



2019 Customer Satisfaction Study



Report of Findings

10 January 2020
Confidential & Proprietary

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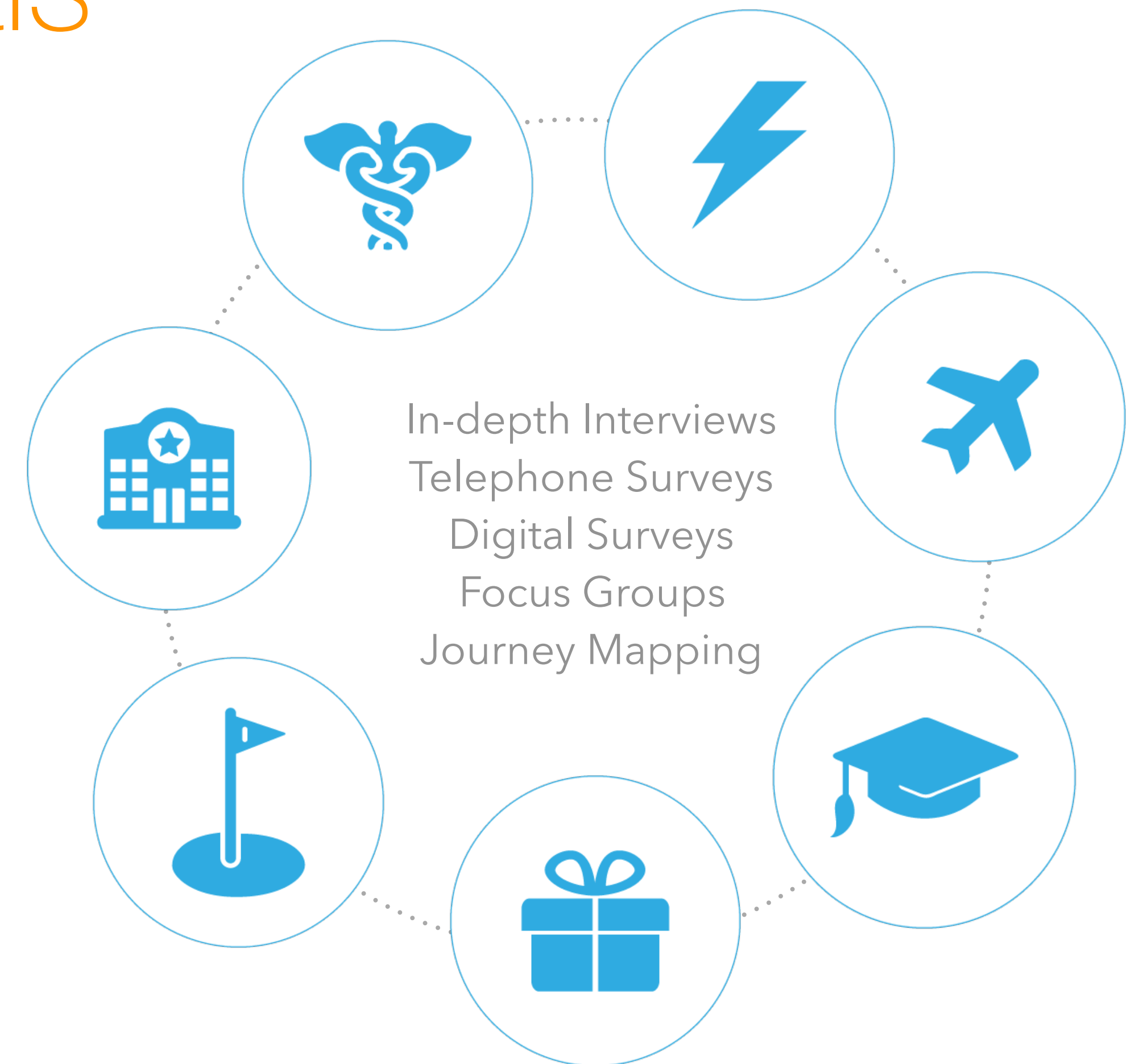


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Project Overview

- GreatBlue Research was commissioned by Grand Haven Board of Light and Power (hereinafter “GHBLP” or “Grand Haven”) to conduct comprehensive research among residential and commercial customers to gain a deeper understanding into their perceptions of the utility and satisfaction with the services provided.
- The primary goals of this research study were to assess the effectiveness of GHBLP’s ability to serve its customers, identify areas for improvement, and isolate areas that may increase engagement.
- In order to service this research goal, GreatBlue conducted telephone surveys among a random sampling of GHBLP’s residential and commercial customers.
- The outcome of this research will enable GHBLP personnel to a) more clearly understand, and ultimately set, customer expectations, b) act on near-term opportunities for improvement and, c) create a strategic roadmap to increase customer satisfaction.

