



Commercial Customer Satisfaction Focus Groups



Report of Findings

13 November 2019
Confidential & Proprietary

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Project Overview

- GreatBlue Research was commissioned by Rochester Public Utilities (hereinafter, “RPU”) to conduct focus group sessions among a sampling of their medium and large-size commercial customers.
- The primary goals of this research study were to gauge commercial customer satisfaction with RPU services, the Account Manager program, and assess their interest in future programs and initiatives.
- Using the feedback and findings from this study, RPU will have the information and direction necessary to drive commercial customer satisfaction, highlight the empirical benefits of the Account Manager program, as well as determine potential programs and services to implement in the future.
- A total of two (2) focus group sessions were conducted with commercial customers on October 15, 2019, with eight (8) participants attending each session. Customers were recruited by RPU staff and their participation confirmed by GreatBlue staff.

Areas of Investigation

The Rochester Public Utilities Commercial Customer Satisfaction Focus Group research study leveraged a qualitative research methodology to address the following areas of investigation:

- Overall perceptions and expectations of RPU
- Reasons for contact with RPU
- Strengths of programs / services and suggested areas of improvement
- Experiences with RPU customer service and field personnel
- Awareness and perceptions of the Account Manager program
- Preferred methods of communicating with RPU
- Awareness of future RPU programs, services and initiatives
- Sentiments around renewable energy and sustainability
- Interest in learning more about electric vehicle charging stations

Research Methodology Snapshot

Methodology Focus groups (2 sessions)	Target Medium (MGS) & Large (LGS) Commercial Customers	Incentive \$150	Sample Recruited by RPU	Market Areas Rochester, MN
	Length of Session 90 minutes	Discussion Moderation GreatBlue	Research Date October 15, 2019	

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71.5%
would still purchase
at an increased
price point

8.9%

5.4%

2.8%

0.0%

Negative Impact

Boomers

Customer Service Compared to Other Utilities

RPU Customer Service and Communication Exceeds Competitors

- Nearly all participants provided a positive rating of 9 or 10 (on a ten-point scale) when rating RPU's customer service communication and the amount of time spent on hold when contacting the utility.
- Internet service providers also received generally positive satisfaction ratings with respect to customer service, hold times and communication, with customers providing ratings ranging from 7 to 10. Phone service providers received similar but slightly lower satisfaction ratings ranging from 6 to 9.
- Satisfaction ratings were more broadly distributed with respect to cable TV providers and natural gas providers. The majority of focus group participants indicated their business does not have cable TV, while those receiving this service rated their satisfaction level generally between 4 and 7. Although more than half of participants with natural gas service provided high ratings from 7 to 9, many reported their business does not use natural gas, and multiple participants provided low ratings from 2 to 4, noting difficulties getting in touch with customer service and poor interactions with the representative.

Reasons for Contact with RPU

Contact for Outages, Power Supply, Rebates and Program Information

- Primary reasons for contacting RPU include outage reporting and restoration time frame information, power supply updates, usage data, information on programs and services, and business-specific inquiries directed to the RPU account manager.
- Customers indicated their interactions with RPU are generally positive, as the RPU Account Manager is easy to get in touch with and will provide valuable feedback and information. RPU's ability to assist with finding rebates, programs and services, new technology/equipment and scheduling/coordinating facility improvements were touted as positive aspects of the communication experience.
- Experiences that participants noted are more challenging when interacting with RPU included setting-up custom rebates, the pay-back process of receiving rebate funds, determining transformer locations, and receiving answers and information when calling into the general customer service department versus contacting an account manager. While concerns around rebates and electrical infrastructure are challenges typically confined to interacting with RPU, participants noted challenges experienced with contacting a general customer service phone number are experienced with all utility companies.

Relationship With and Expectations of RPU

Self-Identify as Advocates or Loyal / Satisfied Customers

- Impressively, all participants identified their relationship with RPU as being either an “advocate” of the utility or a “loyal” or “satisfied” customer.
- The primary expectations of RPU identified by commercial customers included: “reliability” (13 mentions), “response time” (5), “communication / good customer service” (5), “information on cost savings / usage” (4), “availability of data” (2), “educational / training opportunities” (2), “rebates” (2), “low rates” (1), “up-time” (1), and “advice on products/services” (1).
- Of note, the vast majority of participants indicated RPU meets these expectations “all the time.” One participant noted that with respect to training and educational opportunities, RPU could offer more and therefore only meets expectations concerning employee skillset growth and advancement.
- Further, all focus group participants indicated they fully trust RPU as their electric service provider (all commercial customers participating provided a positive rating of 9 or 10 on a 10-point scale).

