

ABC POWER AND WATER CUSTOMER FOCUS GROUPS JANUARY 24-25, 2015

OVERVIEW

Three focus groups were facilitated on January 24-25, 2015 with customers of ABC Power and Water. All groups were conducted at the ABC Power and Water conference room. The first two groups were composed of residential customers recruited by SDS from the company residential database. A total of 19 residential customers participated. The commercial group consisted of six representatives from the commercial customer list. The names and overall profile of participants are found later in this overview.

The objective of this focus group project is to solicit respondent opinions about ABC Power and Water and determine what is most important to customers. Results of this qualitative research will also be used to assist in the formulation of the customer satisfaction telephone survey questionnaire.

This Executive Summary is divided into general sections representing the major elements of the discussion guide. Each section is presented with analysis of all three groups. Where appropriate, we have used direct participant quotes to maintain the accurate tone of the discussion. Results of two quantitative exercises are also part of our analysis. We have included additional valuable verbatim feedback from participants at the conclusion of our report.

You will find copies of the following in Appendix A:

- Facilitator Discussion Guide
- Participant questionnaire
- Recruitment letter
- Ranking exercise
- Other services exercise

The opinions, attitudes, and ideas that are reported here are the perceptions of the participants. They can be effectively used to help with future company direction and decision-making. Care should be taken, however, to avoid projecting specific comments to the entire ABC Power and Water customer population.

PROJECT PARTICIPANTS

Residential Group 1		Tuesday, January 24, 2010	5:30pm
Name			
Marilyn Yvon	Janna Zonder		
Arthur Zagafos	Kathleen Woodworth		
Kenneth Ball	Kevin Barlow		
Nancy Young	Robert Zombory		
James Zayecheck	Myra Wright		
Brittany Maddox			

Residential Group 2		Tuesday, January 24, 2010	7:30pm
Name			
Bill Abballe	Paul Bates		
Zak Balado	David Allen		
Mark Barnes	Hildred Williams		
Jan Wright	Diane Adams		

Commercial Group		Wednesday, January 25, 2010	12:00pm
Name			
Jack Campbell			
Marco Riojas			
Regina Black			
Margaret Sherman			
Dionne Smith			
David Friedman			

PARTICIPANT PROFILE

A total of 25 customers participated in three focus groups. The composition of the groups is as follows:

GROUP	MEN	WOMEN	TOTAL
RESIDENTIAL	11	8	19
COMMERCIAL	3	3	6
TOTAL	14	11	25

The average age of residential participants is 51 with the youngest 28 and the oldest 75. Commercial participants range from 35 to 65 with an average age of 48.

At the beginning of the group, each participant was asked to complete a short questionnaire (Appendix A). The purpose of the questionnaire is to obtain some general demographic information and to allow participants to begin thinking about the issues to be discussed. The following is an analysis of the results of the questionnaire.

1. Have you ever been involved in a focus group before?

RESIDENTIAL

- 12 (63%) have been focus group participants and 7 (38%) have not.

COMMERCIAL

- 3 (50%) have been focus group participants and 3 (50%) have not.

2. How long have you been a ABC Power and Water customer?

RESIDENTIAL

- 10.5 years is the average with a range from 9 months to 28 years.

COMMERCIAL

- 10.3 average with a range from 3 years to 20 years.

3. Do you understand what a Co-opl Utility is?

RESIDENTIAL

- 13 (68%) answered yes and 6 (32%) answered no.

COMMERCIAL

- 4 (67%) said yes and 2 (33%) said no,

4. Have you ever had power supplied by any of the following?

a. A Co-op

RESIDENTIAL

- 2 have been members of a power co-op

COMMERCIAL

- 1 has had power supplied by a co-op

b. Investor-owned utility (private company)

RESIDENTIAL

- 4 have been customers of an IOU

COMMERCIAL

- 3 have been customers of an IOU

c. Municipality

RESIDENTIAL

- 10 (53%) have had power supplied by a municipality

COMMERCIAL

- 3 (50%) have had power supplied by a municipality

5. Are you actively involved in any other community organizations?

RESIDENTIAL

- 5 (26%) are actively involved

COMMERCIAL

- 3 (50%) are actively involved

6. Have you ever been asked to give feedback about ABC Power and Water previous to this focus group?

No residential or commercial participant had been asked to give feedback prior to the focus groups.