Areas of Investigation

The Grand Haven Board of Light and Power Customer Satisfaction Study leveraged a quantitative research methodology to address the following areas of investigation:

- Overall satisfaction with GHBLP
- Satisfaction with customer service and field personnel
- Preferred methods of communication
- Perception of online outage management system
- Concerns with automatic meter reading systems
- Perception of SmartHub
- Awareness and importance of GHBLP's community ownership
- Importance of local generation
- Interest in renewable energy
- Demographic profile of respondents

Research Methodology Snapshot: Residential

Methodology Telephone	No. of Completes 211	No. of Questions 23*	Time Compensation None	Sample GHBLP Customer list
Target Residential Customers	Quality Assurance Dual-level**	Margin of Error 6.7%	Confidence Level 95%	Research Dates December 3 - 4

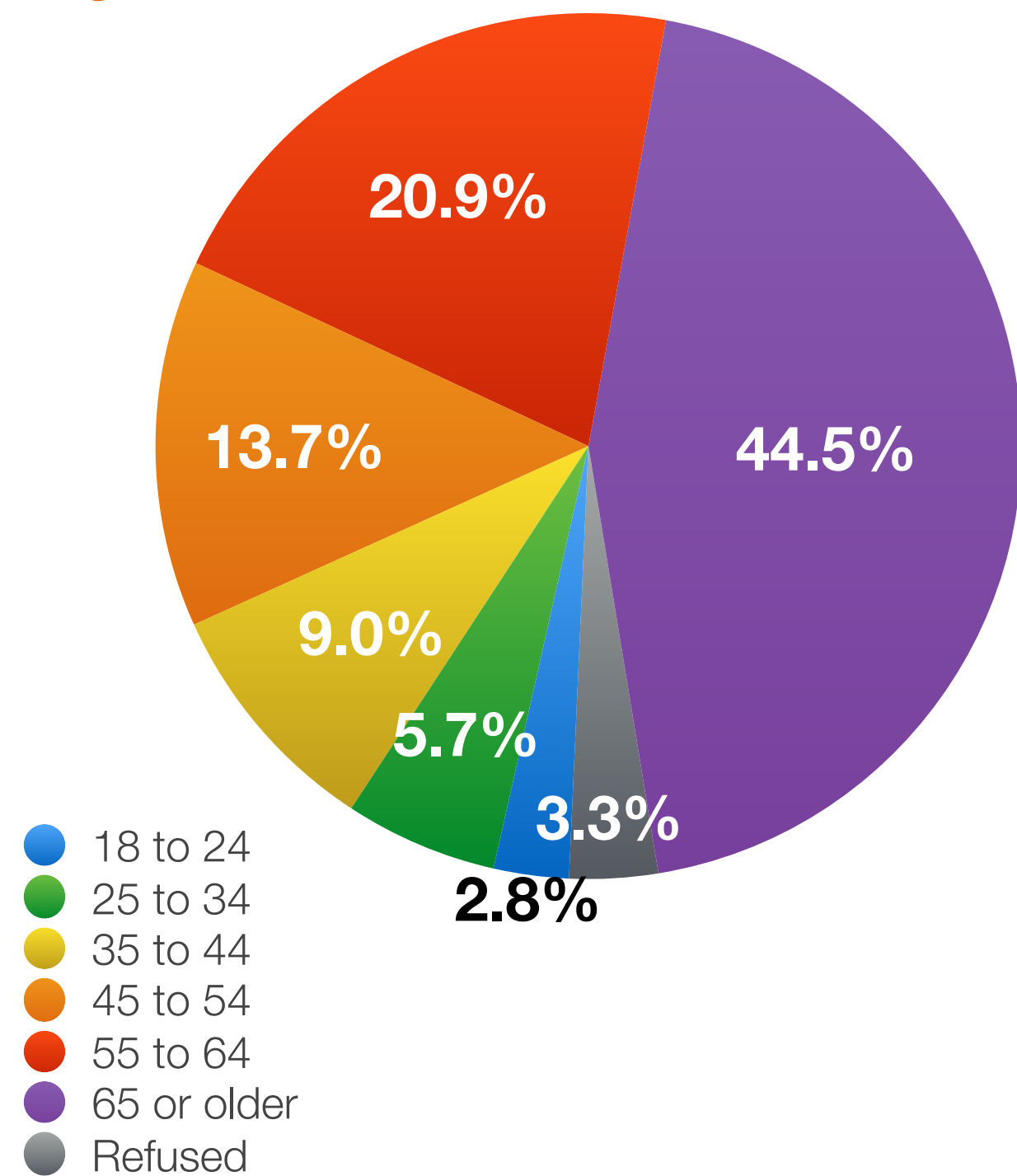
* This represents the total possible number of questions; not all respondents will answer all questions based on skip patterns and other instrument bias.

