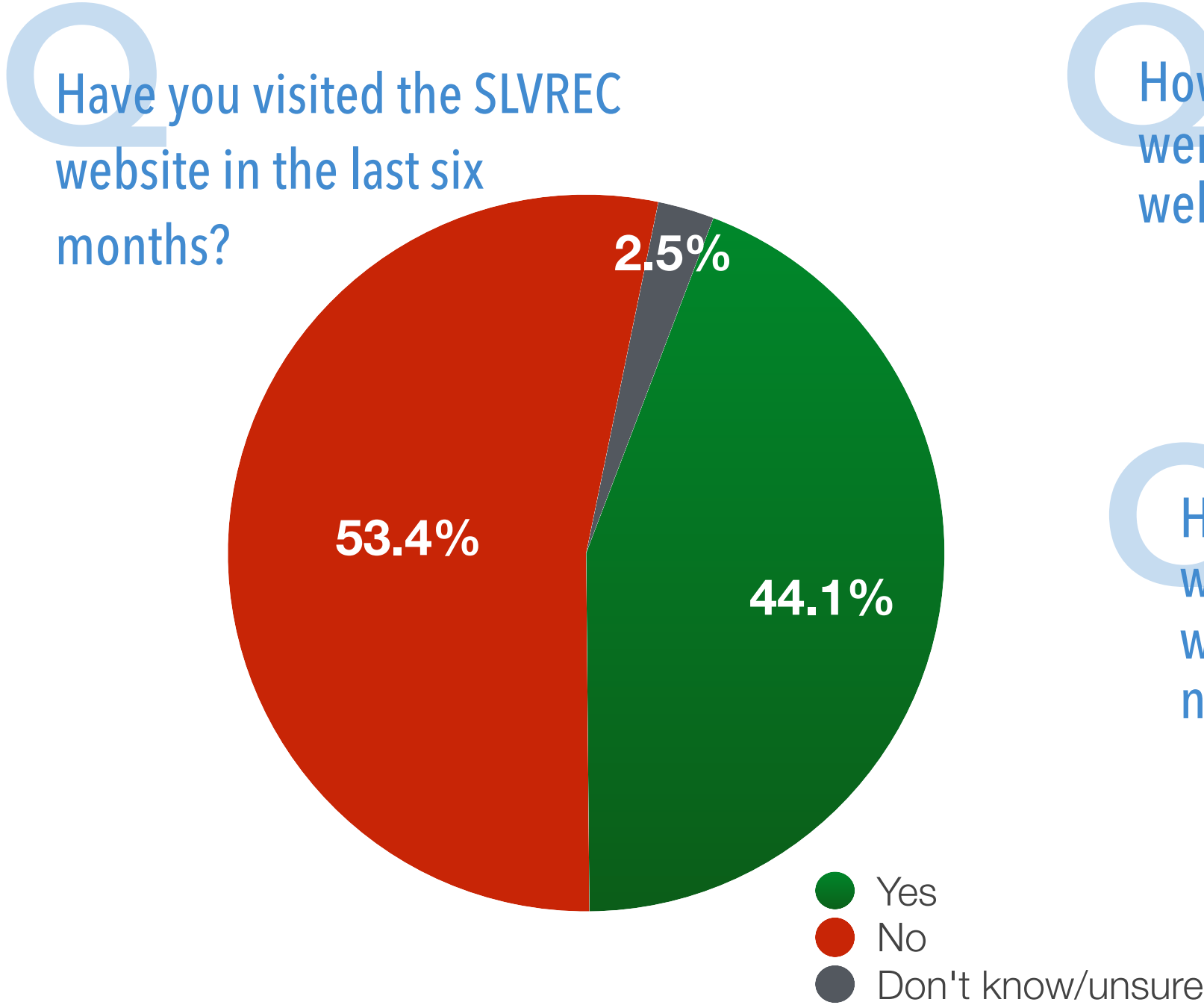
Over one-half of respondents (52.3%) reported they currently receive information from SLVREC through “newsletters,” while 41.7% indicated through “email” and 41.2% indicated “direct mail/contact.” Comparatively, the most frequently indicated preferred method of communication was recorded for “email” (34.4%).