1. QUALITY SERVICE

ABC Power and Water is perceived by most respondents to provide power service that is very reliable with efficient response to outages and emergencies. Employees are considered to be polite and responsive to customers. As one participant suggests, "Reliable service is consistency compared to some kind of expectation." The expectation of most participants is measured against a simple standard based on whether the power comes on when they flip the switch. There seems to be some insecurity with the accuracy of meter reading, especially by older customers who are accustomed to seeing the meter reader in the yard. Some participants feel a higher level of frustration with policies and performance of the water department. One participant thinks, "The power side is fine, but on the water side the quality of the water is terrible." Another person suggests, "We have one of the top three water systems in the country." The cost of installing a second meter for irrigation water seems to also raise the noise level. There is some confusion as to who is responsible for water and sewage issues and who supplies the water.

RESIDENTIAL GROUPS

- If it means having reliable service at a price reduction, I would go with reliable service every time.
- The electric service has always been very, very good.
- Ice storms are the thing around here, but they seem to be very prompt at fixing the problem.
- They seem to be prepared to have their men right there so if something goes out, they're ready to go right away. They seem to have in place the means to handle emergencies.
- My experience is very positive other than having to push the numbers to get to someone during the day. After hours, it is very efficient.
- I work where power lines are underground and it's less reliable than my home.

- Almost every bad storm the power in my neighborhood goes out – when it gets real windy.
- I have some concern with the accuracy of meter reading. It's very suspect to me because they claim they can drive by and get a reading and I don't feel secure about that at all.
- The cost of water is ridiculous due to the over development in the County. Rather than making the developer pay for all the extra sewage systems they just put it back on everybody.
- We have a sewer issue on our street every time it rains.

COMMERCIAL GROUP

- I've never encountered anyone who was rude here – they're all nice.
- Being able to flip the switch and have power, that's my definition of reliability.
- They contacted me to inform us of an unusually high water usage. The lady in the billing department was even more concerned about the bill than I was.
- There are occasional voltage fluctuations that occur but we have surge protection to handle that.

2. IMPORTANT COMPANY ISSUES

The groups were asked to give written feedback about issues that are important to them using the ranking exercise (Appendix A). Some specific issues regarding competition in the power industry, impact fees for water and sewer, and multiple bills for service are not included in the analysis of the exercise. Comments on these specifics are found below.

RESIDENTIAL GROUPS

- Customers feel we are at their mercy because we have to get our power from them.
- Cost seems to be the most important driver, other than that I have no problems.
- There is no real competition so far as choosing another provider.
- Competition doesn't always drive the price down and deregulation doesn't always work.
- ABC Power controls the quality and responsiveness of the service, but they don't generate the power and control the pricing.
- There are no impact fees for developers.
- I don't understand the water bill.
- Another thing I don't have any control over is how they read the meter.

COMMERCIAL GROUP

- We get two bills every month and I don't understand why.

- There are only five days to pay the bill and get the discount. That isn't enough.
- It seems to me that commercial problems and residential problems are two different dynamics and should be handled by separate customer service people downstairs.
- We have four units in our building, each with its own meter. Deposits are necessary for each meter and we get billed individually for each.

RANKING EXERCISE ANALYSIS

Each group was asked to develop a list of things that are important regarding their power and water service then rank them in order of importance. The results of that exercise are reported by group.