** Supervisory personnel, in addition to computer-aided interviewing platform, ensure the integrity of the data is accurate.

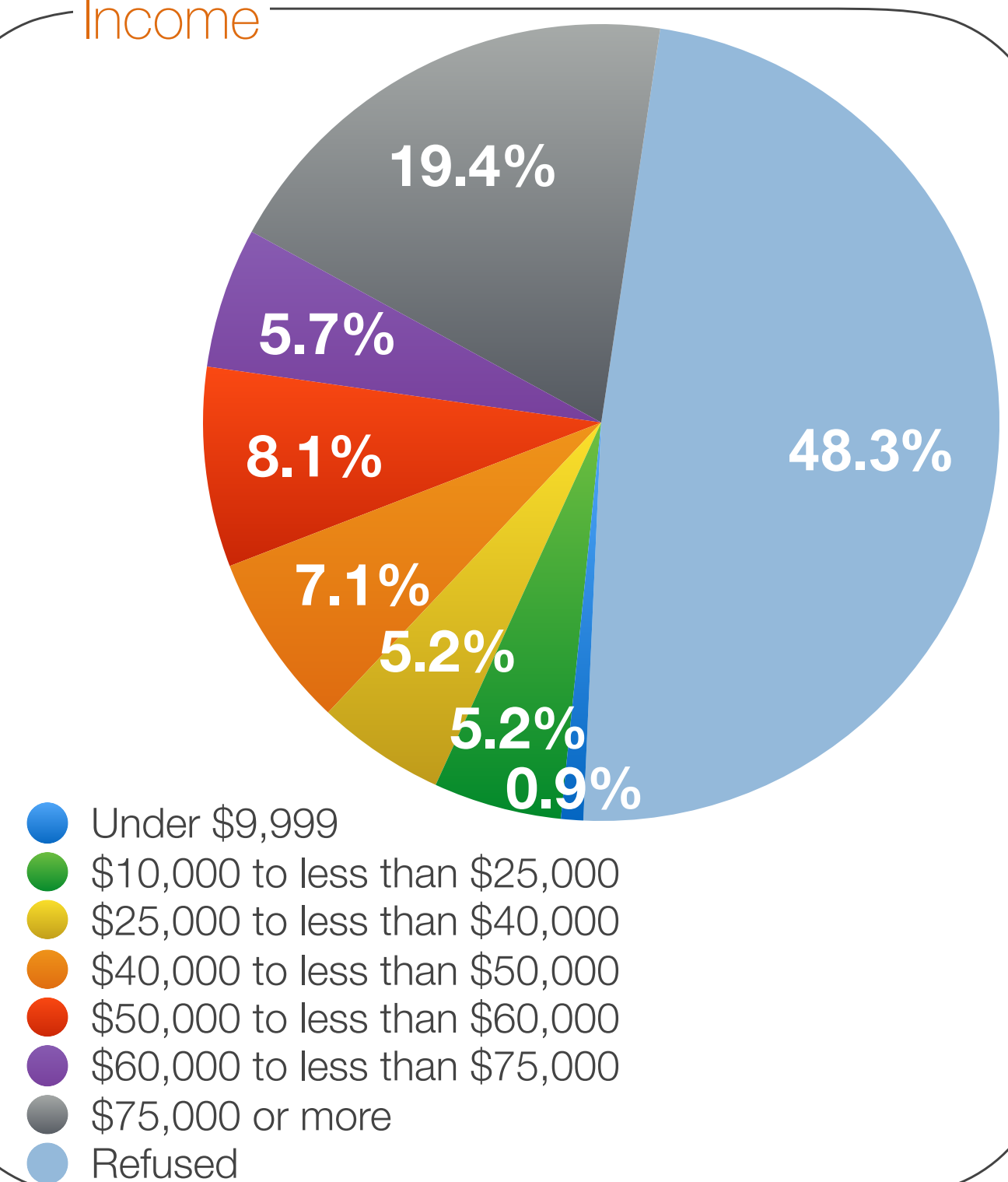
Residential Respondent Snapshot

This slide quantifies select data points to provide context for this research study. The data is not meant to be statistically significant, rather to provide an empirical view into the demographic profile of the participants.

