2016 RESIDENTIAL SATISFACTION

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Vermont Electric Cooperative

Survey Results Prepared by:

NRECA MARKET RESEARCH SERVICES

VERMONT ELECTRIC COOPERATIVE

Final Report

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EXECUTIVE SUMMARY

Following are the top-line findings based on the results of a telephone/online survey of 548 residential members of Vermont Electric Cooperative (VEC) conducted in June of 2016:

- Overall satisfaction with VEC is good, with a mean rating of 8.50. The mean satisfaction rating is higher among online respondents (8.64) than among phone respondents (8.46), although the difference is not statistically significant. The mean rating for overall satisfaction does not differ significantly from 2015, but has increased significantly among online respondents (7.97 up to 8.64).
- The mean ratings for 19 of the 23 performance attributes evaluated are at or above 4.00, which can be considered good. The co-op is rated highest on attributes related to employees, customer service, and consistent voltage. Among telephone respondents, none of the mean attribute ratings improved significantly from the 2015 survey, but one significantly declined. However, among online respondents, 17 increased significantly and none declined. Two attributes – *delivering good value for the money* and *the restoration of power after an outage* – improved from 2015 for the combined sample and none declined.
- The first of the four strongest key drivers of overall satisfaction among VEC members is "Cost and Efficiency". As is typical in satisfaction studies, *the monthly service fees*, *charging reasonable rates, helping customers keep bills as low as possible,* and *helping members be more efficient in their electric use* are the attributes evaluated least positively in the study. The mean ratings for these attributes fall below 4.00 and the Co-op Norms. However, among online respondents, the means have improved significantly from 2015 for *charging reasonable rates* and *the monthly service fees*.
- "Member Service" is the next of the four strongest key drivers of overall satisfaction among VEC members. This is good news because the co-op receives high marks in this area. The three highest-rated attributes in the study are related to employee performance and member service. Among those who contacted VEC in the past year, evaluations are high and the majority of issues are resolved on the first contact. Not surprisingly, members most often contacted VEC regarding an outage, followed by paying their bill.
- The next of the four strongest key drivers of overall satisfaction are "Electric Service" and "Social Responsibility". VEC is rated positively in these areas but there is room for improvement with keeping longer outages to a minimum, operating with concern for the environment, and supporting the local community evaluated lower than the Co-op Norms.
- "Communication" is also a key driver of overall satisfaction. Evaluations in these areas are good with mean ratings above 4.0 and keeping members informed on the status of outages higher than the Co-op Norms.

BACKGROUND

Vermont Electric Cooperative (VEC) is a consumer-owned electric distribution cooperative headquartered in Johnson, Vermont with service centers in Grand Isle, Newport, and Richford. VEC currently serves approximately 32,000 residential members in 74 communities with more than 2,800 miles of distribution line over 2,056 square miles in northern Vermont.

VEC has previously conducted residential member satisfaction studies with the most recent survey completed in 2015. The results of tracking surveys provide value by demonstrating when results remain consistent and indicating where there has been significant change over time. The co-op has experienced some recent events that are likely to have an impact on attitudes and satisfaction:

- The co-op has not raised rates since January 2014.
- In the past year, VEC introduced to members the option of scheduling an online payment using a debit/credit card with no convenience fee.
- A community solar project is being considered.
- VEC reached their net metering cap in November 2015 and the program will stay closed until 2017 when new rules for net metering take effect.

OBJECTIVES

This residential member survey addresses but is not limited to the following informational objectives:

- ***Overall Satisfaction:*** Assess how satisfied members are with Vermont Electric Cooperative.
- ***Performance Quality Attributes:*** Evaluate residential member perceptions of service quality on a variety of attributes (e.g., rates, billing, outages, problem resolution, etc.).
- ***Performance Quality Trends and Benchmarks:*** Compare the results to past studies to identify trends and benchmark the results against co-ops nationwide using NRECA's Co-op Norms Database.
- ***Prioritizing Improvement and Maintenance Efforts:*** Derive the key drivers of overall satisfaction and to what degree consumer needs are being met to help VEC prioritize any improvement efforts.
- ***Member Identity:*** Estimate the proportion of consumers who identify themselves as member-owners, member-customers, or just customers of the co-op.
- ***Other:*** Explore other areas of specific interest to the co-op, including perceived importance of power sources, benefit from Efficiency Vermont, and readership of the co-op newsletter.
- ***Member Demographics and Segmentation:*** Provide demographics of the residential membership base and identify differences in attitudes between segments.

METHODOLOGY

As in 2015, data were collected through telephone and online surveying. Telephone interviewers were thoroughly trained on interviewing techniques and on the questionnaire prior to initiating the survey. During this training, the survey instrument was reviewed to ensure that all surveys would be completed in the same manner. On average, the telephone interviews lasted approximately 10 minutes.

Telephone surveys were completed with a total of 379 residential members of Vermont Electric Co-op between June 8 and June 21, 2016, with random sampling done proportionate to connect date and district. Of those contacted, 656 declined to participate, resulting in a response rate of 37%. Additionally, 409 of the phone numbers attempted were disconnected.

An e-mail invitation was sent to a random sample of 1,251 members for whom VEC has an e-mail address, with 38 returned as being undeliverable. A total of 169 surveys were completed online, resulting in a response rate of 14%. The data are weighted so that the online methodology represents 25% of the total data.

The margin of error at the 95% confidence level for the entire sample is plus or minus 5.0 percentage points. This means that a result of 50% in the survey may range between 45% and 55% in an infinite number of residential samples this size.

ANALYSIS

The graphics presented in this report are based on data collected from the current study and tracking results from 12 studies conducted between 2003 and 2015. Comparisons are also made to results from similar studies conducted by 73 co-ops among more than 30,000 residential members across the nation between January 2013 and December 2015. These "Co-op Norms" are not taken from the universe of all cooperatives; rather these are co-ops who value, monitor and measure the satisfaction of their members and therefore represent higher performing co-ops, not all co-ops.

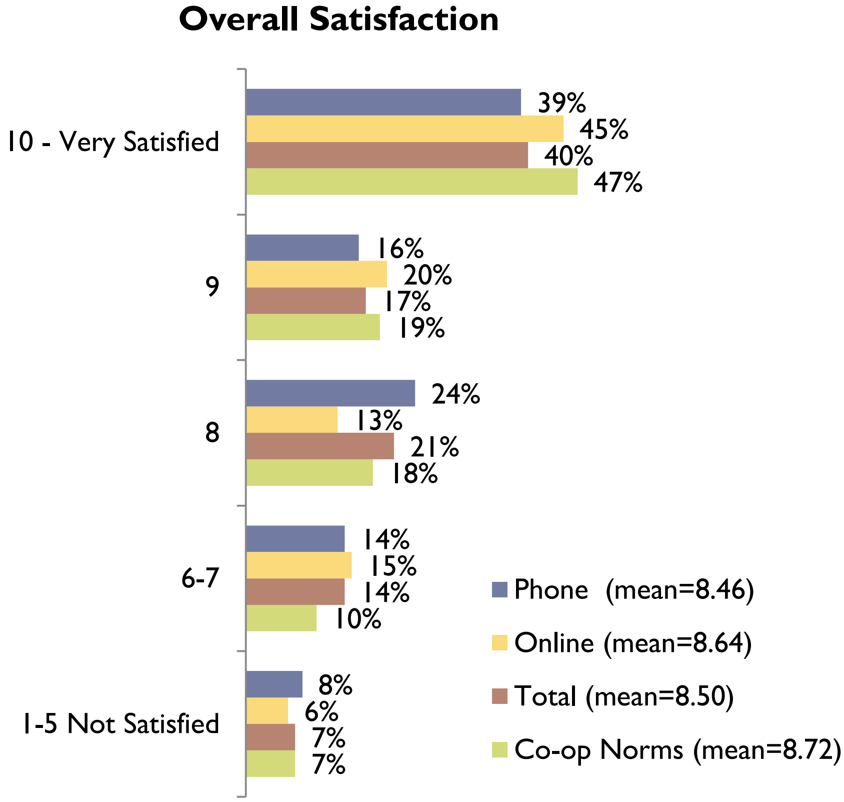
Differences between member segments, such as differences by age or service tenure, are pointed out and characterized as being either statistically significant or not. When the term "significant" is used, this refers to the certainty of a difference, not the magnitude or size of the difference. Significance is measured at the 95% confidence level, meaning that 95% of the time or more this difference will occur; the difference is likely not a matter of chance due to sampling.

When evaluating the mean ratings in this report, on a 5-point scale a mean of 4.50 or above should be considered "excellent" and a mean between 4.00 and 4.49 is considered "good". Means below 4.00 may be cause for concern and those below 3.75 indicate problems and a need for improvement.

KEY FINDINGS

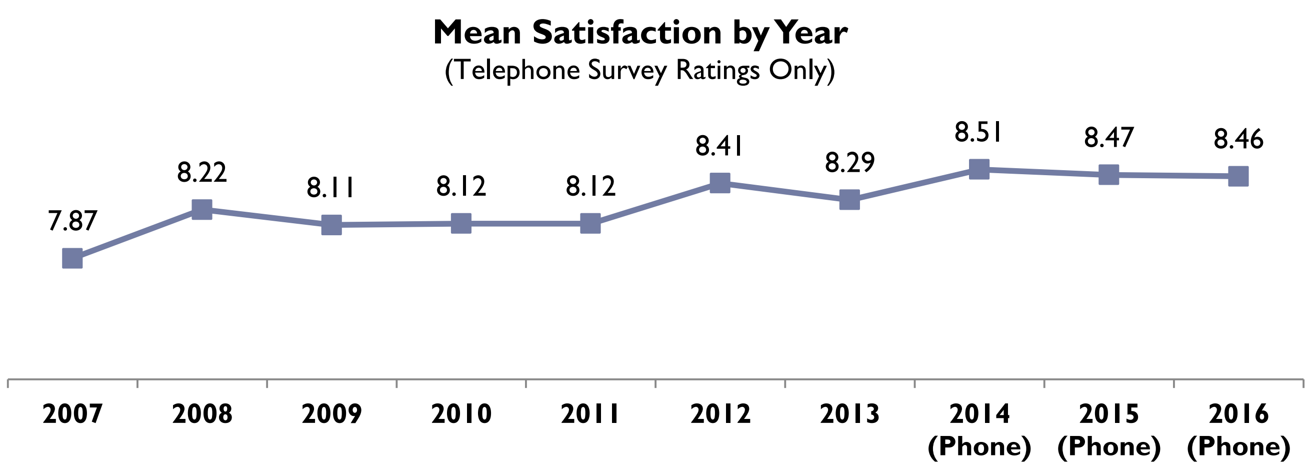
Overall Satisfaction

Overall satisfaction among Vermont Electric Cooperative's residential members is good. The mean overall satisfaction rating is 8.50 on a 10-point scale and 57% give ratings of "9" or "10".



Members who responded to the survey online rate their satisfaction higher than do phone respondents, although the difference is not statistically significant.

The mean satisfaction rating among VEC members has increased significantly from 2015 among online respondents and does not differ significantly among phone respondents. However, it is lower than the Co-op Norms mean of 8.72. Among phone respondents, the mean rating of 8.46 is significantly higher than more of the surveys conducted between 2003 and 2011.



Performance Quality Attributes

Members were asked to evaluate 23 performance quality attributes related to member service, electric service, communication, billing, and cost. On 19 of the attributes measured, the mean ratings are 4.00 or higher, a "good" rating on a 5-point scale.

Additionally, mean ratings for four attributes are near or above 4.50 which can be considered excellent. Ninety percent or more rate each of the following positively ("4" or "5"):

- Having professional employees (4.60)
- The overall customer service they provide (4.52)
- The courtesy, understanding, and helpfulness of employees to inquiries or problems (4.49)
- Providing consistent voltage without surges or brownouts (4.49)

Conversely, the attributes on which VEC is rated least well are *the monthly service fees* and *charging reasonable rates* (57% rating "4" or "5" on both). This is an area that is often rated lower in cooperative satisfaction research and means often fall below the "good" threshold of 4.00. However, with mean ratings well below 4.0 (3.55 and 3.61 respectively), this is an area for improvement in members' perceptions.

Typically, telephone respondents give higher ratings than do online respondents. While this is generally true among Vermont Electric members, few differences in mean ratings between phone and online respondents are statistically significant. In fact, online respondents give significantly higher ratings for *keeping members informed on the status of outages*. Telephone respondents give significantly higher ratings for *helping customers keep bills as low as possible* and *the accuracy of meter reading and billing*.

Mean ratings among phone respondents are above 4.00 for all but four attributes, including four that are at or above 4.50. Among online respondents, mean ratings are above 4.00 for all but five attributes, and two are at or above 4.50.