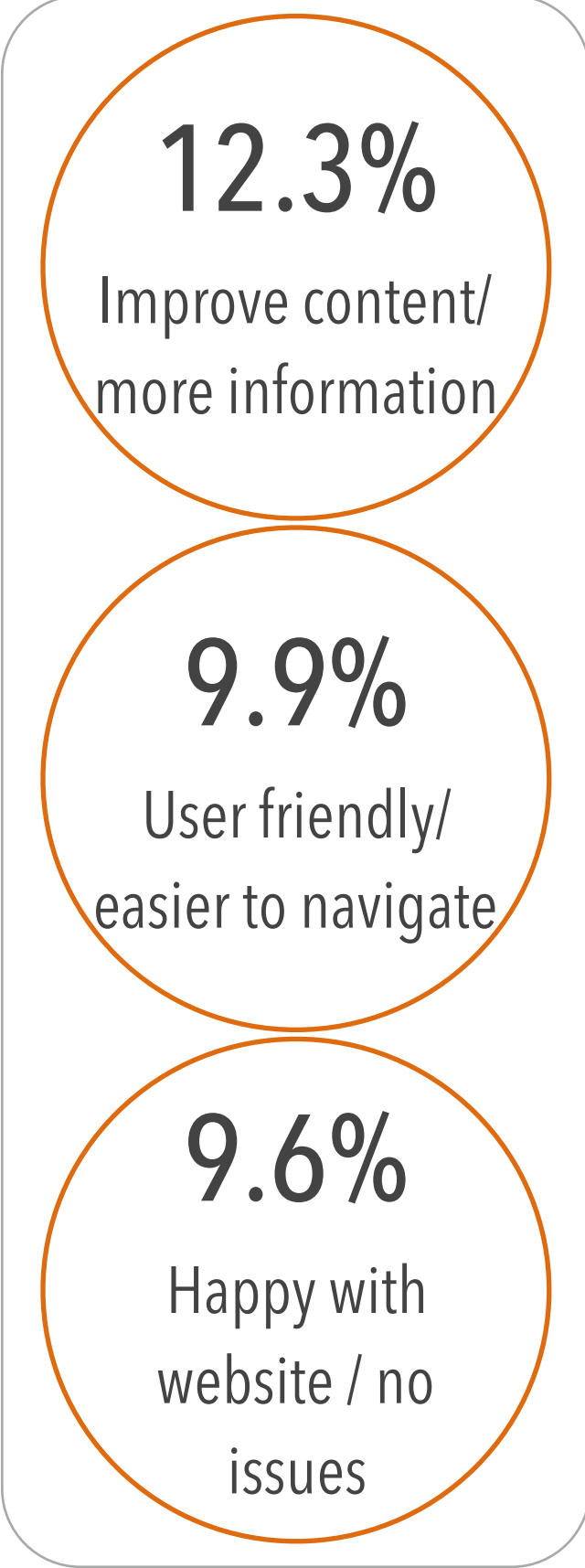
# High Satisfaction with SLVREC Website

Over one-half of residential customers (53.4%) reported they had not visited the SLVREC website in the past six months. Of those who did visit the website, 83.3% were either “very satisfied” (34.8%) or “somewhat satisfied” (48.5%) with the content and 88.1% were either “very satisfied” (43.7%) or “somewhat satisfied” (44.4%) with the ease of navigation/use.

Additionally, when asked to indicate what one thing SLVREC could do to improve the website, the most frequently reported substantial responses\* included “improve content/more information” (12.3%), “user friendly/easier to navigate” (9.9%) and “happy with website / no issues” (9.6%).



What one thing could SLVREC do to improve the website?