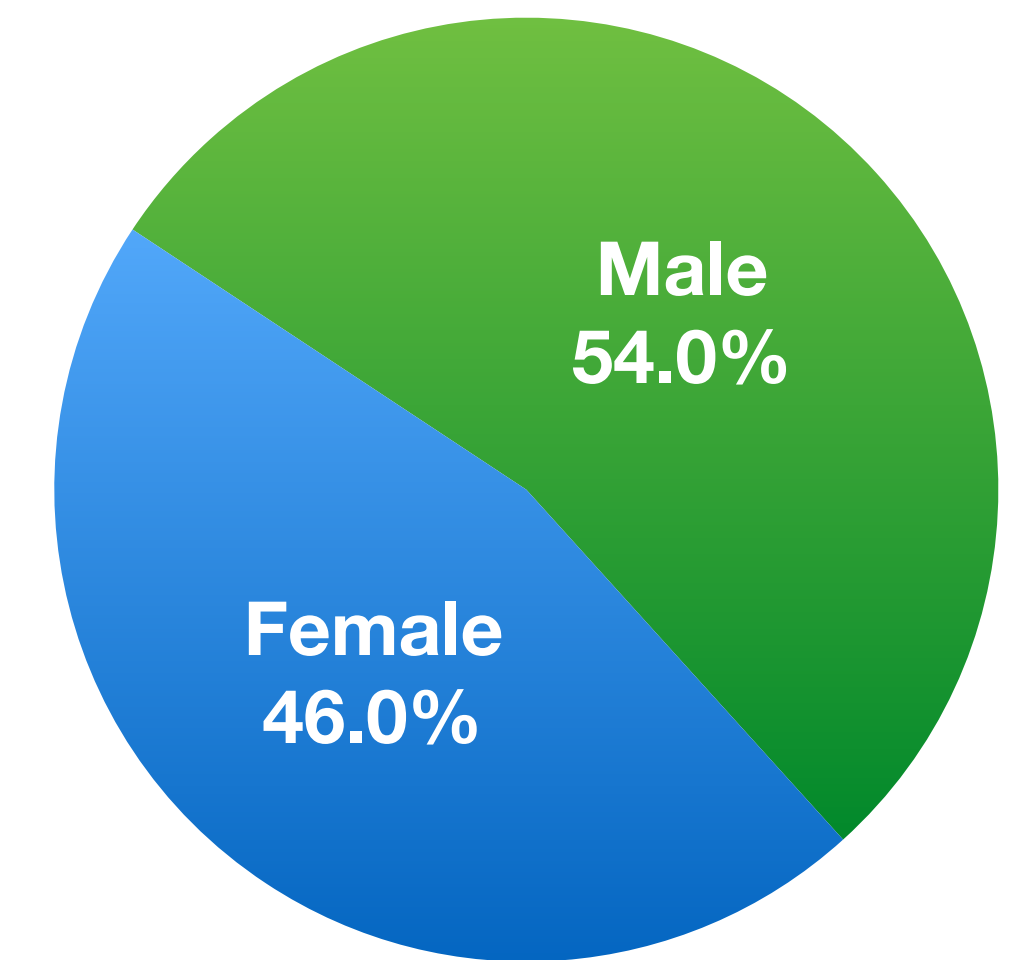
Age



Income



Gender



Research Methodology Snapshot: Commercial

Methodology Telephone	No. of Completes 53	No. of Questions 20*	Time Compensation None	Sample GHBLP Customer list
Target Commercial Customers	Quality Assurance Dual-level**	Margin of Error 13.4%	Confidence Level 95%	Research Dates December 3

* This represents the total possible number of questions; not all respondents will answer all questions based on skip patterns and other instrument bias.

** Supervisory personnel, in addition to computer-aided interviewing platform, ensure the integrity of the data is accurate.