Performance Quality Trends and Benchmarks

The mean ratings for two performance quality attributes have improved significantly from 2015 and none have declined.

The two attributes that have improved significantly from 2015 for the total sample (phone and online respondents combined) are *delivering good value for the money* and *the restoration of power after an outage*.

The mean ratings among phone respondents changed significantly from at least one recent survey for the following attributes. Also, most of the attribute evaluations have improved significantly from at least one survey conducted before 2011.

Phone Survey Respondents Only	2015	2014	2013	2012
Delivering good value for the money				↑
Speed and efficiency of responding to members		↑		
Courtesy, understanding, helpfulness of employees				↓
Charging reasonable rates			↑	
Convenient payment options	↓			

On the other hand, when looking at just the online survey respondents, mean ratings have increased significantly from the 2015 and/or 2014 studies for many of the performance attributes. Attributes that are significantly higher than both 2014 and 2015 are:

- Delivering good value for the money
- Communicating with members and keeping them informed
- Keeping blinks and momentary outages to a minimum
- Keeping the number of longer outages to a minimum
- The reliability of service and frequency of interruptions
- The restoration of power after an outage
- Keeping members informed on the status of outages
- Having convenient payment options

Attributes that have increased significantly from 2015 are:

- The overall customer service they provide
- Resolving any issues or problems
- Having professional employees
- Demonstrating concern for customers' best interests
- The speed and efficiency of responding to customers
- The courtesy, understanding and helpfulness of employees to your inquiries or problems
- Charging reasonable rates
- The monthly service fees
- Providing accurate and easy to understand bills

On most of the comparable attributes, mean ratings among VEC members are lower than the Co-op Norms. The attributes with the biggest gaps between mean ratings are shown below. Mean ratings shown for both VEC and the Co-op Norms include online survey respondents as well as telephone.

Phone and Online Survey Respondents Combined	VEC Mean Rating	Co-op Norms Mean Rating	Gap
Keeping members informed on status of outages	4.18	3.95	+0.23
Overall customer service they provide	4.52	4.42	+0.10
Helping members to be more efficient in electric use	3.68	4.04	-0.36
Supporting the local community	4.20	4.47	-0.27
Charging reasonable rates	3.61	3.80	-0.19
Having convenient payment options	4.35	4.51	-0.16
Their monthly service fees	3.55	3.71	-0.16
Delivering good value for the money	4.00	4.14	-0.14
Operating with concern for the environment	4.28	4.41	-0.13
Providing accurate and easy to understand bills	4.38	4.50	-0.12
Keeping the number of longer outages to a minimum	4.42	4.52	-0.10

Prioritizing Improvement and Maintenance Efforts

The key drivers of overall satisfaction among residential members are: cost and efficiency, member service, electric service, social responsibility, and communication. Going forward, these are the areas that Vermont Electric Cooperative should focus on most.

Regression analysis was used to determine the key drivers of overall satisfaction. The scores are to be interpreted relative to each other. For example, since *cost and efficiency* has a score of 0.37 and *communication* has a score of 0.24, we can say that members' perceptions of the cost of their electricity have 1.5 times the impact on overall satisfaction as their perceptions of communication they receive from the co-op. Attributes and factors not shown below are not significant drivers of overall satisfaction. Note that there is no one factor that is clearly the strongest driver of overall satisfaction among members of Vermont Electric Cooperative. Cost and efficiency, member service, electric service, and social responsibility are calculated to be the top four drivers, with nearly identical importance scores. More information on how the factors were formed and importance scores derived can be found in Appendix A.

Key Drivers of Overall Satisfaction

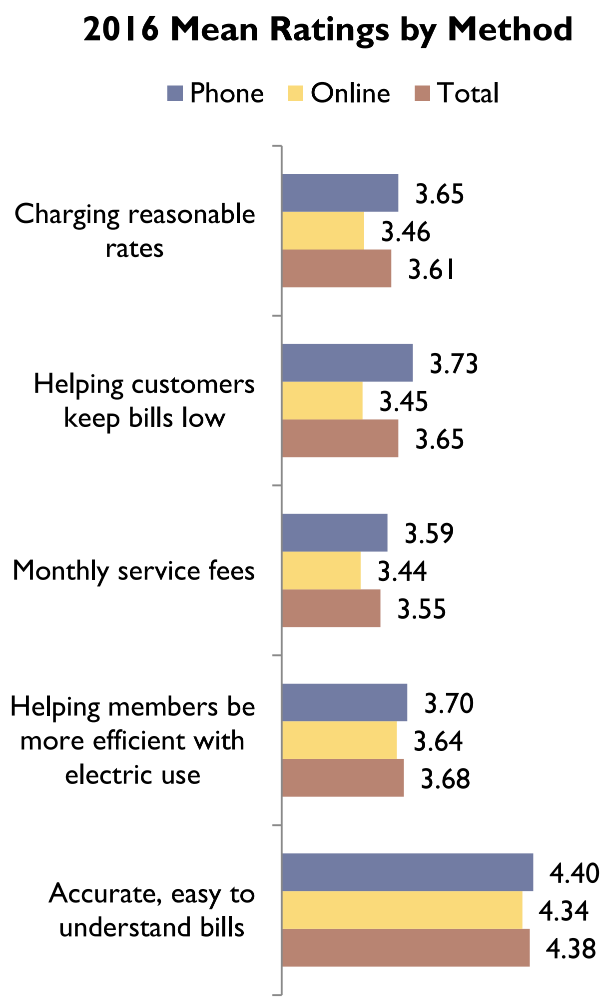
Cost & Efficiency	Member Service	Electric Service	Social Responsibility	Communication
• Charging reasonable rates • Helping customers keep bills as low as possible • The monthly service fees • Helping members to be more efficient in their use of electricity • Providing accurate and easy to understand bills	• Having professional employees • Having convenient payment options • The courtesy, understanding, and helpfulness of employees • The accuracy of meter reading and billing • The overall customer service provided • Speed and efficiency of responding to customers • Resolving any issues or problems	• Keeping the number of longer outages to a minimum • The reliability of service and frequency of interruptions • Keeping blinks and momentary outages to a minimum • The restoration of power after an outage • Providing consistent voltage without surges or brownouts	• Operating with concern for the environment • Supporting the local community • Demonstrating concern for customers' best interests	• Keeping members informed on the status of outages • Communicating with members and keeping them informed
0.37	**0.37**	**0.34**	**0.33**	**0.24**

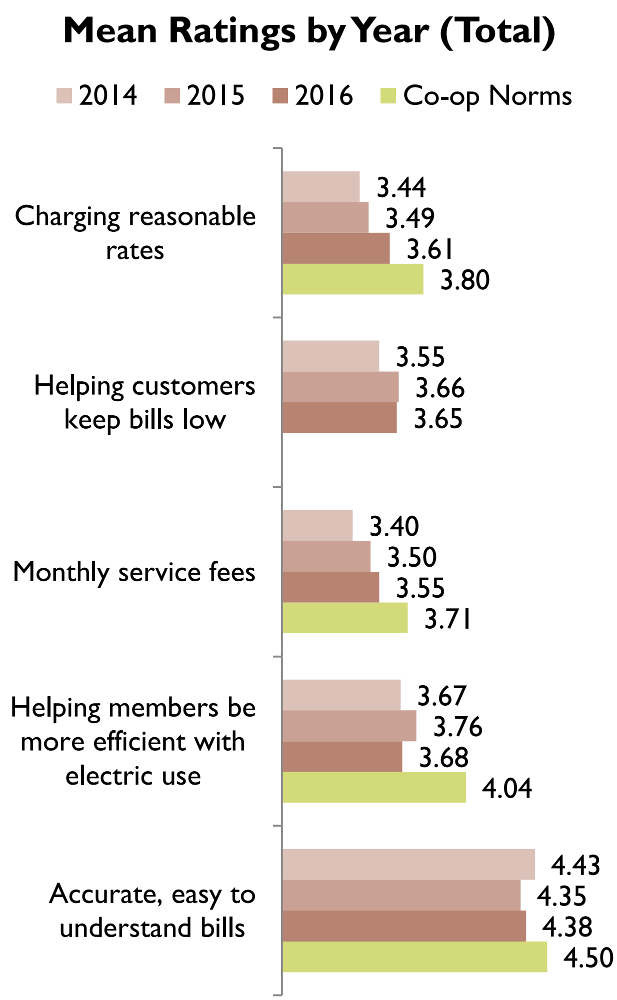
Cost, Efficiency and Value

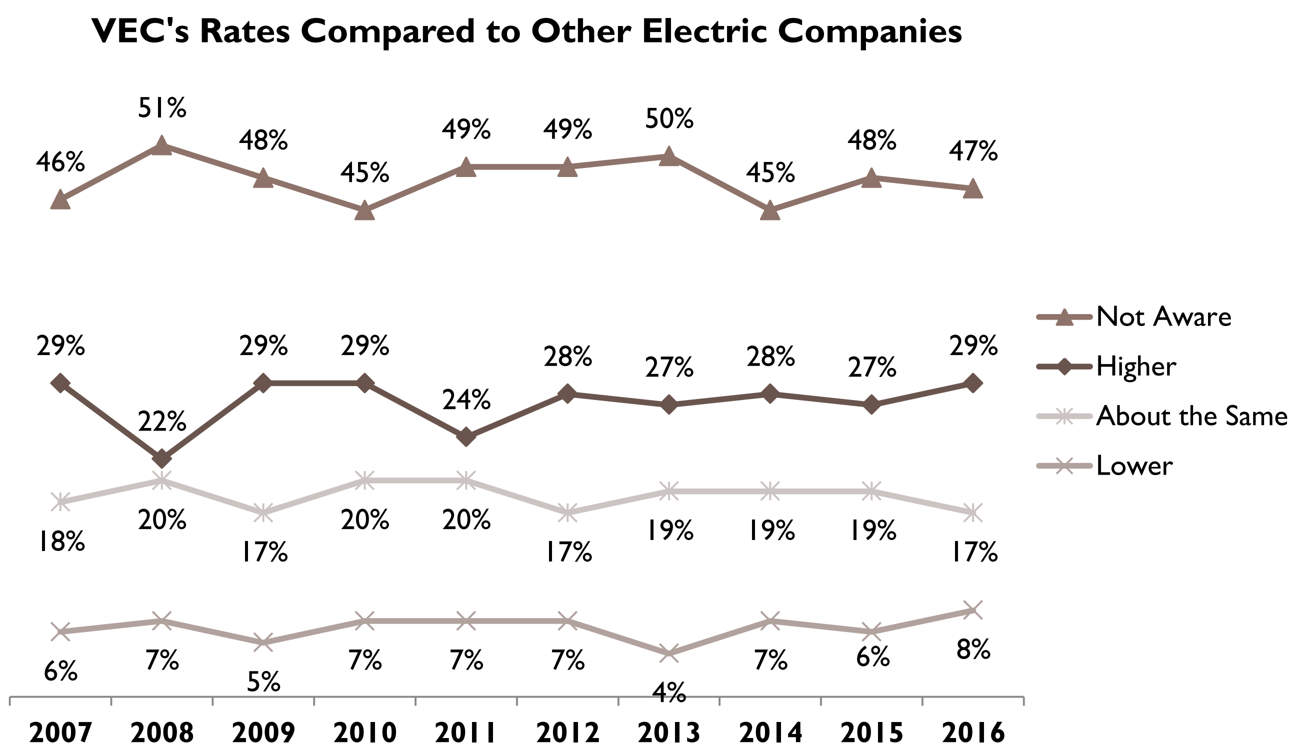
The first of the four strongest key drivers of overall satisfaction is "Cost and Efficiency". This is the area that includes the lowest rated attributes in the study, which is very typical in studies of this type.

Having accurate and easy to understand bills is evaluated higher, with a mean rating well above 4.0.

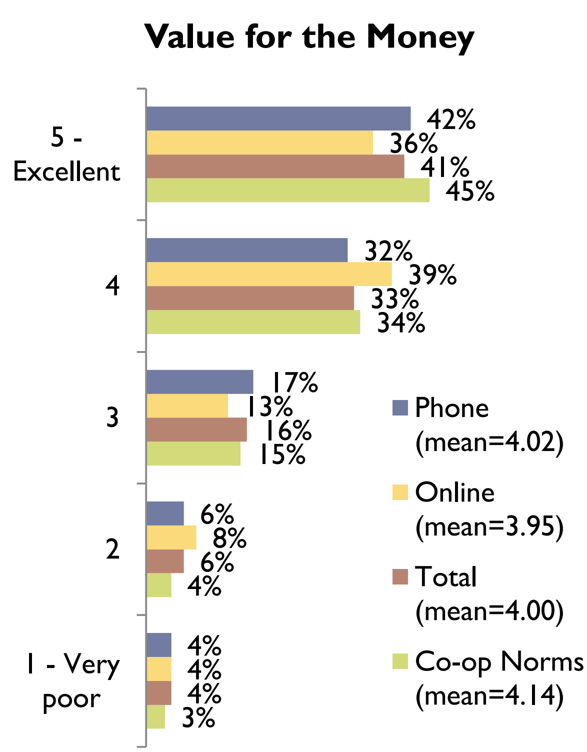
The mean ratings continue to be below the Co-op Norms in regards to the rates, fees, help using electricity more efficiently, and having accurate/understandable bills. However, evaluations among online respondents have increased significantly from 2015 for charging reasonable rates, the monthly service fees, and providing accurate/easy to understand bills.