Residential Group 1

1. Reliability
2. Cost
3. Quality
4. Safety
5. Responsiveness
6. Customer service
7. Communication

Residential Group 2

1. Reliability
2. Responsiveness
3. Cost
4. Customer service
5. Safety
6. Billing easy to understand
7. Communication
8. Community involvement/support

Commercial Group

1. Reliability/dependability
2. Customer service
3. Billing accuracy and timing
4. Separate commercial customer service
5. Easy access to staff/answers
6. Policies and procedures

3. COMMUNICATION

A difference of opinion exists between residential and commercial participants regarding the use of printed information to communicate. Residential customers are more likely than commercial customers to read the flyer sent with the bill (“Connected”). However, some who read the flyer complain that the background is too busy and it is hard to read. A suggestion was made to use the fancy header, but plain body for the copy so it reads easier. The use of the Internet to communicate has pros and cons for most participants. While a large number seem to use the Internet at work and home, a perception exists that junk email solicitations cloud its effectiveness. Most commercial participants do not read the newsletter or the bill flyers, while some residential participants would like to see an expansion of the “Connected” flyer into a quarterly newsletter. Most participants have not had much in-person or telephone contact with ABC Power and Water. Some suggestions for improving both such contacts are listed below. Overall, commercial participants don’t seem to have a great need for general communication with MBLW unless something goes wrong or new service is needed. A disconnect exists with some residential customers who seem to have unanswered questions but aren’t motivated to read printed material. A suggestion was made to refer customers to the website for answers or information on different subjects each month with a one-line entry on the monthly bill. One participant summed this topic up by saying, “You communicate every day by what you do not just by the flyer you send in the bill.”

RESIDENTIAL GROUPS

- How about expanding the flyer and sending it quarterly instead of monthly in the bill.
- If there had to be one type of communication, that (“Connected”) would be the best.
- Customers get irritated with complicated electronic answering systems that don’t get you to the right person.

COMMERCIAL GROUP

- Every company feels a need to do outreach to customers and it’s really a waste of time and money.
- I get enough junk mail and email.
- It costs a lot of money to print the flyer.
- I don’t understand the different rates, summer rates and winter rates.
- Notify people on the bill with one line that an important message is available on the website so that it doesn’t add to the clutter that you get bombarded with all the time.
- They need to hire a divorced woman with three children and no child support to do their budget.
- Have residential and commercial lines downstairs with emergency access

4. AWARENESS OF RENEWABLE POWER

A strong interest in the idea of green power exists in all groups. For commercial participants interest seems to be more associated with the profit motive. A vocal number of the residential participants are quite passionate about renewable energy sources. All seem to give “lip service” to environmental issues, but dropout occurs pretty rapidly when cost is introduced into the equation. One participant says, “I think I would be willing to pay more but I would like to be educated more.” Another suggests, “I would be willing to pay 20-25% more if I could reduce my consumption.” Money is not the only issue with residential participants. “If it affects quality of life, I think people are willing to pay more,” is the response of a residential customer. But, as one younger participant explains his idealism, “When I was in college it was very important, but now when I’m paying for things, there is no incentive to be environmentally conscious.”

RESIDENTIAL GROUPS

- I grew up here and Atlanta used to be a forest. It looked like the Emerald City, it was so green. I would really like to see some progressive thinking in Marietta to preserve green space and to come up with alternative sources of energy.
- Education needs to start with education of the user. Create codes and standards for builders and developers.
- We need to make wise decisions. I wouldn’t want to invest a huge amount into infrastructure for technology that is going to be outdated.
- Between the mountain ranges with a strong wind pattern, this area seems to be perfect for wind power.
- We are so used to our reliable power. People don’t want to pay for the research and initial costs of converting. It’s not an easy fix. It’s not up to the power company, per se, to say OK we’re going to wind power.
- If it is going to work it must be accepted on a large scale, not a shot in the dark, feel good.
- If they could show this is what we paid in 1980, this is what we paid in 1990, this is what we paid in 2000, and this is what we’re going to pay in 2015 using the same energy sources we’re using now, investment in green energy would be more acceptable – especially with price escalation of natural gas.
- I’d be willing to invest in green power if I knew for certain that we would be less dependent on foreign sources of energy.

COMMERCIAL GROUP

- To be honest with you, I don’t know if we’d do it, if there weren’t a profit motive.
- Green power is definitely something they should look into as technology advances and costs come down.
- It’s important but we’d have to be assured of sustainability.
- I would be interested in it based on what could be done to reduce energy costs.