Top Strengths of RPU

Known for reliability, responsiveness, and their account managers

- More than one-half of commercial customer participants reported “reliability” (10 mentions) as one of RPU’s top-3 strengths. Additional strengths of RPU mentioned during the sessions included:
 - “Responsiveness / response time” (3)
 - “Account managers” (3)
 - “Up-to-date infrastructure / equipment” (2)
 - “Customer service” (2)
 - “Communication” (2)
 - “Price” (1)
 - “Helping customers reduce their bill” (1)
 - “Partners not vendors” (1)
 - “Providing usage data” (1)
 - “Assisting with project planning” (1)
 - “Community involvement / engagement” (1)
 - “Talent / skillset of RPU staff” (1)
 - “Safety programs” (1)

Targeted Improvements for RPU

Focus on providing rebates and educating customers

- While not prevalent, the top areas in need of improvement for RPU mentioned by commercial customers included:
 - ✓ Continuously improving infrastructure
 - ✓ Reducing the demand charge
 - ✓ Providing more rebates for Energy Efficiency studies
 - ✓ Education opportunities and assistance with determining applicable rebates for customers' businesses
 - ✓ Pay-back to the contractor, as opposed to the site owner, for rebates
 - ✓ Desire for training — educational and professional development opportunities for their employees in topic areas that have congruence with RPU's initiatives
- Importantly, commercial customers noted these issues are “one-off” instances that do not regularly occur.
- To increase the value of service provided, customers recommended that RPU consider a rate reduction, offer site assessments to aid in energy efficiency and help reduce usage, provide alternative sources of energy, educate consumers on how to conserve energy and reduce usage, offer more rebates, and offer businesses of all sizes the opportunity to sign-up for an RPU commercial account manager.

Customer Service Interactions

Infrequent, but highly positive

- Only a small number of commercial customer participants indicated having an interaction with RPU's customer service center (either a call or visit) during the last 12 months.
- Among those having an interaction, the primary reasons for contact centered on billing issues / questions on a bill, as well as outage information and updates on restoration time frames.
- The majority of commercial customer participants noted that in lieu of contacting the customer service center, they will reach out directly to their RPU account manager for all questions, concerns or issues.
- Impressively, participants noted that when interacting with the customer service center, they were highly satisfied with how the RPU employee handled the call or visit.
- Further, commercial customers indicated the RPU representative was responsive to their needs, and if the answer was not readily available, a timely call-back was provided to rectify the concern.

Field Personnel Interactions

Outages occur but are quickly restored

- Roughly one-third of commercial customer participants indicated having lost power or needing a site visit from an RPU field representative or technician during the last 12 months. However, customers were unable to name the RPU representative that visited, generally referring to them as “service technicians.”
- The primary purpose of a site visit was to restore power during an outage, while some noted RPU technicians will visit to provide feedback on project initiatives and infrastructure improvements.
- All customers reporting a visit indicated being highly satisfied with the interaction and service provided by the RPU service technician.
- RPU’s service technicians were said to be highly responsive to customer needs, arriving on-site quickly and providing timely, targeted follow-up for issues outstanding from the initial visit. While the majority of needs were resolved on the first visit, if a follow-up or multiple visits were needed to solve the issue, customers noted they felt their issue was “in good hands” with the RPU service technician.

RPU's Commercial Account Managers

Provide a highly valuable service to commercial customers

- The strong majority of participants reported being aware that RPU has account managers for commercial customers, and are actively working with / have an account manager assigned to their business. However, two participants were unaware of this offering, and indicated that having an RPU account manager would be valuable for their business.
- Awareness of the account manager program was primarily initiated by RPU through proactive site visits to tell customers of this program and educate them on the benefits.
- Commercial customers with an account manager were not able to provide any targeted areas of improvement for their representative, with the exception of either lowering rates or providing more information on energy conservation and ways to reduce their bill.
- The majority of participants reported the frequency of contact by their account manager was the right amount, while only two individuals indicated a desire for increased interactions and communication.

RPU's Commercial Account Managers

Frequently offer information on rebates and programs for their business

- Impressively, all commercial customer participants with an account manager indicated their representative has provided information on RPU rebates and programs/services that might help their business.
- These RPU account managers will also assist in scoping and creating custom rebate programs that might not currently exist, but would be beneficial to a specific business.
- All participants noted their account manager is well-versed in RPU rebate program offerings and can easily explain the requirements/parameters of each and their potential short-term and long-term benefits to the business. While information gathering often occurs through phone calls to the account manager or by reading the RPU newsletter, many focus group participants noted their account manager will discuss these rebates and services during their scheduled monthly meeting.
- Commercial customers did indicate that additional information offered by the account manager could be useful, specifically around real-time usage data and providing recommendations on rebates, programs and services based on what other similar businesses within that industry might be doing.