Similar to recent studies, about half of the members are not aware of how their rates compare to other electric companies. Those less satisfied with the co-op, newer members, those paying higher electric bills, and those living with at least one other person are significantly more likely than their individual counterparts to think their rates are higher.



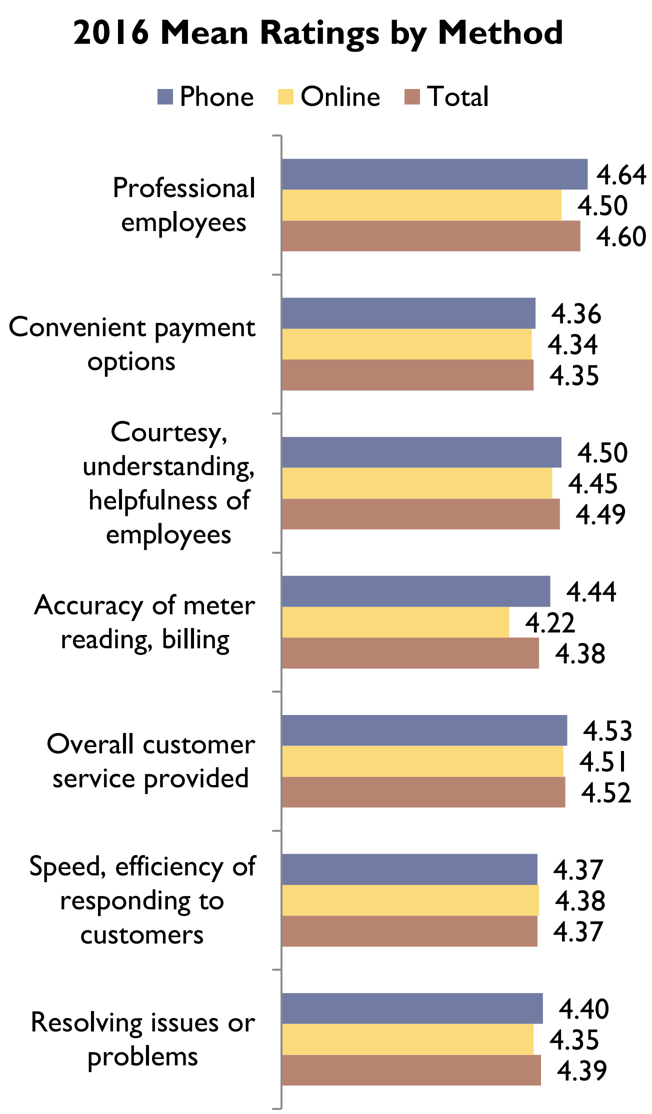
A regression analysis was also conducted to determine the key drivers of *delivering good value for the money*. As seen in the table, it was found that five factors are significant drivers of value. Although the perception of the cost of electricity has the strongest impact by far on the value members feel they receive, it is not the only factor that enters into the "value equation" among members of VEC.

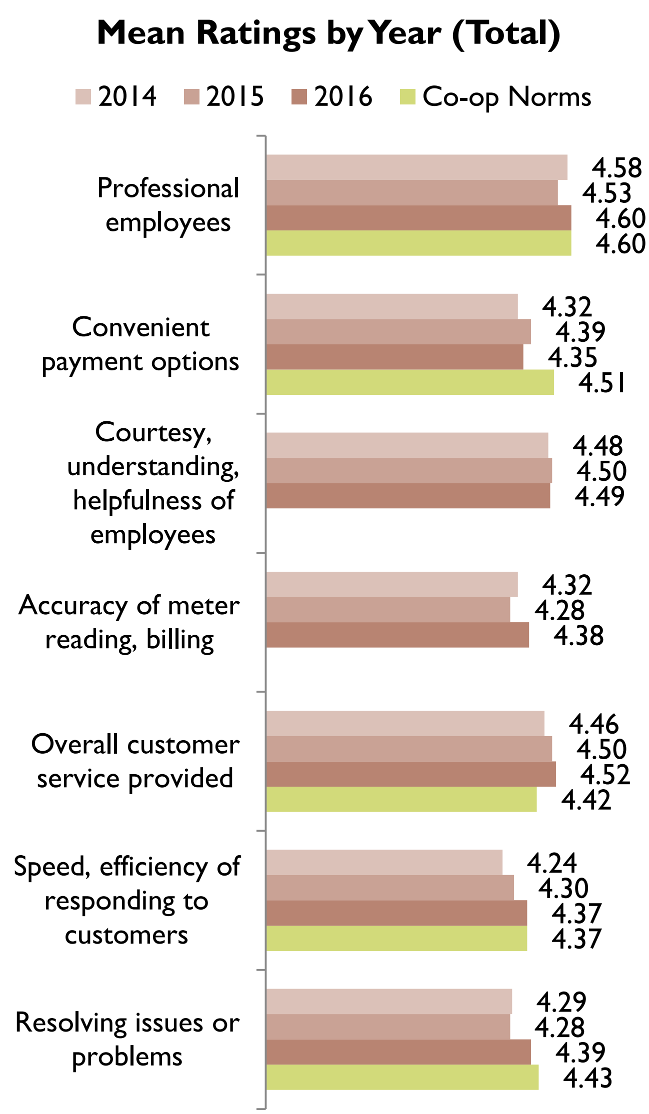
Key Drivers of Value	
Cost and Efficiency	0.55
Social Responsibility	0.37
Electric Service	0.25
Member Service	0.20
Communication	0.19

Member Service

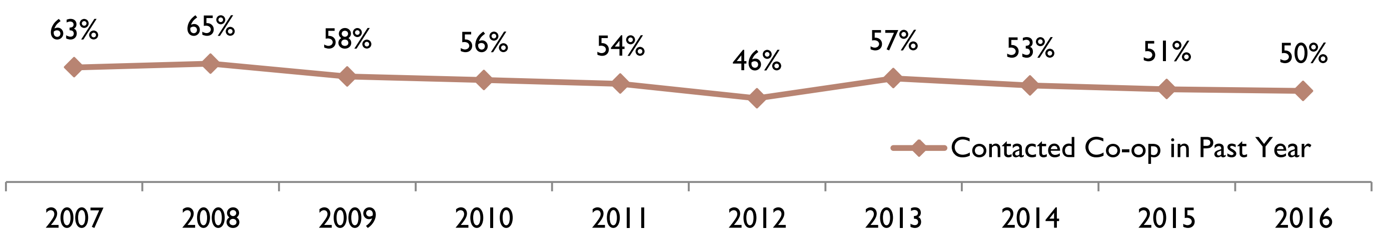
"Member Service" is the second of the four strongest key drivers of overall satisfaction. This is an area in which VEC receives very positive ratings.

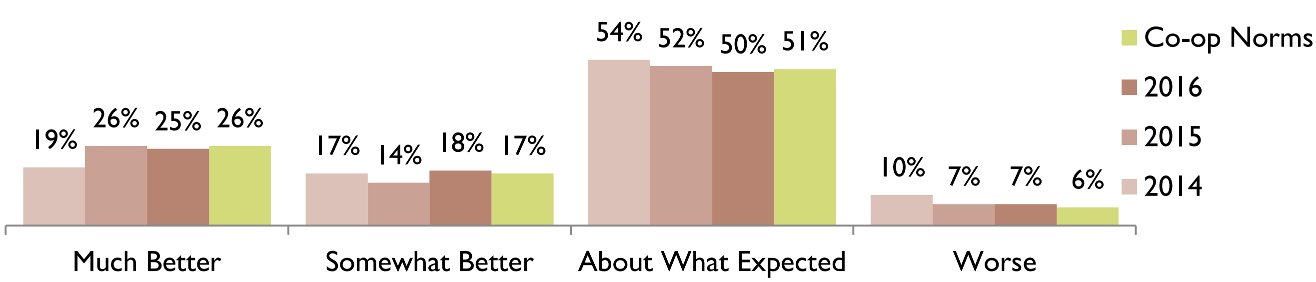
Having professional employees; the courtesy, understanding, and helpfulness of employees to inquiries or problems; and *the overall customer service they provide* are rated as excellent with means of approximately 4.50 or higher. None of the mean ratings for attributes associated with this key driver have changed significantly from 2015 for the total data (phone and online respondents), although all but *the accuracy of meter reading and billing* have improved significantly among online survey respondents. At the same time, the mean rating for one attribute declined significantly among phone respondents: *having convenient payment options*.





Half of the members say they have contacted VEC over the past year. This is consistent with 2015 and the Co-op Norms. Newer members, younger members, those paying higher electric bills, and those living in larger households are significantly more likely than their counterparts to have contacted the co-op.





Similar to the recent studies as well as the Co-op Norms, 43% say their contact with VEC was somewhat or much better than expected, and very few say it was worse. Of those who contacted VEC, 39% did so to report or get information on an outage. Contact evaluations are lowest among those who called regarding general service and those who had to contact the co-op more than once to resolve their issue. Ratings are highest among those who only contacted VEC once.

Reason for Most Recent Contact	% of Those Who Contact	% Evaluate "Much Better"
Outage	39%	23%
Pay bill	18%	24%
Bill question	7%	22%
General svc	6%	15%

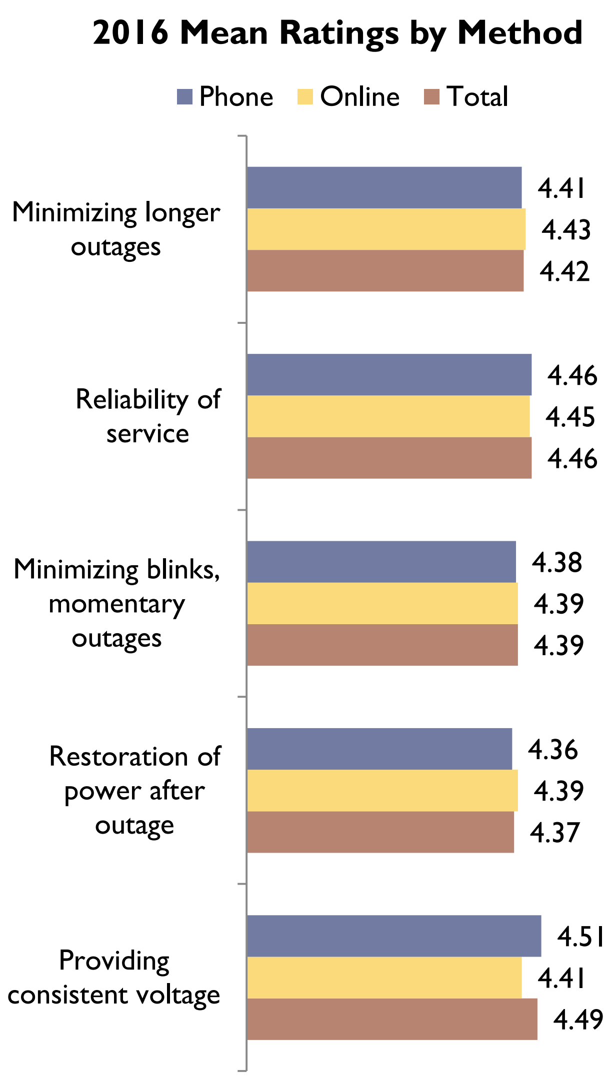
Number of Contacts*	% of Those Who Contact	% Evaluate "Much Better"
1	67%	30%
2	20%	15%
3-4	6%	17%
5+	6%	13%

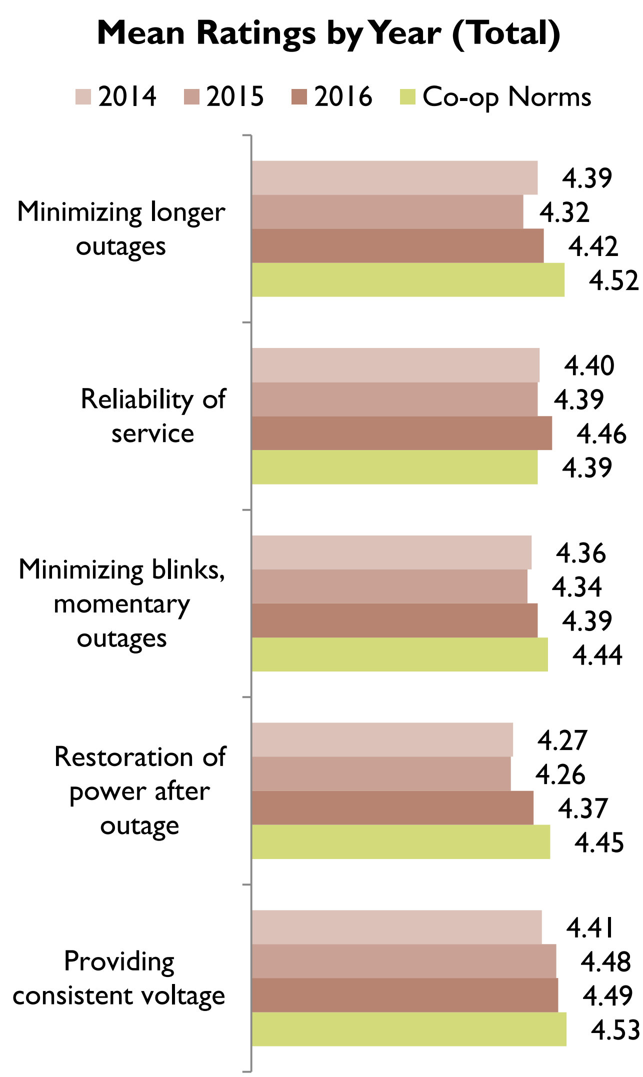
*Number of contacts does not include those who were paying bills

Electric Service

"Electric Service" is the next of the four strongest key drivers of overall satisfaction. This is another area in which the co-op receives very good performance ratings.