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Key Study Findings

- An increased frequency of both residential (93.3% over 89.2% in 2018) and commercial (94.3% over 79.7% in 2018) customers surveyed in 2019 provided positive ratings for their overall satisfaction with Grand Haven Board of Light and Power.
- The vast majority of residential (92.1%) and commercial (100.0%) respondents who have contacted Grand Haven Board of Light and Power in the last 12 months were satisfied with the customer service they received.
- Field service representatives also received high satisfaction ratings from both residential (80.0%) and commercial (84.6%) customers surveyed in 2019.
- An increased frequency of residential respondents reported they prefer to look for information about Grand Haven Board of Light and Power through the utility's bill inserts (37.9% over 21.8% in 2018), while a higher frequency of commercial customers noted a preference to look for information on GHBLP's website (47.2%).
- While the majority of residential (85.3%) and commercial (73.6%) respondents have not used Grand Haven Board of Light and Power's online outage management system, nearly all respondents that have used this platform reported being either "very satisfied" or "somewhat satisfied" with it (96.7% residential, 90.0% commercial).

Key Study Findings, continued

- More customers surveyed in 2019 (83.4% residential, 88.7% commercial) reported having no concerns with automatic meter reading than those surveyed in 2018 (70.8% residential, 83.3% commercial).
 - Those respondents who did report being concerned with automatic meter reading noted this is because of the “price increase,” “accuracy of reading,” or “health risks.”
- Currently, more residential respondents (40.3%) pay their electric bill through auto pay ACH than commercial customers (34.0%). A greater percentage of commercial customers surveyed in 2019 (52.8%) reported paying their electric bill through the mail than residential respondents (28.9%).
- Over one-half of residential respondents (52.1%) were aware of Grand Haven Board of Light and Power’s SmartHub platform, compared to 45.3% of commercial respondents. Of those that have used SmartHub previously, a decreased frequency of residential (85.3% from 94.8% in 2018) and commercial (45.5% from 93.8% in 2018) respondents reported being satisfied with the platform.
- Roughly seven-out-of-ten residential (71.1%) and commercial (69.8%) customers surveyed in 2019 were aware Grand Haven Board of Light and Power is a “Community Owned Municipal Utility.”
 - Numerous respondents noted benefits of being a customer of a community-owned electric utility include local control, responsive service and local jobs.

