

Seattle City Light Ratepayer/Customer Engagement Initiative Best Practice Review

Overview

In anticipation of Seattle City Light (SCL) proposing a new rate design model or structure to the Mayor and City Council in 2014, SCL sought to identify the best practices nationwide in effective engagement of ratepayers, public, customers and stakeholders in utility rate design and structure.

With such a wide and imaginative range of what utilities are doing to engage the public, SCL conducted an inventory of approaches to engage residential, business, industrial, institutional customers and stakeholders in the process. This review included surveys and research/phone calls on what other utilities are doing in similar public engagement programs, gauge effectiveness, and explore new tools to reach more customers.

Between March 12th and April 12th, SCL telephoned, emailed, searched web sites and reviewed more than 25 public engagement plans from major utilities including the Pacific Gas & Electric, Toronto Hydro, Sacramento Municipal Utility District, Portland General Electric, Washington Utilities and Transportation Commission, Snohomish County PUD, Avista Utilities and Wisconsin Public Service.

Between April 10th and April 22, 2013, SCL distributed an electronic survey to 25 of the large public utilities and asked questions about what they did, how it worked, improvements they would suggest, and comments on new approaches they are considering. Eleven utilities provided responses to the electronic survey.

The goal is to give policy makers the confidence that a thoughtful and transparent process in setting utility rates has been undertaken prior to the proposal being reviewed and adopted. In addition, especially creative and unique tools have been outlined to add to the national bank of good ideas that prompt more involvement in this engagement process.

Phase One: Identify Best Practices in the Industry.

We surveyed a variety of approaches (more than 25 public engagement plans from major utilities including the Washington Utilities and Transportation Commission), and found that many of the best practices are processes that have been used in the strategic plan development for SCL.

Seattle City Light has a history in engaging different levels of customers, piloting many engagement practices that are now countrywide best practices:

- Meeting communities of color at their own community centers and offering them information in their own languages, 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: special data bases of stakeholders, interested publics, media and key insiders are informed through Facebook, Twitter, and utility websites which identify a page dedicated to rate review processes.

Best Practices

In reviewing many of the country's utilities' public engagement strategies, there are some trends that would be good to review before launching into prospective ideas and a plan for the upcoming rate review process at Seattle City Light.

- There are fewer public meetings where the entire public is asked to leave their homes to attend a typical weeknight meeting; the trend is to find ways they can engage from home, online, or through meetings they already attended.
- Micro-targets are more popular than broad-based general public targets where the focus is on building ongoing relations with a targeted public, and keeping them up-to-date with opportunities to comment throughout the process;
- Even though information may be coming more complex as new systems and ideas are introduced to rate review processes/practices, the amount of words to communicate to the public is much less (more research is being allocated to refine and focus on the most salient/resonating messages);
- Partnerships with community/civic organizations is the standard practice in getting the word out and public response back in. More utilities are directly hiring or finding some other incentive for entities to be the messenger, facilitator or feedback agent on rate reviews. Some of the more interesting include Rotaries, ethnic groups, Hotel/Restaurant associations, other budget-strapped non-profits. At regular meetings of these group, their leaders present utility rate information and facilitate the feedback;
- The 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-channeled communications;
- Where most of the public involvement has been wrapped around the rate review process, more utilities are now moving their emphasis on strategic, long range and capital plans. The rate reviews are anticipated as part of the ongoing updating of the greater plan.

- Customers and stakeholders want dependable, consistent knowledge of when and what is coming in terms of rate increases. They would prefer to hear about rate changes/processes from their account manager than from the media.
- The public is no longer as interested in how rates compare with other cities; they are more interested in when and what other service utilities are planning. To the customers, it's all about trying to absorb the new increases amongst other bills that are going up.

Best Practice Tools

- Focus Groups to residential customers, small businesses/organizations, low income and green program participants
- Personal conversations with select top user customers
- Internal departmental team formation & coordination (call center, public affairs, marketing, account management, computer systems, etc.)
- Advisory committee updates/filling of vacancies
- Research into other rates processes which may be going on in the same geographic area during the same period as Seattle City Light's rate review process
- Identification of critics
- Economic review of how our customers are doing compared to 2010 and 2011
- Public engagement of customers in their own home: phone forums where customers listen to one hour long interactive presentation where they can call in or be polled on important questions with instant feedback

Combination of Tools for Specific Targeted Publics

- Explain hard to understand and tough topics
 - Conduct market research on communications and messaging
 - Conduct focus groups and design communications plan
 - Personalized and face-to-face interactions
- Inform residential customers
 - Phone Forums: Town Hall Meeting from Your Own Home
 - Utility monthly mailer
 - Direct mail
 - Utility's website page & surveys

- Inform small and mid-size business customers
 - Bill inserts
 - Direct mail
 - One-on-one meetings with laptop case studies/surveys
 - Lunch workshops to explore examples of what might be done
 - Partner with non-profits and have face-to-face visits with customers

- Work with large business customers and associations
 - Partner with trade associations
 - Partner with civic and non-profit associations
 - Partner with neighborhood business districts
 - Strategic account planning and one on one conversations

- Work with minority communities
 - Language translators available for minority businesses
 - Laptop case studies in appropriate languages
 - Lunch meetings at select ethnic locations
 - Ethnic radio and TV five minute spots (Chinese, Vietnamese and Spanish)

Phase Two: Review Findings & Develop Ratepayer/Customer Engagement Plan

After seeking input from the Review Panel, City Light will identify the critical components of effective outreach and engagement to incorporate into a Council adopted resolution to guide the ratepayer/customer engagement for the City Light Six Year Strategic Plan update and the 2015 & 2016 rate ordinance, including a potential new rate design and structure.

The resolution will provide the framework for our outreach and engagement plans in 2014 and beyond for the strategic plan updates and future rate ordinances.