Among phone respondents, none of the mean ratings have changed significantly from 2015, but are significantly higher than most studies conducted between 2006 and 2010. However, with the exception of *providing consistent voltage without surges or brownouts*, mean ratings are significantly higher than both 2014 and 2015 among online respondents. Most of the ratings are similar to the Co-op Norms with *keeping longer outages to a minimum* being lower.

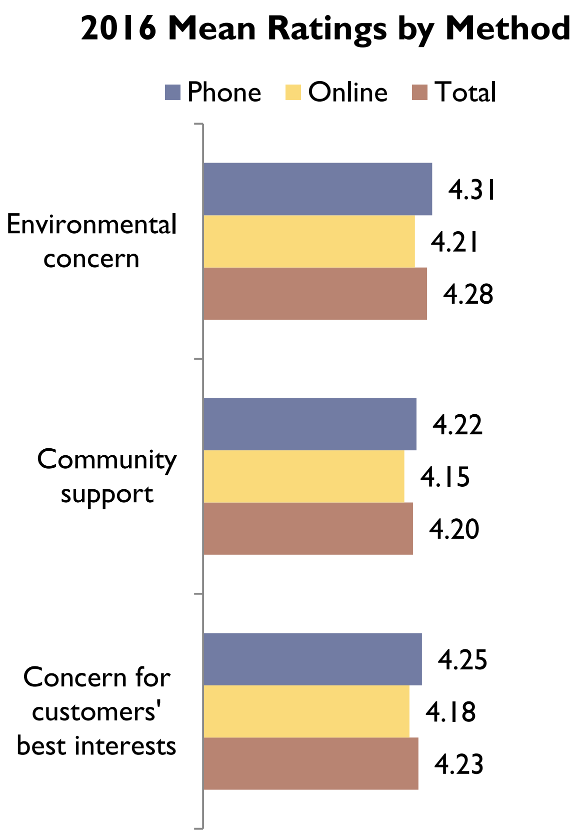


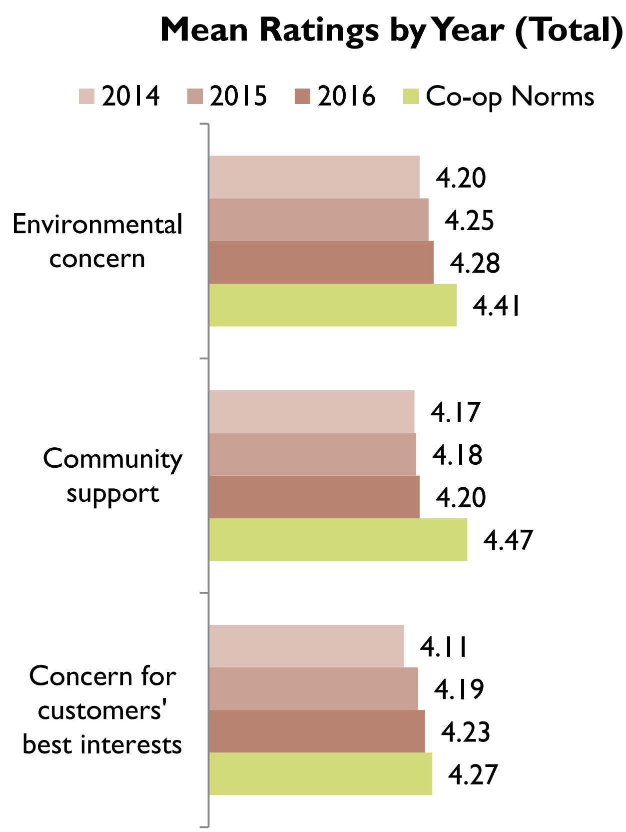


Social Responsibility

The last of the four strongest key drivers of overall satisfaction is "Social Responsibility". This is another area in which the co-op is evaluated positively.

Mean ratings are well above the 4.0 "good" threshold for these attributes. Mean ratings among phone respondents have not changed from any of the recent studies while evaluations among online respondents have increased significantly for *demonstrating concern for the customers' best interests*. However, *operating with concern for the environment* and *supporting the local community* are lower than the Co-op Norms.

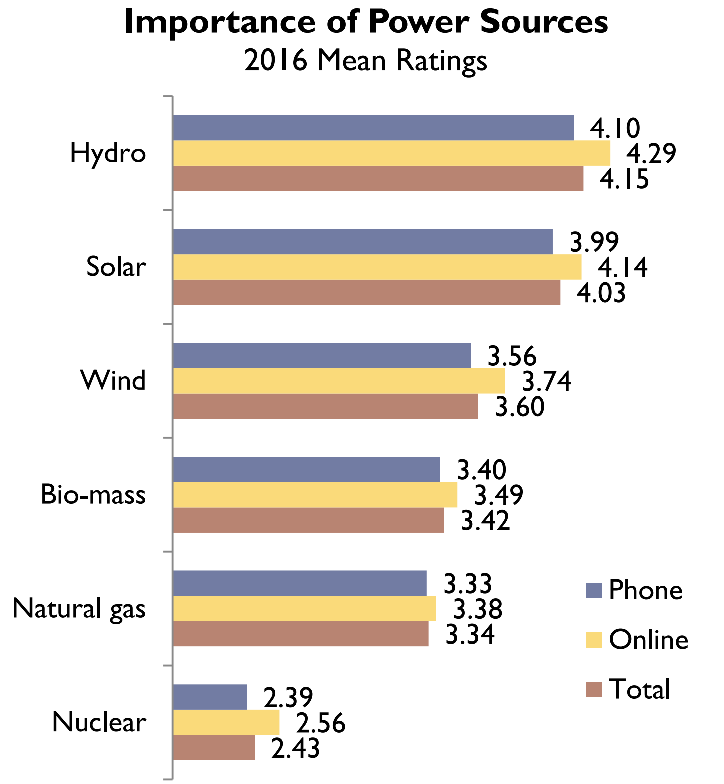


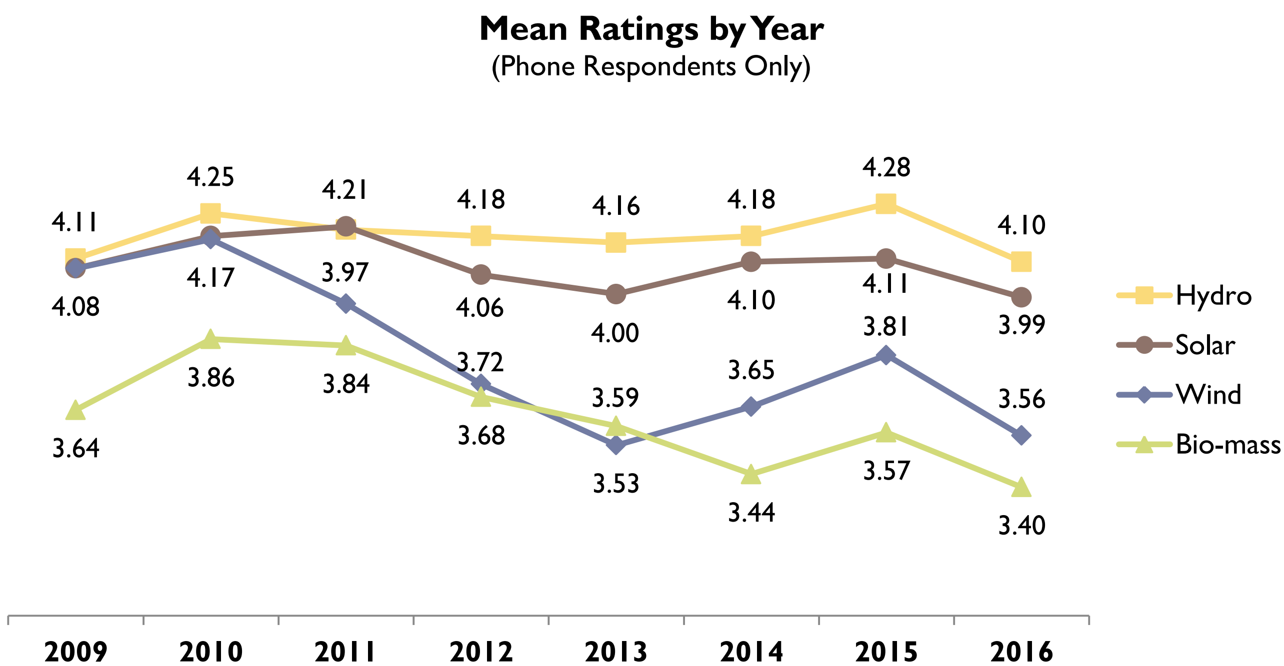


Three-quarters of the members give high ratings ("4" or "5") for the importance of VEC providing power from hydro or solar sources. Importance ratings are lower for wind, bio-mass, natural gas, and especially nuclear.

With one exception, mean ratings have not changed significantly from the 2015 study. The perceived importance of providing green power from nuclear has decreased significantly.

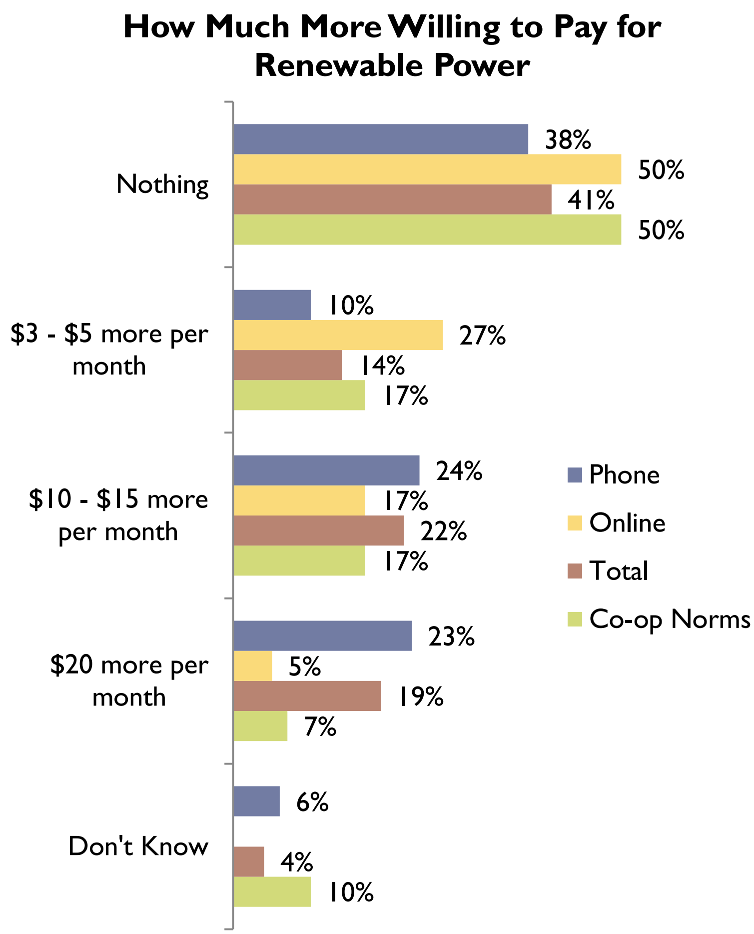
Those more satisfied with the co-op overall place higher importance on wind, solar, hydro, bio-mass, and natural gas power. Females give higher ratings than males for wind power while males give higher ratings for hydro and nuclear power.