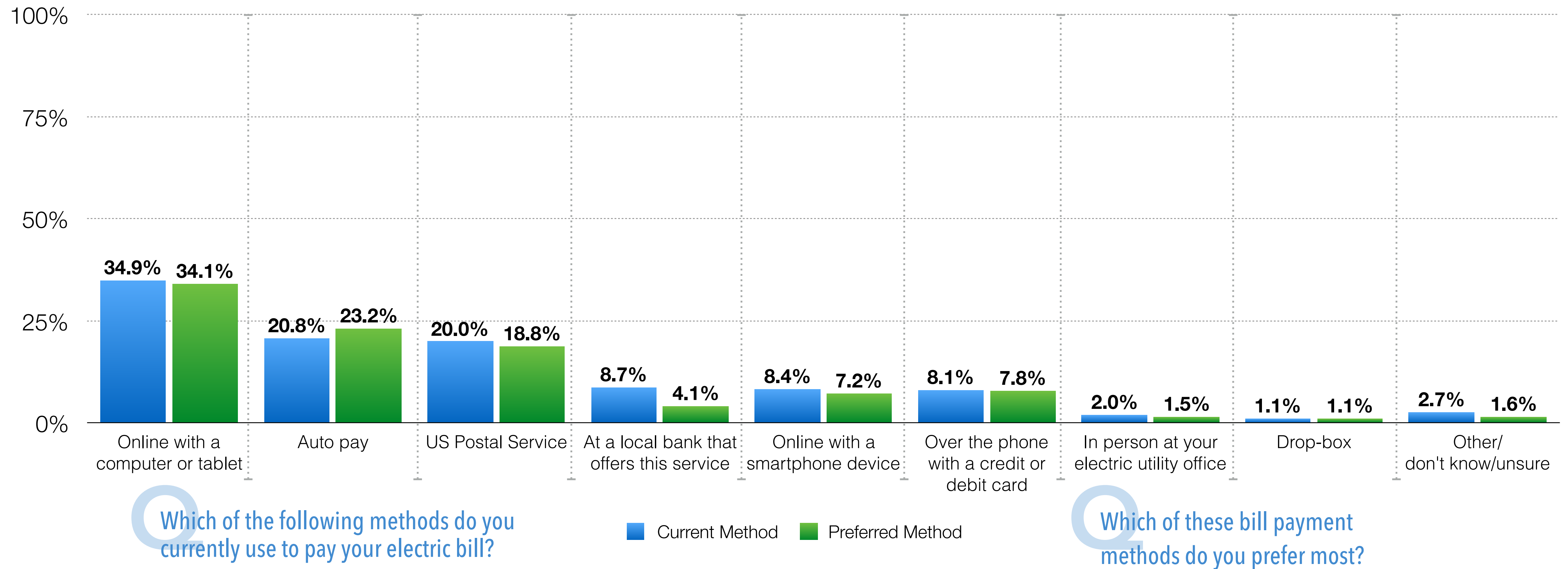


\*indicates “none/nothing” and “don't know/refused” not included



# Consistent Current and Preferred Bill Pay

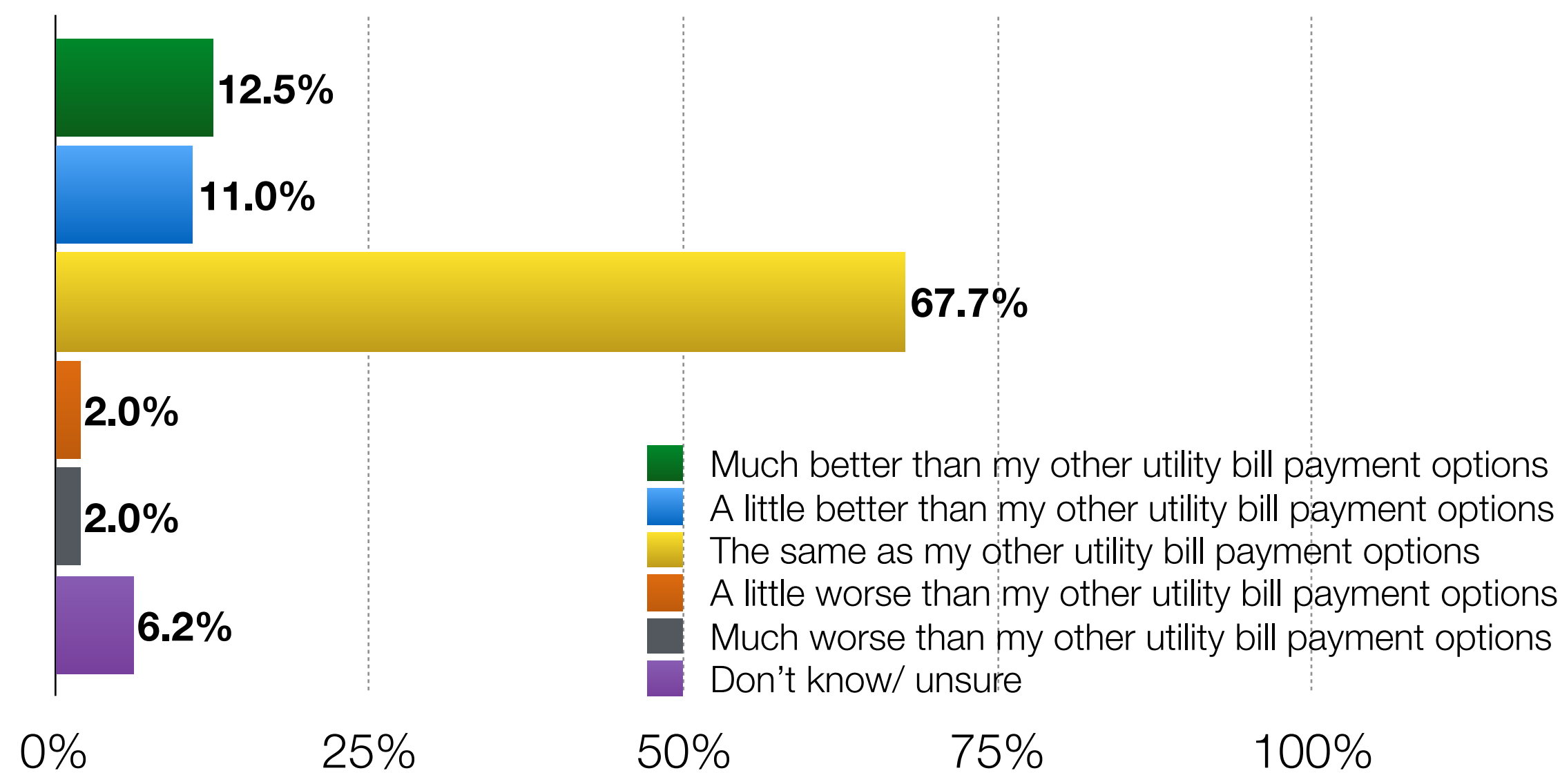
The highest frequency of respondents reported “online with a computer or tablet” as both their current (34.9%) and their preferred (34.1%) electric bill payment method, followed by “auto pay” (current 20.8%; preferred 23.2%) and “US Postal Service” (current 20.0%; preferred 18.8%).