Preferred Methods of Communication

Type of medium contingent on the nature of contact

- Depending on the nature of the information and its importance, commercial customer participants noted a variety of preferred methods of communication for:
 - Outages: “Phone call” (14) or “email” (1) (also noted a “text message” would be beneficial)
 - Power quality: “Email” (8) or “phone call” (7)
 - Voltage, blips and other reliability concerns: “Phone” (10) or “email” (4) (Customers noted the preferred method of contact was contingent on the severity of the issue)
 - Goals for your business: “Email” (11) or “in-person monthly meeting with account manager” (4)
- Importantly, all commercial customer participants indicated being very satisfied with the current methods of communications utilized by RPU for these various customer needs.
- Additionally, among those having experienced a power outage during the past 12 months, all commercial customers reported being satisfied with the outage restoration time and RPU’s communication.

Sources of Information about RPU

Currently utilize various mediums for gathering information

- When looking for information about RPU, commercial customers indicated they will primarily utilize RPU's website, social media, or a direct phone call to the utility. The nature of the contact medium depends on the information being sought and the timeliness and importance of the need.
- In a future state, customers would prioritize direct phone contact with RPU customer service or their account manager for important or time-sensitive needs, yet would prefer to visit RPU's website or receive email contact for the majority of information gathering.
- Importantly, the strong majority of commercial customers did not report any difficulties understanding their RPU bill. Customers indicated they understand what they are being billed for, as well as the separation of electric charges and water charges billed by RPU versus the stormwater and wastewater charges billed by the City of Rochester.
- It should be noted that a small number of participants indicated a desire for more detailed information on their RPU bill. Specifically, customers would want iterative data highlighting electricity usage and monthly charges that compare current metrics against year-over-year historical figures.

RPU's 100% Renewable Energy Plan

Concerns over cost implications to customers

- Roughly half of the focus group participants reported awareness of RPU's recent adoption of a 100% renewable energy plan.
- A great deal of uncertainty was conveyed by commercial customers regarding how this 100% renewable energy initiative might effect their business and whether this plan would have a positive benefit. Commercial customers indicated a desire for more detailed information regarding the specifics of how this initiative will be implemented and the anticipated effects on customers. Concerns were raised around the feasibility of attaining this goal, reliability of renewable energy sources, as well as where renewable energy will be sourced from, whether locally in Rochester or transmitted from out-of-town or out-of-state. Additionally, commercial customers expressed apprehension around the potential rate increases that might be passed along to customers to help cover the costs of implementing technology and generating renewable energy.
- Conversely, commercial customers recognize that RPU's 100% renewable energy plan could potentially benefit the City of Rochester, in general; knowing that the City's utility provider is using renewable energy could serve as a point of differentiation among other cities in Minnesota and drive residents to want to live in Rochester.

Statewide Renewable Energy Mandate

RPU should meet statewide expectations versus exceed

- When asked whether RPU should exceed Minnesota's statewide renewable energy standard that utilities be 25% renewable by the year 2025, commercial customers indicated a desire for more information as to how RPU would accomplish this and how it might affect customers' electric rates.
- However, participants did note that Minnesota's 25% renewable energy figure will be a consistently moving and increasing target; while planning to be 25% renewable by the year 2025, customers recommended that RPU should also be forecasting how they can increase their percentage of renewable energy as the State of Minnesota increases its requirements beyond the year 2025.
- With operational costs increasing for all businesses, customer participants did not feel as though their business would be willing or able to pay an additional amount monthly so that RPU could exceed the State of Minnesota's 25% renewable energy mandate.
- With businesses' operational costs being the primary consideration, all participants indicated they would not be willing to pay any additional amount on their bill to help reduce environmental impact. Customers noted RPU should have a moderate and balanced approach with respect to goal setting around reducing environmental impact, and the utility should fund any aggressive measures implemented.

Business Sustainability Goals

Few organizations have them in place

- Roughly one-quarter of commercial customers indicated having sustainability goals in place for their business, whether currently implemented or in-process with respect to planning and designing.
- Of note, the majority of participants were not aware that RPU has programs and employees that can assist with sustainability goals.
- Participants highlighted the potential value of “lunch-and-learn” educational sessions, where RPU could conduct site visits to raise awareness and educate commercial customers on sustainability offerings. During these sessions, best-practices could be shared focusing on the benefits received from efforts and initiatives being undertaken by other organizations, which could then be applied to this specific customer.
- Unfortunately, participants were unsure as to what outside organizations RPU could potentially partner with to aid in increasing customer awareness of its sustainability programs.