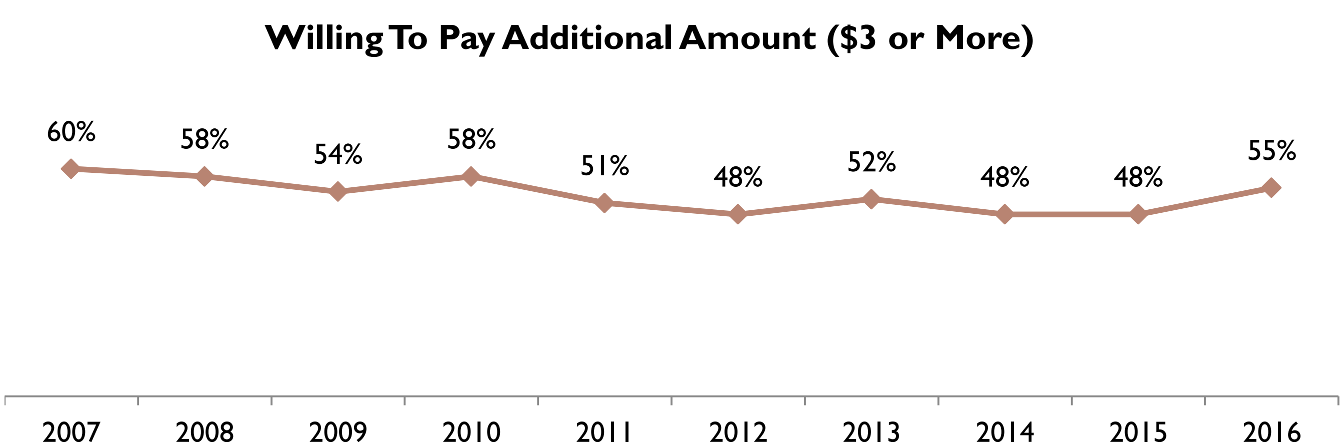




More than half say they are willing to pay something extra each month for renewable energy, including 41% who say they would be willing to pay $10 or more per month. The proportion of members who are willing to pay something extra to get renewable power is significantly higher than in 2014 and 2015. Not only are members more willing to pay something extra, the proportion of members who say they would pay $20 more per month has also increased significantly.

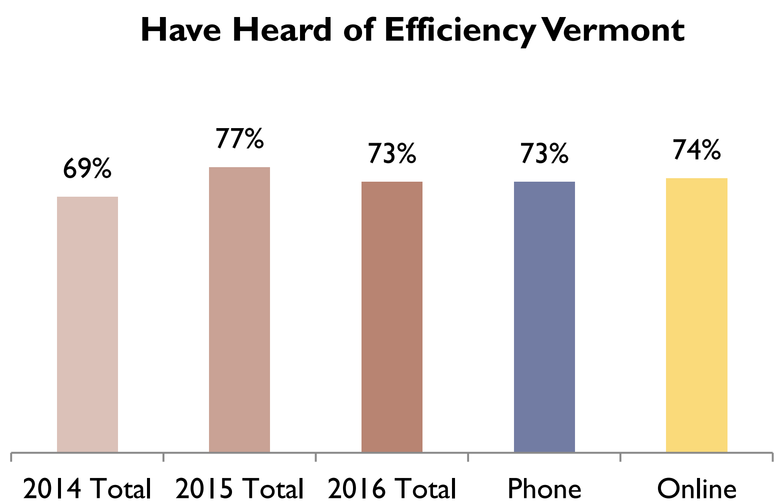
Phone respondents, those more satisfied with the co-op, newer members, younger members, and those paying lower electric bills are significantly more willing than their individual counterparts to pay something extra.

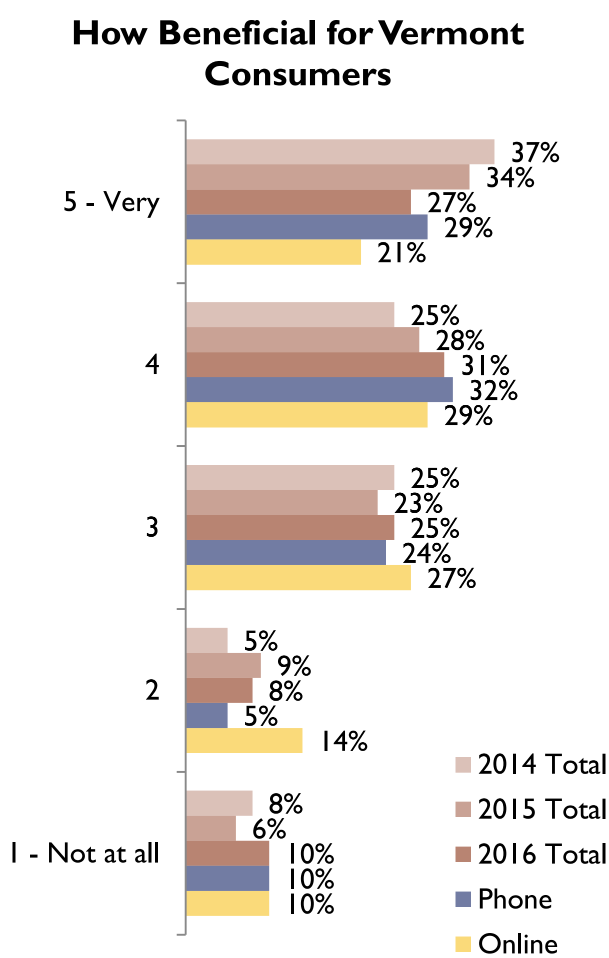


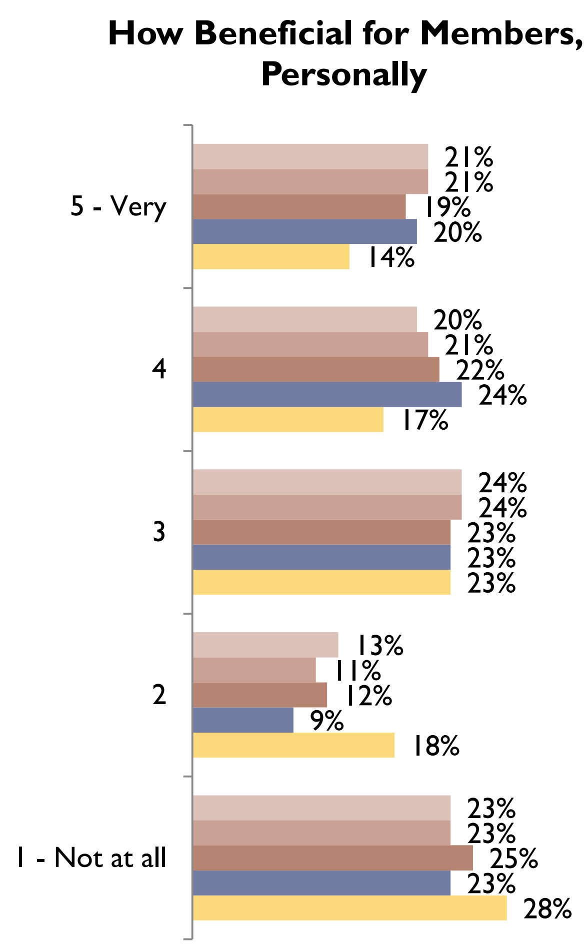


About three-quarters say they have heard of the energy efficiency utility Efficiency Vermont. This does not differ significantly from previous studies.

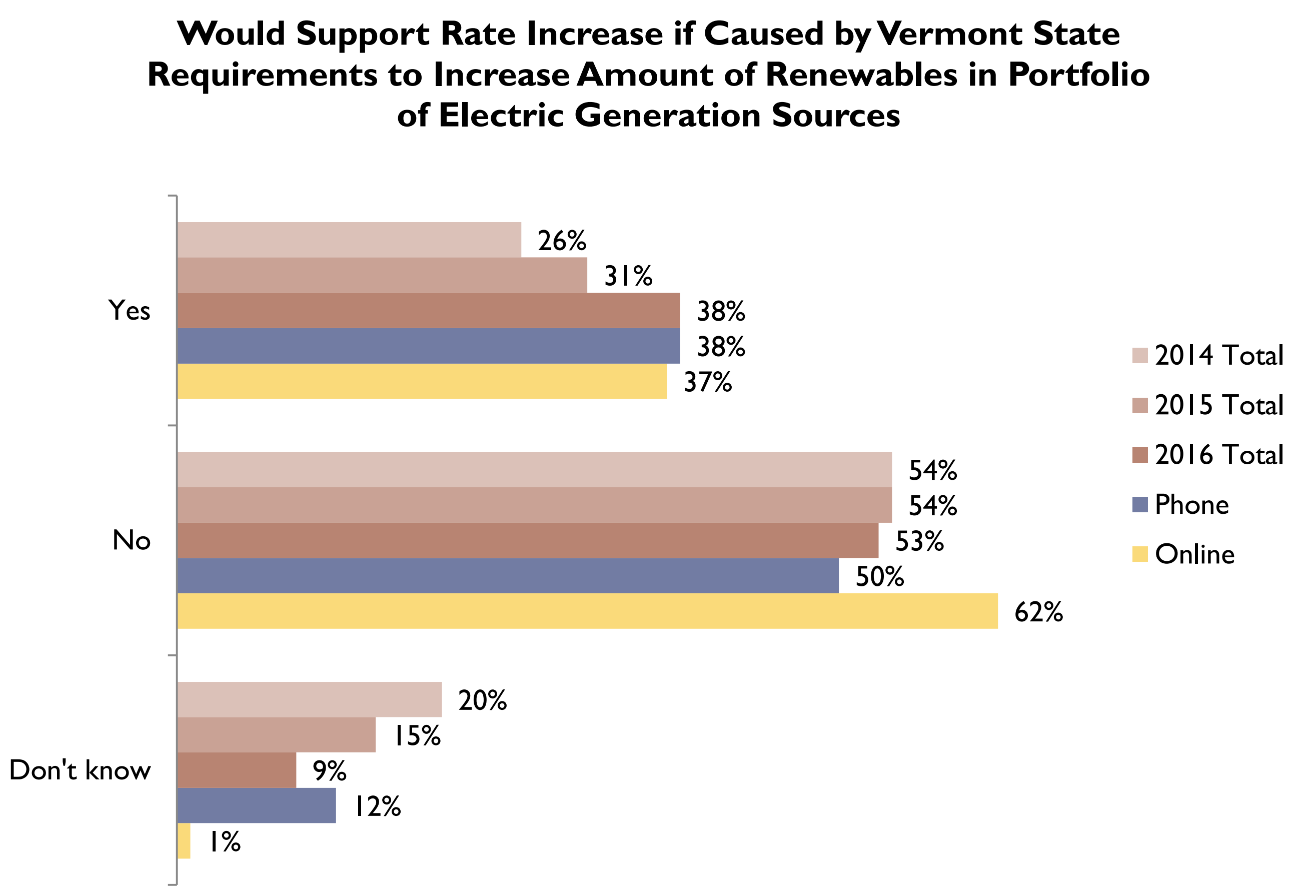
Among those aware of Efficiency Vermont, 58% give high ratings for how beneficial it is for consumers, which is consistent with previous studies, but the proportion giving the highest rating of "5" (27%) has fallen significantly from previous studies. Forty-one percent give high ratings for how beneficial Efficiency Vermont is to them, personally.