# Majority Indicate Electric Utility Bill Pay Process is the Same as Other Utilities

While 23.5% of respondents reported their electric utility bill payment process was “much better” (12.5%) or “a little better” (11.0%) than other utility bill payment options, the majority of respondents (67.7%) indicated the process was the same. Of note, when respondents were prompted to indicate what one thing SLVREC could do to improve the bill payment process, 40.5% indicated “none/nothing,” 22.4% indicated they are “happy with process/no issues” and 18.5% indicated “don’t know/refused.”

Which of the following best describes your SLVREC bill payment process?



What one thing other than rates could SLVREC do to improve the bill payment process?

Response...	%
None/nothing	40.5
Happy with process/no issues	22.4
Autopay (more options)	2.1
Accurate, consistent, easy to read bills	1.7
Better billing cycle/more lead time/flexible billing dates	1.2
Explanation of rate charges (usage, demand charges, etc.)	1.1
Website needs improvement/easier access/remember me featured	1.1
Other (various, each less than 1.1%)	11.4
Don't know/refused	18.5



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# Considerations

- **Educate customers about rate structure.** While roughly one-half of respondents indicated they were not satisfied with the current rate structure and results indicated a marked concern over electric rates, the opportunity to educate customers on the subject of rate structures exists. Respondents showed notable knowledge gaps in this area and nearly three-fifths reported they would be interested in information and education on how cost of service studies are performed. An increase in the overall understanding of SLVREC rate structures and how rates are established and allocated, would likely result in an increase in satisfaction levels for both rates and sentiment overall.
- **Prioritize transparency in renewable energy initiatives.** The variance between the perceived importance of renewable energy initiatives and the willingness to pay an increase for programs of this nature was significant among residential respondents. It is important that the customer base understand all initiatives or programs, particularly the allocation of resources and the benefits of their contribution. If SLVREC is open and transparent in this regard, it is more likely that customers would be more willing to fund and support renewable energy initiatives, as respondents have already demonstrated their views of the importance of these programs.



# Considerations

- **Develop net-metering installation assistance program.** There was a significant percentage of respondents who reported “don’t know/unsure” when asked if they believe net meter systems at other residences benefit them. Further, nearly one-half of respondents indicated they were interested in a program assisting with net metering installations and three-out-of-ten indicated “don’t know/unsure.” The results demonstrate an opportunity to further develop net metering assistance programs as well as educational resources, specifically regarding the benefits of such a program, given respondents have demonstrated an interest in renewable energy programs.
- **Utilize multiple communication methods.** Though the most frequent current method of communication among residential respondents was reported as newsletters, the most preferred method was recorded for email. Also of note, newsletters and direct mail were preferred communication methods among a notable frequency of respondents. SLVREC should consider communicating about the above programs and initiatives through each of these methods, in order to accommodate most customers.



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A circular icon containing a map of Glastonbury, CT, with a red location pin.

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