5. ADDITIONAL SERVICES (Exercise)

The residential groups were asked what other services they would like ABC Power and Water to provide. In conjunction with the question, participants were invited to complete an “Other Services Exercise” (Appendix A). The two groups compiled their own list of services and were asked to place them in one of three columns: Must have, Nice to have, or Not that important. The services could be placed in any of the three columns. Some discrepancy exists between the two groups. Although energy audits seem to be popular with both groups, green power is much more important to Group 1 than to Group 2. Education/information ranks very high with Group 1 but didn’t appear on the other list. Surge protection is another difference. Group 1 considers that to be the most important service and Group 2 has it well down the list. There will always be a difference of opinion among participants on these additional services. The examination of the frequency charts will provide more in-depth understanding of how each service was perceived.

OTHER SERVICES EXERCISE ANALYSIS

Residential Group 1

<u>SERVICE</u>	<u>MUST HAVE</u>	<u>NICE TO HAVE</u>	<u>NOT THAT IMPORTANT</u>
Budget Plan	4	5	2
Conservation incentives	5	6	0
Education/information	6	5	0
Energy audits	7	4	0
Surge protection	4	4	3
Outdoor lighting	5	6	0
Green power	7	3	1

Residential Group 2

<u>SERVICE</u>	<u>MUST HAVE</u>	<u>NICE TO HAVE</u>	<u>NOT THAT IMPORTANT</u>
Energy audits	5	3	0
Green power	1	6	1
Outdoor lighting	4	2	2
Budget bill	3	3	2
Surge protection	6	2	0
Tree trimming	4	3	1
Community support	1	6	1

6. BRANDING/IMAGE

A complete picture of the ABC Power and Water brand and image cannot be developed from this short discussion. However, several salient points are very evident from the comparison of questions 3 and 4 of the participant questionnaire and this discussion. Significant misunderstanding exists regarding the relationship between the City and ABC Power and Water. For example, although 13 residential and 4 commercial participants said they understood what a municipal power utility is, only 10 residential and 3 commercial participants said they had ever had power supplied by a municipality. In short, almost 50% of the participants (and probably more) were either confused about or didn't know what the relationship between the City and the Power Company is. Almost everyone recognized the ABC Power and Water logo. The second, older ABC Power and Water logo was much less recognized than the first. Commercial participants seemed to have much more awareness of the relationship than residential participants. When asked if the tie with the City was a positive or a negative, some interesting comments were generated. One person explained, "It's amazing to me that ABC Power is such a good company if they are part of the local government. Anything to do with government is always suspect to me." An observation from another residential participant is full of incite, "If ABC Power is owned by the City, why are we billed a franchise fee?" Two additional comments about the positives or negatives shed some light on the subject. A participant explains, "I feel like I have to continually defend myself from the utilities. I would like to feel that my local government was watching out for me." Another says, "They're efficient and I don't tie efficiency to a government run service." Someone remarked, "I would love to see their mission statement – Oh, there it is on the wall"

This issue of branding, image, and the relationship with the City requires more in-depth discussion in order to come to conclusions. However, these focus groups do suggest that about half the customers of ABC Power and Water are confused about the ownership of the utility that provides their power and water service.

7. FOCUS ON IMPROVEMENT

Each of the groups was asked to give input to the question regarding what ABC Power and Water does well and what needs improvement. Most of the comments are very positive. The issue of short turnaround of payment terms, meter reading, and discount bills for low income customers, and the perception of waste in large organizations occupy most of the improvement suggestions.

RESIDENTIAL GROUPS

- They take good care of the infrastructure with preventative maintenance
- A lot of other utilities could learn from ABC Power about easy to understand billing.
- They get the bills out on time, I know that.
- They put safety right at the top of their priorities, which is good for the community and the employees too.

- Reliability and keeping the power going when there is an emergency. That is something everybody gives them high marks for.
- They are very safe and they care about their employees.
- In ice storms the people who do those repairs are heroic.
- I'm very impressed they've taken the time to listen to other people.
- I think they do a good job but there is a lot of waste in any of these organizations.
- It is important that they have discounts for low income people, seniors, single moms.
- There is a fairly short turnaround time to get the discount.
- Time too short to get bill paid within discount period.
- I'd like to see them give us a little more security about how and when they read the meter.
- Improve street lighting.
- When I call you expect to be treated in a certain way, without the government entitlement mentality.