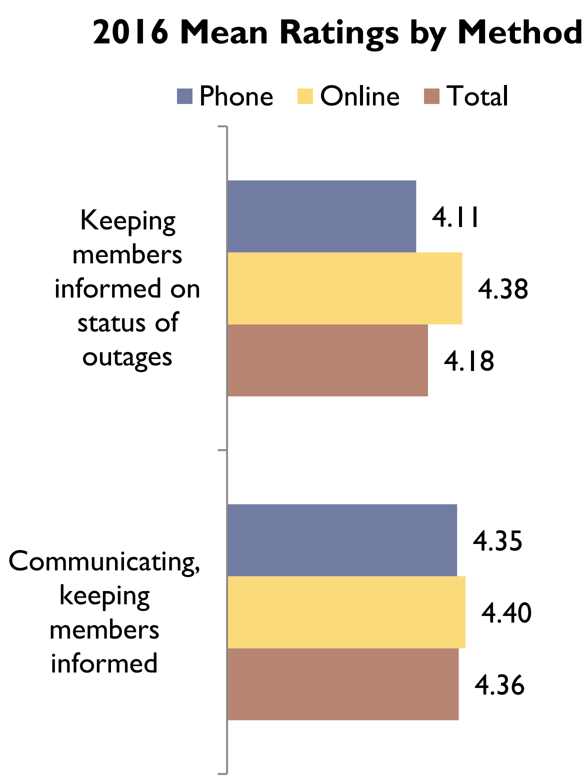
Approximately four in ten members say they would support an electric rate increase if it were caused by Vermont state requirements to increase the amount of renewables in VEC's portfolio of electric generation sources. Those less satisfied with VEC overall, those paying higher electric bills, and those living with at least one other person are significantly more likely than their individual counterparts to say they would not support a rate increase for this reason. Online respondents are significantly more likely than phone respondents to say they would not support a rate increase while phone respondents are more likely to be unsure.

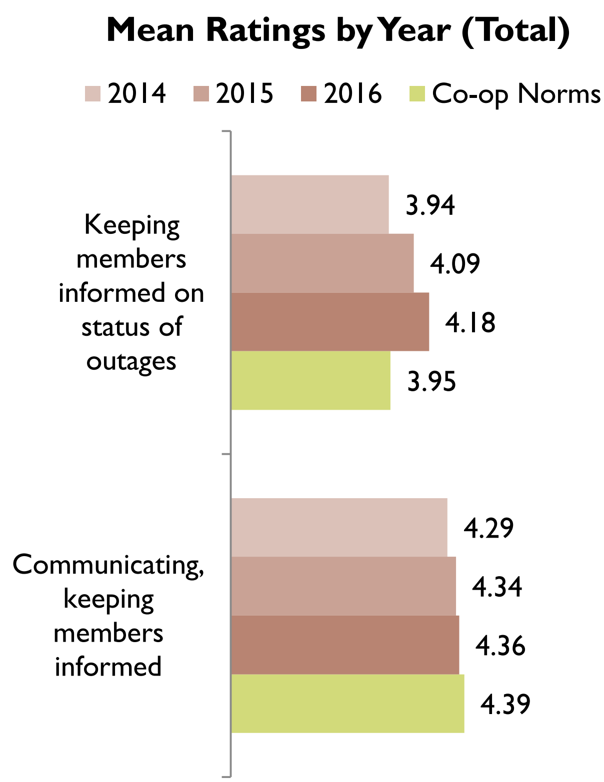


Communication

The final key driver of overall satisfaction is "Communication". Again, this is an area in which VEC is rated very well with mean ratings above 4.0.

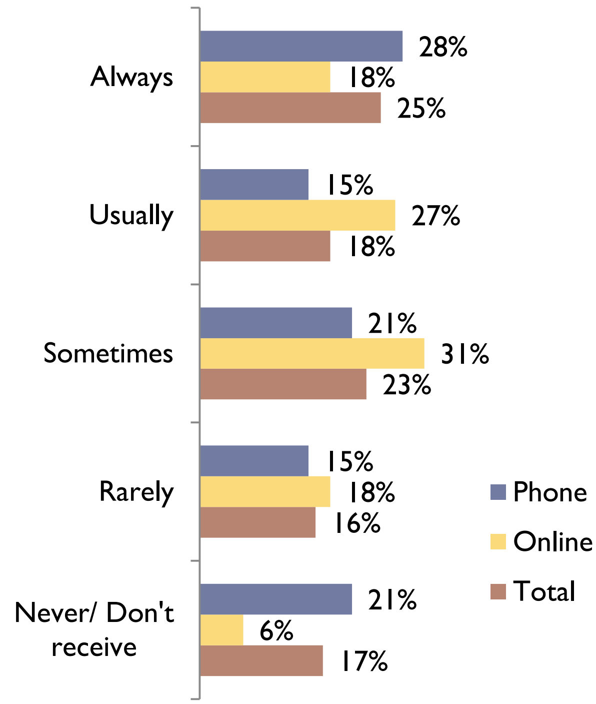
Among online respondents, mean ratings for the two attributes in this key driver have increased significantly from both 2014 and 2015. *Keeping members informed on the status of outages* is one of the few attributes that has a mean rating above the Co-op Norms.



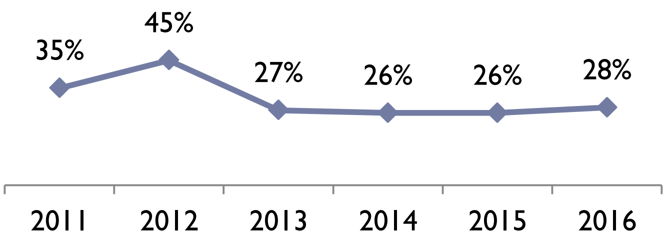


One-quarter say they always read *Co-op Life*. Phone respondents, those more satisfied with the co-op, longer-tenured members, older members, those paying lower electric bills, those living alone or with one other person, and retired members are significantly more likely than their counterparts to say they always read the newsletter.

Frequency of Reading *Co-op Life* Newsletter

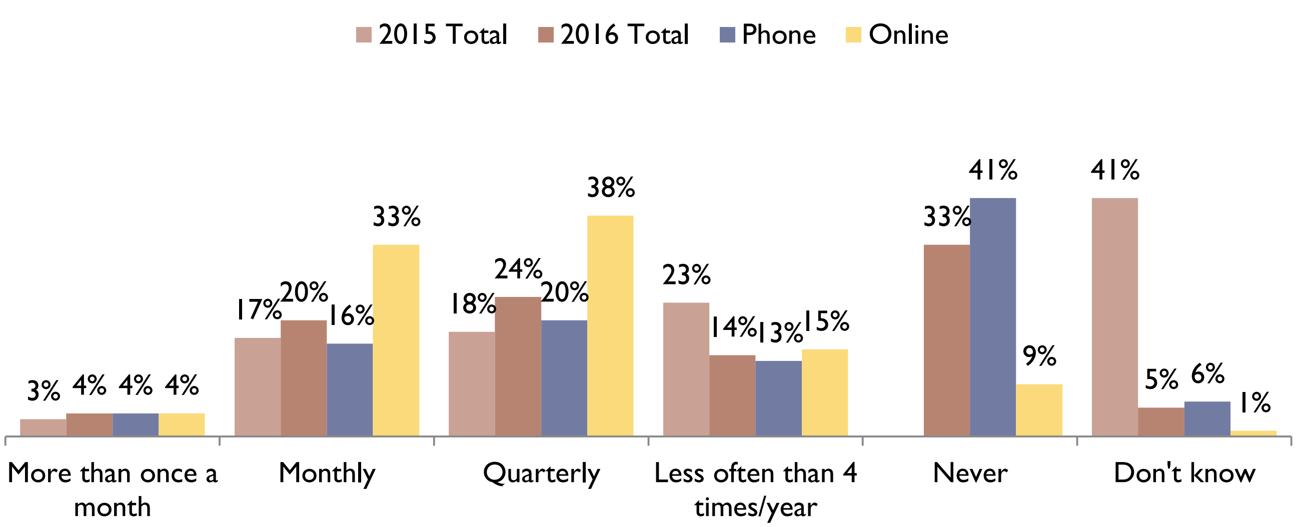


"Always" Read Newsletter
(Phone Respondents Only)



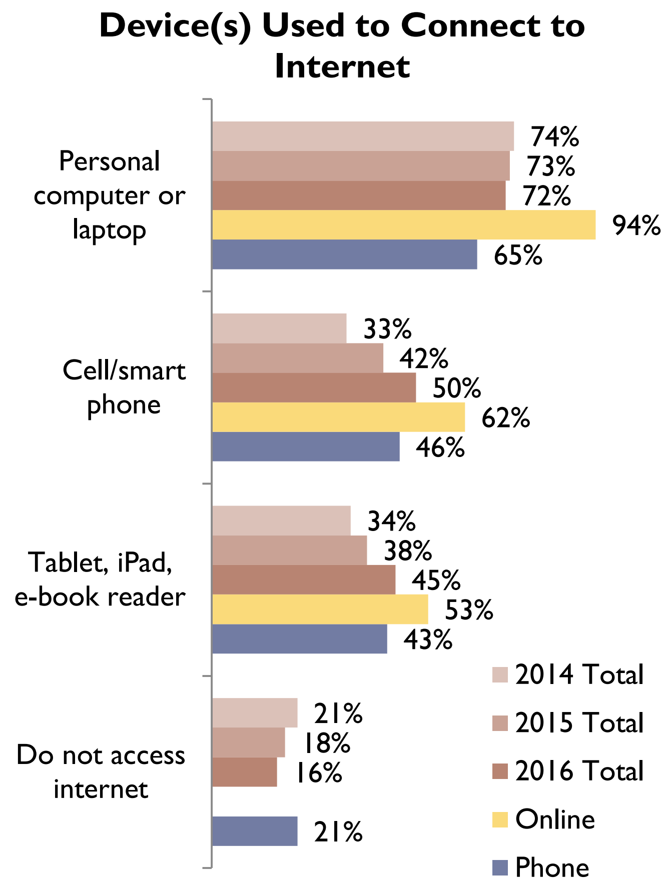
Approximately four in ten members say they would like e-mails from the co-op on a quarterly basis or less often. This is similar to previous studies. (Note, the response of "never" was offered as an option for the first time in 2016. It is likely that respondents in previous studies answered "don't know" since "never" was not offered.)

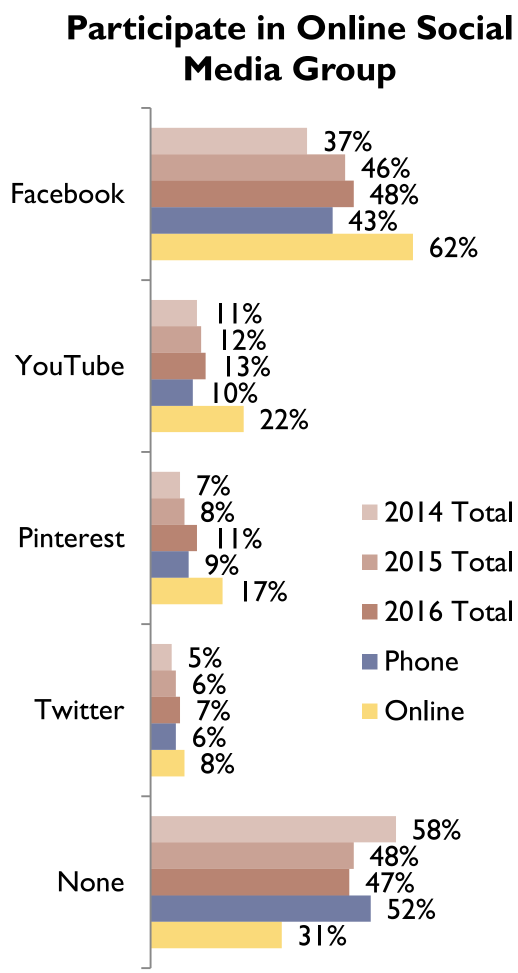
How Often Would Prefer to Receive E-Mail From Co-op

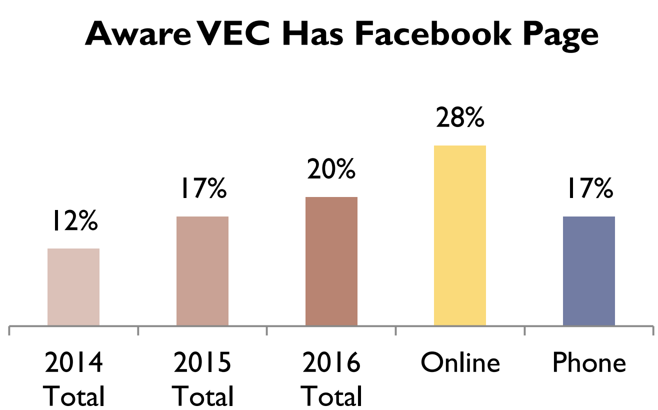


Among phone respondents, more than three-quarters have Internet access, most often through a personal computer or laptop. Internet access through a smartphone and/or tablet has increased significantly from 2014 and 2015. Social media use has also increased significantly from previous studies. The awareness of VEC's Facebook page has increased every year, significantly since 2014.

Younger members, newer members, those paying higher electric bills, those living with at least one other person, and those who are currently employed are also significantly more likely than their individual counterparts to have Internet access and use social media.