Interest in Electric Vehicle Charging

Not a “top-of-mind” consideration for businesses

- Commercial customers reported low levels of interest in learning more about electric vehicle charging; interest is highly dependent on a businesses’ industry as well as their day-to-day operational needs.
- Questions regarding EV charging prioritized by commercial customers centered on who pays for the electricity cost (whether the car owner or the business) when someone is charging their electric vehicle, as well as the up-front cost to purchase and install the technology.
- Participants noted many barriers to implementing electric vehicle charging for their customers, employees or fleet of business vehicles. Primary concerns included cost to implement technology, the frequency and amount of maintenance required, the travel-range of an electric vehicle, and the potential effect on space and availability of parking by allocating spots to electric vehicles (which might go unused). Customers also wondered what the automotive and transportation industries will look like in the future, considering the increased prevalence of ride-sharing services.
- Further, commercial customers indicated low levels of willingness to implement electric vehicle charging for their customers, employees, or fleet of vehicles, and are not actively considering moving their fleet of vehicles to electric vehicles.

Additional Programs/Services for RPU to Offer

Rebates, training/education, and data are prioritized

- Rebates, education/training opportunities, and commissioning and recommissioning assistance are additional resources, programs or services prioritized by commercial customers and they believe RPU should investigate as these would be beneficial to customers.
- However, based on a lack of awareness around “Cost Effective Efficient Electrification” (CE3), customers could not articulate any programs in this area they believe RPU should investigate.
- The majority of commercial customers reported interest in receiving more detailed energy usage information regarding their business. Topics of interest included strategies on reducing demand charges, usage trends, and smart grid planning and implementation. However, participants questioned whether there would be an additional monthly cost for this data, and what the benefit / return-on-investment would be to their business for this additional data. If there was a high-ROI, participants would consider paying an additional amount for this information.
- To aid with awareness and implementation of smart meters and usage of detailed consumption information, participants recommended RPU offer free consultations with businesses regarding this technology.

Incentives, Rebates, and Ways to Manage Usage

Businesses are taking advantage of rebates but want more offerings

- As a means of reducing operational costs, the majority of commercial customers reported taking advantage of an RPU incentive or rebate. Multiple participants noted that RPU assistance with lighting upgrades from T-12 to LED was frequently utilized.
- Commercial customers did note a desire for RPU to offer more customized incentives and rebates that can change and evolve to meet the distinct needs of different businesses. These rebates or incentives often serve as a deal-maker for businesses to receive approval and push a project forward to implementation.
- However, one participant did note that money is a finite resource, and questioned whether or not RPU would be able to fully fund these initiatives if they were to offer more incentives and rebates.

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Thinking Forward

- **Offer Account Manager Services to More Commercial Customers.** Throughout both focus group sessions, participants continuously noted the value and importance of the service provided by RPU's commercial account managers. Participants without an account manager explicitly recognized the potential benefits of this individual, and expressed an interest in having an RPU account manager assigned to their business. While these account managers can aid in helping a business reduce operational costs, they also serve as a valued and trusted point-of-contact with the utility, giving commercial customers a "face" to put to their electric service provider. It is recommended that RPU consider exploring their account manager program to potentially include businesses of various sizes and usage rates to extend beyond just LGS and MGS commercial customers.
- **Offer Custom Rebates and Incentives.** Considering the continuous rise in operational costs for businesses, participants highlighted the importance of rebates and incentives in helping reduce costs, manage consumption, and potentially have new projects approved with this additional funding. However, not all businesses are the same with respect to their needs and how a rebate or incentive could be structured to benefit their business. RPU's current offering of incentives and rebates does meet the majority of commercial customers' needs, but the potential exists for these initiatives to be right-sized to better meet the needs of individual businesses. It is recommended that RPU work with commercial customers to explore the types of custom incentives and rebates of interest, and structure them to benefit both the customer and the utility.
- **Be Mindful of Customer Price Increases Associated with Renewable Energy Initiatives.** From a humanistic and societal perspective, commercial customers explicitly noted the benefits of RPU's adoption of a 100% renewable energy plan and the State of Minnesota's 25% renewable energy standard for the year 2025. However, these customers are primarily concerned with the businesses' bottom line and reducing expenses. In their opinion, renewable energy initiatives should be funded by the utility, as RPU, not the customer, is driving this potential evolution of electrical service provision. As such, it is recommended that RPU be mindful when considering customer rate increases for the purpose of covering the cost of renewable energy initiatives.

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