COMMERCIAL GROUP

- They are more responsive than Georgia Power.
- Timing of the bill is my only negative.
- We have a four-line address as assigned by the City. ABC Power and Water only provides a three-line field.

8. YOU ARE THE DECISION-MAKER

At the conclusion of each group, participants were invited to become the decision-maker at ABC Power and Water and to share the one thing they would do to ensure the future success of the utility.

RESIDENTIAL GROUPS

- Look for new sources of power to meet needs of a changing world and meet needs of conserving energy.
- Explain services to promote understanding and ownership (knowledge is power).
- You can't change the direction of the titanic without knowing how to operate the boat. I would get my hands "dirty" into the affairs and operation. I would find out where we are and where we're trying to go then work out a plan to get there and implement it.
- Educate customers and develop innovative ways to increase energy standards in homes.
- I would make sure the organization runs efficiently and eliminate (as much as possible) all waste. Try to instill an esprit de corps in the organization.
- Assign a committee, including myself, to come up with a detailed plan about our future power.

- To make sure that everybody from rich to poor have the ability to get the service they need that meets their income level and understand about the company services.
- I would begin an aggressive program for transitioning to as much sustainable, renewable energy resources as possible. My first step would begin with educating MBLW and then the public.
- I would audit the operation, seek needs/wants of customers (feedback), send “state of” updates in readable English like “How do we compare to others?”
- If I was the boss I would survey the customers to hear and know what they really think and want.
- Operate with more of an “open disclosure” format so customers understand the good, the bad, and the ugly at ABC Power and Water.
- I would provide discounts for lower incomes, seniors, and long-term customers as well as customers who pay on time regularly. I would reduce sewage expense and provide for auto-pay feature with credit cards and/or direct bank transfer.
- I would commission a study to investigate alternate energy sources (green power and renewable energy). I’d then initiate a referendum with the city and county customers to present: current cost and sources; possible alternatives; future cost/benefit prediction.
- Begin long-term planning to incorporate citizen/customer decisions and ensure reliable power for the future.
- Knowledge of how the organization works and invests in alternate power sources.
- I would keep rates low and fair, customer service helpful, and introduce incentives for using energy efficient products.
- Pursue alternative fuel sources.
- Stay focused on core business areas.
- I would make sure delivery of services is affordable, efficient, and responsive.
- Do everything possible to reduce power cost to customers and communicate the how’s and why’s it was successful.
- Consider what the energy costs will be for the customer over the next 10 years, and develop plans to increase efficiency to hold down customer costs and still maintain good service.
- Focus on customer service by allowing employees to provide consistent feedback from customers to executive management. Executive management then makes it a priority to focus on the feedback.

COMMERCIAL GROUP

- Establish Personal Power Personnel that would strategize services to improve wait time and increase customer service and eventually reduce cost.
- Give a 10 day grace period for bill payment to receive the discount.

- How we can better take ownership of customer problems when they are clearly defined.
- Expand successful ventures. Save money where possible and pass it along to the customers.
- Find new systems and sources to generate electricity.
- Concentrate on customer service that actually helps instead of “feel good” initiatives.

APPENDIX A

**ABC POWER AND WATER
FACILITATOR DISCUSSION GUIDE
January 24-25, 2015**

1. WELCOME AND INTRODUCTION

- **Complete Questionnaire**
- **Name, occupation, where are you from originally?**
- **If you weren't here today, where would you want to be?**
- **Guidelines:**
 - **We want your honest, candid input, whatever it is**
 - **Have an opinion or have no opinion**
 - **OK to agree, OK to disagree**
 - **There are no wrong answers**
 - **Please respect the time constraints and other participants**
 - **Being recorded (smile at camera).**
 - **Everyone participate freely and feel comfortable offering your own opinion**

Objective: To solicit respondent opinions about ABC Power and Water and determine what is most important to customers.