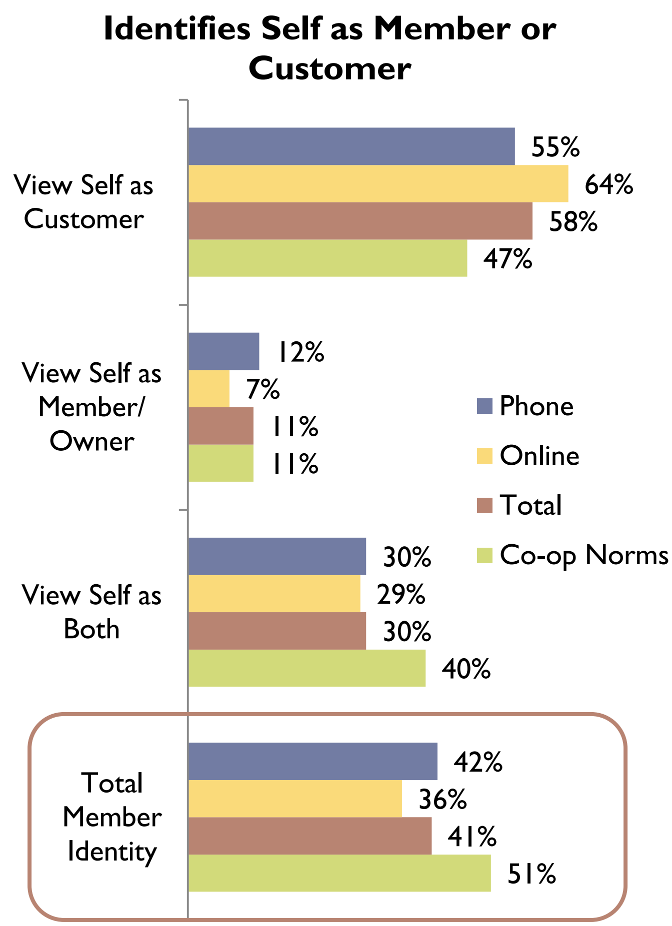
Member Identity

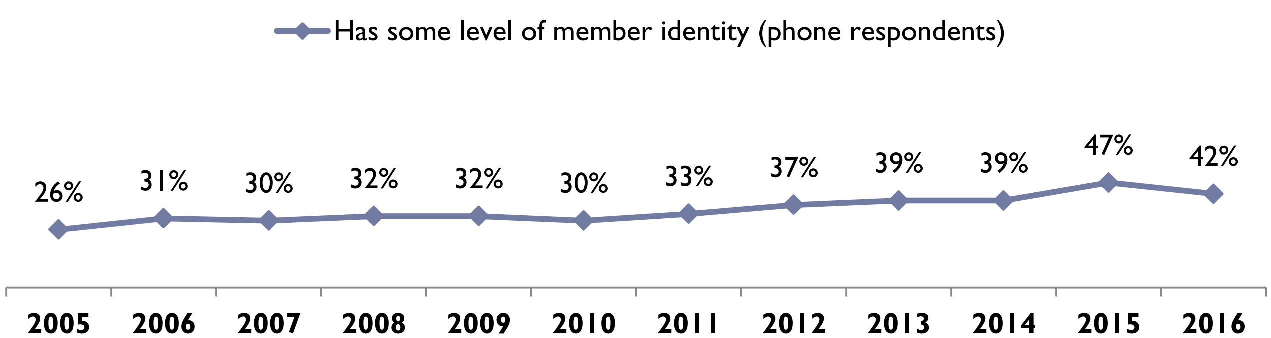
Forty-one percent have member identity, viewing themselves as a member-owner or both a member-owner and a customer, as opposed to feeling they are just a customer. Member identity is significantly higher in 2016 than in most of the studies in 2011 and earlier among phone respondents.

Those who are more satisfied with VEC overall, older members, longer-tenured members, those paying lower electric bills, those living alone, and retired members are significantly more likely than their individual counterparts to have member identity.

Those with member identity give significantly more positive evaluations than do those who view themselves as "customers" on overall satisfaction and all but one of the attributes. "Members" are also significantly more likely to:

- Be willing to pay more for electricity from renewable energy sources
- Feel that Efficiency Vermont is beneficial
- Support an electric rate increase
- Read the *Co-op Life* newsletter



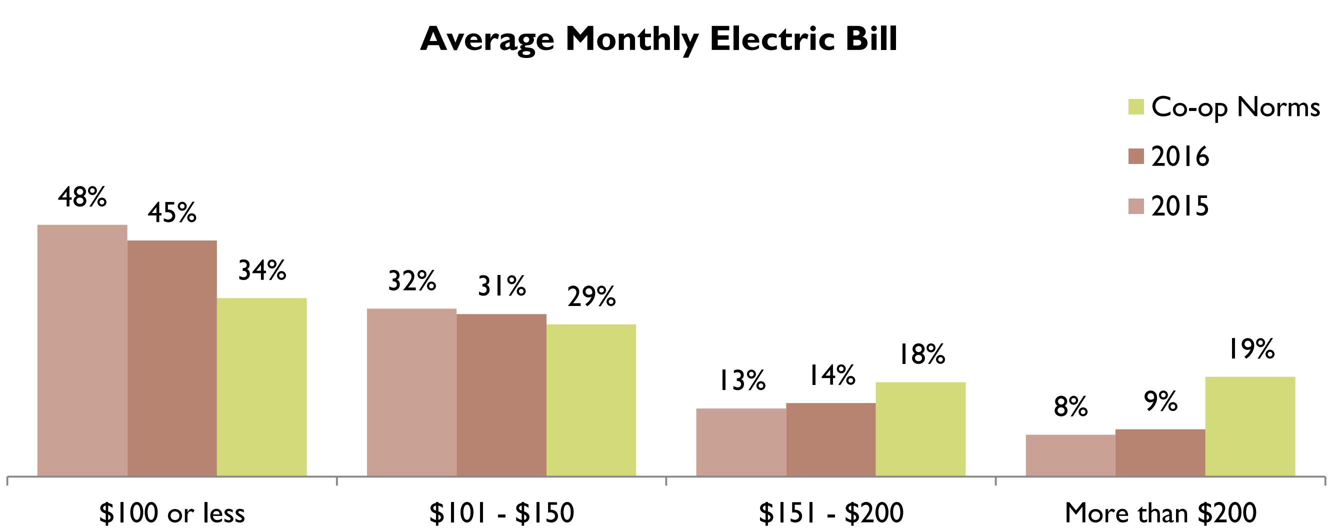


Member Demographics and Segmentation

Fully four in ten responding members are 65 years of age or older and 49% have received their electricity from VEC for 20 years or more.

There are few significant differences between phone and online respondents. The one difference is that online respondents are significantly more likely to have been served by the co-op for more than 20 years. Compared to the Co-op Norms, VEC members are longer-served and have lower average monthly electric bills.

	2016 (Total)	2016 (Online)	2016 (Phone)	2015	2014	Co-op Norms
Under 55	35%	33%	36%	34%	33%	37%
55 to 64	24%	26%	23%	27%	28%	25%
65 or Older	41%	41%	41%	40%	38%	38%
Served < 10 Years	25%	21%	27%	23%	27%	34%
Served 10 – 19 Years	26%	21%	27%	30%	28%	24%
Served 20+ Years	49%	59%	46%	48%	46%	43%
1 or 2 in Household	68%	69%	67%	70%	72%	69%
Employed FT/PT	51%	53%	50%	54%	54%	52%
Retired	41%	41%	41%	40%	41%	38%



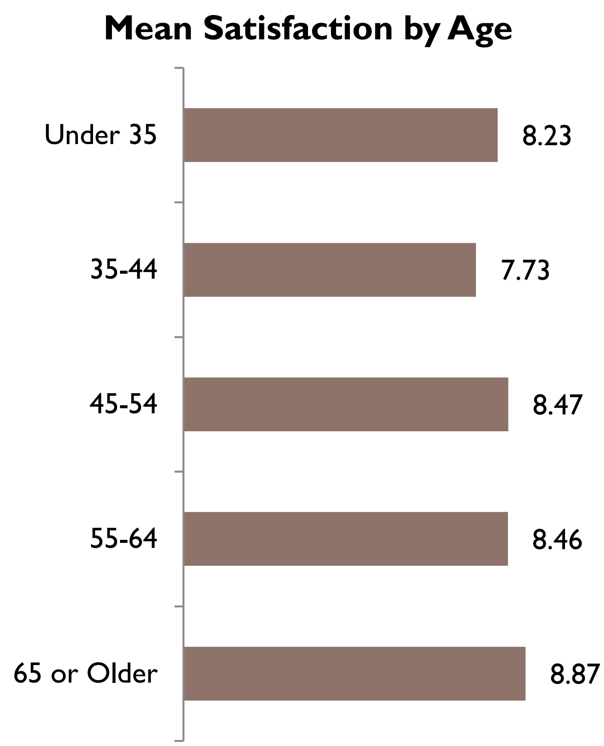
Member segments that give significantly higher ratings than their counterparts for their overall satisfaction include those with member identity, those 65 or older, those served by the co-op for 20 years or more, those paying lower electric bills, those living alone, and retired members.

These member segments also tend to give more positive evaluations of the service attributes, although not all of the differences are statistically significant. In addition to giving lower satisfaction and performance ratings, younger members are significantly less likely than older members to:

- Feel they are a member-owner of the co-op
- Read the *Co-op Life* newsletter
- Feel bio-mass and/or nuclear power is important

Conversely, younger members are significantly more likely than older members to:

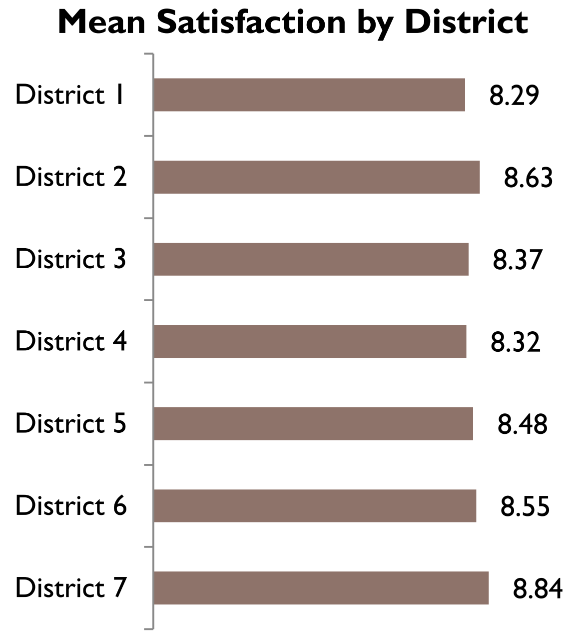
- Feel wind power is important
- Be willing to pay extra for renewable power
- Have Internet access, participate in a social media group online, and be aware of the co-op's Facebook page



Communication Preferences By Age	Under 45	45-54	55-64	65 or older
Always read Co-op Life	13%	12%	24%	38%
Co-op emails at least monthly	25%	25%	27%	23%
Has Internet access	97%	93%	88%	71%
Use social media	71%	67%	52%	38%
Aware of VEC's Facebook page	29%	24%	15%	17%

Overall satisfaction is highest among members in District 7 with the difference being significant compared to District 1.

On the performance attributes, members in Districts 2 and 7 tend to give the highest ratings while those in Districts 3 and 6 generally give lower ratings. However, it is members in Districts 3 and 4 that give the lowest ratings for their electric service – keeping outages to a minimum and reliable/consistent electric power. With the exception of the attributes in the electric service area, most of the differences between districts are not statistically significant.



Other differences between districts include the following, although some of these differences are not statistically significant:

- Members in District 5 are the most likely to have Internet access; those in Districts 5 and 6 are most likely to use social media; and those in Districts 2 and 3 are most likely to be aware VEC is on Facebook.
- Members in Districts 3 and 4 are the most likely to have member identity; members in District 2 are the least likely.
- Members in District 3 are the most likely to have contacted VEC in the past year, significantly more likely than those in Districts 1, 2, 4, 6, and 7.
- Those in District 5 are the most likely to have heard of Efficiency Vermont while those in District 1 are least likely. Those in District 5 also give the highest ratings for how beneficial the program is for Vermont consumers while those in District 2 give the highest ratings for the benefit of the program to them personally.
- Members in District 5 are the most likely to "always" read the monthly newsletter.
- Those in District 1 are the most likely to feel their rates are lower than at other electric companies, while those in District 4 are the least likely to think this.
- The importance of VEC providing power from wind and solar is highest among those in District 5; hydro – District 4; bio-mass – Districts 3 and 5; natural gas – Districts 6 and 7; and nuclear – District 7.
- Members in District 5 are the most likely to be willing to pay extra to get electricity from renewable energy sources and, along with those in District 7, most likely to pay extra to increase renewables in the portfolio.

