

# Seattle City Light – Rate Design Outreach

## Commercial and Residential Customer Outreach Summary

### **Overview**

Over the past four months Seattle City Light (SCL) has sought feedback from its commercial and residential customers regarding potential changes in its rate design. The outreach was both qualitative and quantitative in nature in order to give the utility a complete picture of what customers value most in terms of rate predictability and fairness as well as the services SCL provides. Overall, the utility reached more than 30,000 customers representing all rate classes.

Below is a brief description of the various methods used, as well as a summary of the feedback received to date.

### **Surveys**

In Oct. 2013, approximately 20,000 randomly selected residential and commercial customers were invited to take an online survey about SCL rates and services. There were 1,177 total respondents. Nine out of 10 respondents represented the residential perspective. Real estate and manufacturing companies were among the top business respondents.

A majority of those surveyed felt that the amount charged by City Light for electricity is fair. Fifty-seven percent of the business customers and 66 percent of the residential customers surveyed did not see the current rate design as much of a problem. The survey also revealed that prices are more of a factor in motivating conservation for businesses than for residential customers. Across all respondents, conservation and environmental programs are rated very highly. In fact, residential customers ranked it number one. Business customers put rate predictability first. Approximately 232 respondents shared suggestions about rate design.

### **Social media outreach**

More than 8,000 residential and business customers were invited to participate in a first-ever live social media chat about SCL and rate design with some of the utility's top executives. The event, which took place on Jan. 28 was promoted through online advertising and on the utility's Facebook and Twitter pages in the days leading up to the session. Promotion also included a link to a recorded PowerPoint presentation which offered customers background information. Customers were invited to submit questions in advance via Twitter (@seacitylight with a #ratedesign hashtag) or in the comments section of the SCL Facebook page. The utility received approximately 20 questions in advance of and during the session.

### **City Light Website**

The utility built a special website dedicated to offering information about the rate design process and seeking feedback from customers. The site included a one-page fact sheet, a rate structure video and PowerPoint presentation, a rate calculator and a place to submit comments, among other things.

The utility also posted an article about rate design and the live chat on its online blog.

### **Paid advertising**

The utility placed online banner ads in several community newspapers to increase interest in the live chat and the rate design website. This also led to an increase in our outreach impression numbers and being able to reach customers from our service territory.

### **In-person discussions with commercial ratepayers**

City Light executives hosted a series of group discussions with various commercial and residential ratepayers (Dec., 2013 through Jan., 2014).

- Seattle Metropolitan Chamber of Commerce Policy Committee
- The Northwest Energy Coalition
- The Manufacturing Industrial Council
- The Building Owners & Managers Association
- Representatives of the 150 largest City Light customers
- Hospitals/Major Institutions
- Low Income/Affordable Housing Stakeholders

### **Outreach to non-English speaking communities**

Focus groups with non-English speaking business customers will begin on Feb. 19 and last until the end of March. This outreach will also include information and discussions about the Strategic Plan update.

## **CUSTOMER FEEDBACK**

Below is a summary of the topics covered during the outreach sessions with commercial, and some residential customers:

**Rate Stabilization Account (RSA):** Customers asked about the history of why the RSA was created, how it works and its current balance.

**Timeline:** Customers asked when the utility anticipated any rate design changes taking effect.

**Calculating energy use:** Customers asked if there is a ways for them to calculate the specific impact of the new rate design concepts on their business. Businesses customers also asked about net metering and how the utility plans to continue promoting conservation.

**Recovering fix costs:** Customers were generally supportive of the utility's need to recover its fixed costs, but encouraged SCL to think about the pace of implementation. Some customers want SCL to create a rate structure that does not encourage commercial customers to deliberately increase their usage in order to get the benefit of lower rates. Comments from business customers also touched on making certain that we continue to provide conservation incentives. Customers were very supportive of the utility's goal of keeping rates low, and predictable were also mentioned.

**Efficiencies:** Commercial customers, in particular, praised the utility for its cost savings and efficiency efforts. Some wanted to know how the utility was going about controlling its operating costs. Specifically, they asked about the utility's projected savings and increased load demands

**Low income:** Advocates representing low income rate payers complimented the utility on its generous Utility Discount Program and recent efforts to increase enrollment. There were questions about the utility's Home Wise program, which helps customers with energy conservation, and the impact of a proposal to lower the size of the low income discount from 60 to 50 percent. Most felt that the discount should be kept at 60 percent for the neediest customers, but perhaps tiered based on income.

**Impact on businesses:** Commercial customers were supportive of the new rate design concept, but wanted more information about the specific impact on the different business classes. There were some concerns about the impact on the cruise line industry and small general service business customers.

**Resource stabilization:** Customers wanted to know about the utility's plans for pursuing new energy resources, since water levels are becoming more and more unpredictable.

**Rate predictability:** Both commercial and residential customers mentioned, several times, that slow, consistent rate increases are better than big jumps after a period of no increases.

**Decoupling:** The decoupling concept was discussed with commercial customers with a few asking questions about how it could be structured.