2. QUALITY SERVICE

- How reliable do you consider your electric power to be?
Prompts: What is your expectation?
Compared to other power providers?
Compared to other utilities?
- Have you experienced any problem with your power service recently?
Prompts: What types of problems?
Responsiveness?
Method of communication you used?
Courtesy of employees?
Expertise?
What is your expectation?

3. IMPORTANT COMPANY ISSUES (create ranking exercise)

- What is most important to you as a customer?
Prompts: Easy access to getting questions answered
Rates
Professional employees
Billing easy to understand
Community efforts
Customer service

4. COMMUNICATION

- How well does ABC Power communicate with you?
Prompts: Do you have a voice? Why or why not?
Are you kept informed?
- How should they communicate with you?
Prompts: Mass media
Newsletter – (COMMERCIAL ONLY “City Lights”)
Bill stuffers -- (“Connected”)

5. AWARENESS OF RENEWABLE POWER

- What is your level of interest in environmental issues?
- How sensitive are you to purchasing power from renewable sources?
- Would you be willing to pay more for Green power? Why? How much?
- What price level would be a disincentive for you?
+20% +15% +10% +5% +1%

6. BRANDING/IMAGE DISCUSSION

- What additional services would you like to see ABC Power provide?
Prompts: Green power
 Energy audits
 Outdoor lighting
 Surge protection
 Bill guarantee
 Flat bill
- What price would you be willing to pay?

7. BRANDING/IMAGE DISCUSSION

- How would you describe ABC Power and Water? (Display LOGO)
Prompts: Respected
 Recognized image
 Community participant
 Compared to competitors
- What is a municipal utility?

8. FOCUS ON IMPROVEMENT

- What does ABC Power and Water do right?
- In what areas could they improve?

9. YOU ARE THE DECISION-MAKER

- What one thing would you do to ensure the future success of the utility?

10. OTHER ISSUES

- What other comments would you like to share?
- Distribution of remuneration packets

PARTICIPANT QUESTIONNAIRE

ABC Power and Water

January 2015

NAME: _____

DATE: _____

GROUP: _____ CIRCLE ONE: 5:30 7:30

ADDRESS: _____ PHONE #: _____

_____ AGE: _____

COMPANY: (If Commercial Group) _____

1. Have you ever been involved in a focus group before? Yes No
2. How long have you been a ABC Power and Water customer? _____
3. Do you understand what a Co-opl Utility is? Yes No
4. Have you ever had power supplied by any of the following?
 - a. A Co-op Yes No
 - b. Investor-owned utility (private company) Yes No
 - c. Municipality Yes No
5. Are you actively involved in any other community organizations? Yes No
6. Have you ever been asked to give feedback about ABC Power and Water previous to this focus group? Yes No

COMMENTS:

RANKING EXERCISE

ISSUE

RANK

OTHER SERVICES EXERCISE

MUST HAVE	NICE TO HAVE	NOT THAT IMPORTANT

--	--	--

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____
- 6. _____
- 7. _____

January 18, 2015

Ragina Black
XXXX
XXXX
XXXX

Dear Ragina,

Thank you for your commitment to participate in our focus group project for ABC Board of Light and Water. We have you scheduled at 12:00 noon on Wednesday, January 25. It is very important that we have a complete group. Please notify the SDS Research office at 1-800-594-8989 as soon as possible if you are unable to attend. We have balanced the groups by gender and some other demographics, so please do not send someone in your place should you not be able to participate.

The focus groups will be held at the ABC Board of Lights and Water administration building at XXXX. The directions are as follows: Administration is the newer 2-story brick building with the green metal roof. Please enter by the front door where you will be directed to the conference room.

A few reminders:

- You will receive remuneration of \$50.00 for your participation
- A sandwich lunch will be provided
- Please arrive at the conference room about five minutes before the scheduled start of your group to fill out a short questionnaire.
- The objective of your focus group is to solicit opinions about ABC Power and Water and determine what is most important to commercial customers.
- Your group will start promptly at 12:00 noon and end no later than 1:45pm.
- The invitation to participate is for you. Please don't bring other associates.

Again, thank you for your interest and participation. I look forward to meeting you on Wednesday, January 25 at 12:00 noon.

Sincerely,

Dale R. Inkley
SDS Research