Verbatim Comments

At the conclusion of the survey, members were given the opportunity to share any comments, concerns, or questions they had. Thirty-seven percent of the respondents offered input.

Among those who commented, the following table provides a breakdown of the subjects mentioned and the number of comments that were positive, negative, or neutral. A full listing of comments can be found in Appendix B.

Subject/Topic	Total # Comments	Positive	Negative	Neutral
Operations/Engineering – blinks, outages, tree trimming, AMI/AMR	59	34	16	9
Rates/Fees	55	4	45	6
Renewable Energy	43			
Overall Satisfaction	39	39	0	0
Member Services/Marketing – resolving issues, customer service reps	15	12	2	1
Member Identity/Loyalty	11	3	7	1
Problems With Bills	9	3	3	3
Management/Board	7	4	1	2
Energy Efficiency/Energy Audits	7	1	2	4
Newsletter/Information	5	1	1	3
Additional Services	4	0	0	4

Appendix A:

Key Driver/Factor Explanation

Factor Analysis

Factor analysis was used to reduce the many service attributes rated in the survey to a core set of issues. This analysis shows how consumers unconsciously think about or group the many different performance attributes. Five factors were found and named Electric Service, Cost and Efficiency, Member Service, Social Responsibility, and Communication.

The performance quality attributes that make up each factor are listed below in order of the performance attribute most related to the factor down to the attribute least related to the factor.

<u>Electric Service Factor</u>

- Keeping the number of longer outages to a minimum
- The reliability of service and frequency of interruptions
- Keeping blinks and momentary outages to a minimum
- The restoration of power after an outage
- Providing consistent voltage without surges or brownouts

<u>Cost and Efficiency Factor</u>

- Charging reasonable rates
- Helping customers keep bills as low as possible
- Their monthly service fees
- Helping members to be more efficient in their use of electricity
- Providing accurate and easy to understand bills

<u>Member Service Factor</u>

- Having professional employees
- Having convenient payment options
- The courtesy, understanding and helpfulness of employees to your inquiries or problems
- The accuracy of meter reading and billing
- The overall customer service they provide
- The speed and efficiency of responding to customers
- Resolving any issues or problems

<u>Social Responsibility Factor</u>

- Operating with concern for the environment
- Supporting the local community
- Demonstrating concern for customers' best interests

<u>Communication Factor</u>

- Keeping members informed on the status of outages
- Communicating with members and keeping them informed

Key Driver Analysis

To help determine where expectations are and are not being met for co-op members, we calculate importance scores for the factors and attributes. The importance scores were derived using the beta scores from a regression of the factors and attributes on overall satisfaction. What we are looking for is significance. If a factor or attribute is positively significant, it has a positive relationship with satisfaction. If the factor/attribute receives a high rating, overall satisfaction also receives a high rating. That is, the more a factor or attribute influences overall satisfaction, the higher its importance score. Factors and attributes that are found to be significant in the regression are labeled as key drivers of overall satisfaction and shown in the figure.

A separate analysis was done to find the key drivers of value among residential members of Vermont Electric Cooperative. Rather than regressing the factors and attributes on overall satisfaction, they were regressed on the attribute "delivering good value for the money". The key drivers of value are shown in a separate figure.

Appendix B: Questionnaire

2016 Vermont Electric Cooperative
RESIDENTIAL SATISFACTION AND CO-OP COMMITMENT SURVEY

Final 5/24/16 (Same questionnaire as 2015 and 2014)

INTRODUCTION:

Hello, my name is ___________ and I am calling on behalf of Vermont Electric Cooperative, your electric service provider. They have commissioned us to conduct a confidential survey with co-op members on the service they provide you. As a cooperative member, you have a say in how your co-op is run. Let me assure you, we are not selling anything. Our survey will take about 10 minutes. May I continue now? *[If hesitant, please offer the following option.] If you would like to first verify the legitimacy of this survey with Vermont Electric Cooperative (Phone # 800-xxx-xxxx), I would be happy to schedule a convenient time to call you back.*

[ ] Yes … ***Continue*** [ ] No … When would be a more convenient time for me to call back?
Date to call: ___________ Time to call: ____________

---

1. How long have you received your electric service from Vermont Electric Cooperative? *(tenure1)*

[ ]1 Less than 1 year	[ ]3 3 to 5 years	[ ]5 10 to 14 years	[ ]7 20 years or more
[ ]2 1 to 2 years	[ ]4 6 to 9 years	[ ]6 15 to 19 years	[ ]8 Don't Know/Refused

Satisfaction and Performance Attributes

2. Now, please consider all your experiences to date with Vermont Electric. Using a 10-point scale on which "1" means "very dissatisfied" and "10" means "very satisfied," how satisfied are you with Vermont Electric Cooperative? *(satis)*

Very dissatisfied 1 2 3 4 5 6 7 8 9 10 Very Satisfied

3. Now, again on a 5-point scale where 1 means "very poor" and 5 means "excellent," how would you rate Vermont Electric Co-op's performance on the following? ***(Randomize after b.)***

	On …	Very Poor				Excellent	DK
a.	The overall customer service they provide *(cust_svc)*	1	2	3	4	5	6
b.	Delivering good value for the money *(value)*	1	2	3	4	5	6
c.	Resolving any issues or problems *(resolve)*	1	2	3	4	5	6
d.	Having professional employees	1	2	3	4	5	6
e.	Demonstrating concern for customers' best interests	1	2	3	4	5	6
f.	Communicating with you and keeping you informed (*communic)*	1	2	3	4	5	6
g.	Operating with concern for the environment *(environ)*	1	2	3	4	5	6
h.	Supporting the local community *(comunity)*	1	2	3	4	5	6
i.	The speed and efficiency of responding to customers *(respond2)*	1	2	3	4	5	6
j.	The courtesy, understanding and helpfulness of employees to your inquiries or problems *(courtesy)*	1	2	3	4	5	6

Contact

4. <u>In the past year</u>, did you contact VERMONT ELECTRIC COOPERATIVE for any reason?
[ ]1 Yes [ ]2 No ***(Skip to Q.8)***

5. What was the REASON for the most recent call or visit you made? [Do not read/Check all that apply]
___Pay Bill ___Report an outage *(this is not the same as outage information)* ___Other Reason (***specify***)
___Don't Know/Refused

6. How many TIMES did you contact the co-op concerning this issue/reason?
1 2 3-4 5-6 7-9 10+ ___Don't Know/Refused

7. Based on your contact with Vermont Electric, was your experience much better, somewhat better, about what you expected, somewhat worse, or much worse than you expected? *(cntceval)*

[ ]1 Much worse [ ]4 Somewhat worse [ ]3 As expected [ ]2 Somewhat better [ ]1 Much better

Electric Service

8. Now, on a 5-point scale where 1 means "very poor" and 5 means "excellent," how would you rate Vermont Electric Co-op's performance on the following …? ***(randomize after b)***

On …	Very Poor				Excellent	DK
a. Keeping blinks and momentary outages to a minimum *(limit_blink)*	1	2	3	4	5	6
b. Keeping the number of longer outages to a minimum *(limit_outg)*	1	2	3	4	5	6
c. The reliability of service and frequency of interruptions *(elec_svc)*	1	2	3	4	5	6
d. The restoration of power after an outage *(restore2)*	1	2	3	4	5	6
e. Keeping you informed on the status of outages *(outinfo2)*	1	2	3	4	5	6
f. Providing consistent voltage without surges or brownouts *(pwr_qal2)*	1	2	3	4	5	6

Rates and Fees

9. How would you rate Vermont Electric Co-op's performance on the following using a 5-point scale where 1 means "very poor" and 5 means "excellent?" ***(randomize)***

On . . .	Very Poor				Excellent	DK
a. Charging reasonable rates *(reasrate)*	1	2	3	4	5	6
b. Their monthly service fees *(svcfees)*	1	2	3	4	5	6
c. Providing accurate and easy to understand bills *(clearbil)*	1	2	3	4	5	6
d. Having convenient payment options *(payoptn)*	1	2	3	4	5	6
e. Helping customers keep bills as low as possible	1	2	3	4	5	6
f. The accuracy of meter reading and billing	1	2	3	4	5	6
g. Helping you to be more efficient in your use of electricity	1	2	3	4	5	6

10. Compared to other electric companies, would you say Vermont Electric's rates are higher, lower, about the same or you aren't aware? *(ratecomp)*
    [ ]1 Higher   [ ]2 Lower   [ ]3 About the same   [ ]4 Not aware

Energy Efficiency and Renewable Energy

11. Have you heard of the energy efficiency utility in Vermont, called "Efficiency Vermont"?
    [ ]1 Yes   [ ]2 No ***(Skip to Q14)***

12. Using a 5-point scale where "1" means not at all beneficial and "5" means very beneficial, how beneficial do you feel "Efficiency Vermont" is for Vermont consumers?
    Not at all beneficial 1 2 3 4 5 Very Beneficial 6 – DK

13. Again using the 5-point scale, how beneficial do you feel "Efficiency Vermont" has been to you, helping you personally to be more efficient in your use of electricity?
    Not at all beneficial 1 2 3 4 5 Very Beneficial 6 – DK

14. On a scale from 1 to 5 where 1 is "not at all important" and 5 means "extremely important," how important is it to you for utilities to provide power from the following energy sources? *(randomize)*

	Not at all Important				Extremely Important	DK	
a. Wind	1	2	3	4	5	6	*(v11)*
b. Solar	1	2	3	4	5	6	*(v12)*
c. Hydro	1	2	3	4	5	6	*(v13)*
d. Bio-mass	1	2	3	4	5	6	*(v15)*
e. Natural gas	1	2	3	4	5	6	
f. Nuclear	1	2	3	4	5	6	

15. Would you support an electric rate increase if it were caused by Vermont state requirements to increase the amount of renewables in our portfolio of electric generation sources?
[ ]1 Yes [ ]2 No [ ]3 Don't know

16. If electricity from renewable energy sources were not available at the same rates you are paying now, how much more would you be willing to pay, if anything, to get this renewable power? Would you pay … ***[Stop when respondent agrees]*** *(greenpay)*

[ ]1 $20 more per month [ ]3 $10 more per month [ ]5 $3 more, or [ ]7 Don't Know/Refused
[ ]2 $15 more per month [ ]4 $5 more per month [ ]6 Nothing more per month

Cooperative Commitment

17. Do you view yourself as a member-owner or as a customer of your electric co-op, or both? *(mem_id2)*

[ ]1 Member/owner [ ]2 Customer [ ]3 Both [ ]4 Don't Know / Refused

Communications

18. How often do you read the quarterly newsletter called "Co-op Life"?
[ ]1 always [ ]2 usually [ ]3 sometimes [ ]4 rarely [ ] 5 never/don't receive it

19. How often would you like to receive email communications from VEC?
[ ]1 weekly [ ]2 every-other-week [ ]3 monthly [ ]4 quarterly [ ] 5 less often than 4 times/year

20. What types of devices do you use to connect to the internet? *(READ LIST – select all that apply)*
[ ]1 Personal computer or laptop
[ ]2 Cell phone or smartphone
[ ]3 Tablet, Netbook, iPad, or e-book readers
[ ]4 Do not access the internet

21. Do you participate in an online social media group such as Facebook, Twitter, Pinterest, or YouTube?
[ ]Yes [ ] No ***(Skip to Q23)***

22. Which ones? ____________ ______________

23. **(If Q22 = Facebook, ask:)** Were you aware that Vermont Electric Cooperative is on Facebook? [ ]1 Yes [ ]2 No

DEMOGRAPHICS

Thank you for your patience. There are just a few final questions that are used for classification purposes only. This information is completely confidential.

24. Into which category does your age fall? *(ageresp)* ☐1 Under 25 ☐3 35 to 44 ☐5 55 to 64
☐2 25 to 34 ☐4 45 to 54 ☐6 65 or older

25. How many people live in your household including yourself? *(hh_num)* 1 2 3 4 5 6 or more

26. What is your current employment status? *(employmt)*
[ ]1 Work full-time [ ]3 At home full-time family care giver [ ]5 Student
[ ]2 Work part-time [ ]4 Retired [ ]6 Not employed, not looking
[ ]7 Not employed but looking

27. What is your average monthly electric bill? *(bill3)* ☐1 $50 or less ☐3 $101 - $150 ☐5 $201 to $250
☐2 $51 - $100 ☐4 $151 - $200 ☐6 $251 to $300
☐7 Over $300

28. [DO NOT ASK] Gender: ☐1 Male. ☐2 Female.

29. Additional Comments you would like to make about Vermont Electric Cooperative: ____________________

Thank you for your time and cooperation. It is very much appreciated.