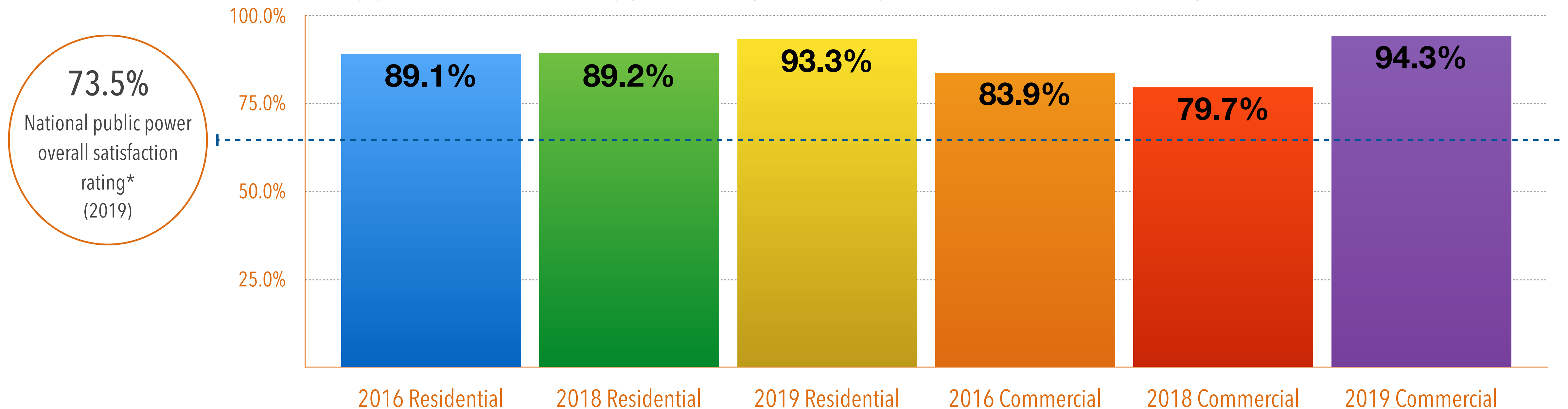
Key Study Findings, continued

- Over seven-out-of-ten residential (71.6%) and commercial (77.4%) customers surveyed in 2019 were aware of Grand Haven Board of Light and Power's actions to move away from coal fired generation and toward a more diversified power mix.
- While over one-half of both residential (53.6%) and commercial (52.8%) respondents noted it is important to replace Sims with some local generation using natural gas as fuel, over two-fifths of respondents were not willing to pay any additional amount for a local, natural gas plant (41.6% residential, 46.4% commercial).
- In 2019, fewer residential respondents reported they would like to see Grand Haven Board of Light and Power more involved in solar energy moving forward (44.5% from 53.5% in 2018), while more commercial customers noted they would like GHBLP to be more involved in solar energy (60.4% over 44.7% in 2018) and wind energy (49.1% over 25.3% in 2018).
- Most respondents reported either no interest in Grand Haven Board of Light and Power purchasing additional alternative energy at a higher price than their current cost (46.4% residential, 39.6% commercial) or that their interest hinges on the cost required to do so (38.9% residential, 49.1% commercial).
 - The majority of interested residential (61.9%) and commercial respondents (65.6%) were willing to pay an amount less than 10% for GHBLP to purchase additional alternative energy.

Customers increasingly satisfied with GHBLP

Overall satisfaction with Grand Haven Board of Light and Power increased in 2019 among both residential customers surveyed (93.3% over 89.2% in 2018) and commercial customers surveyed (94.3% over 79.7% in 2018). Residential respondents provided a higher average positive rating than the national public power overall satisfaction rating among residential customers (73.5%).

Overall, how would you rate your satisfaction with Grand Haven Board of Light and Power on a scale of one to ten where one (1) is "very good" and ten (10) is "very poor." (Total positive ratings of 1-4 without "don't know" responses).

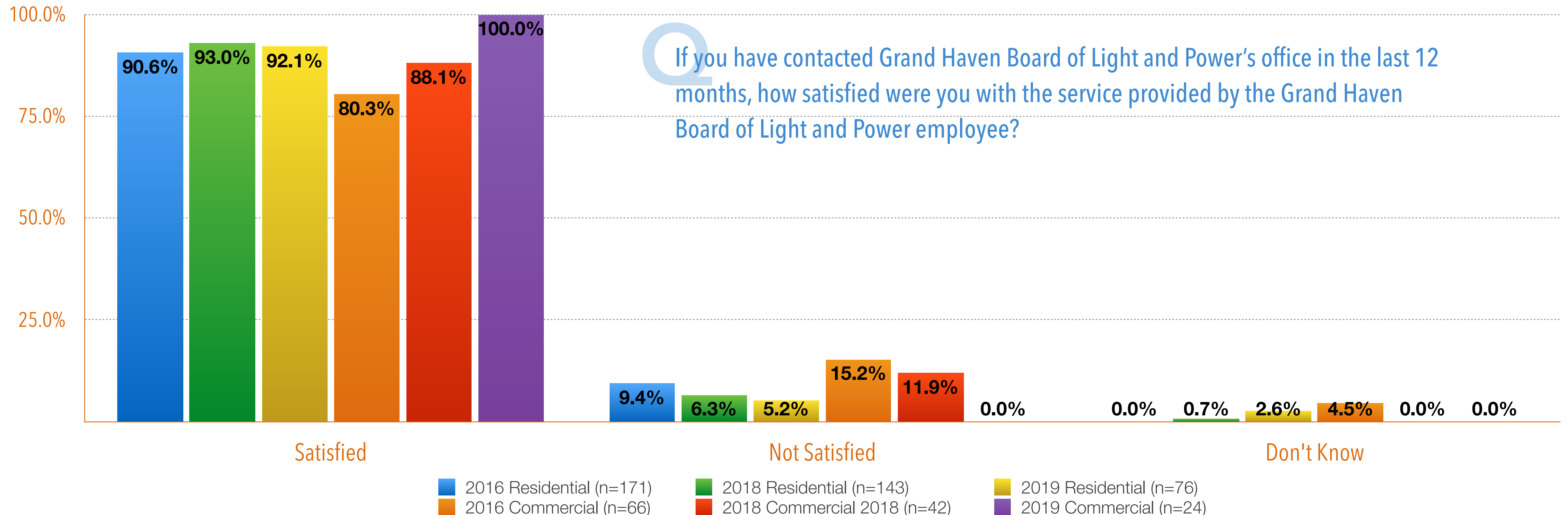


*Source: APPA Public Power Data Source powered by GreatBlue Research, Inc. (January 2020)

*The Public Power Data Source is a tool measuring customer satisfaction ratings and perceptions of trends in the electric industry to help public power utilities benchmark themselves against other utilities and national averages.

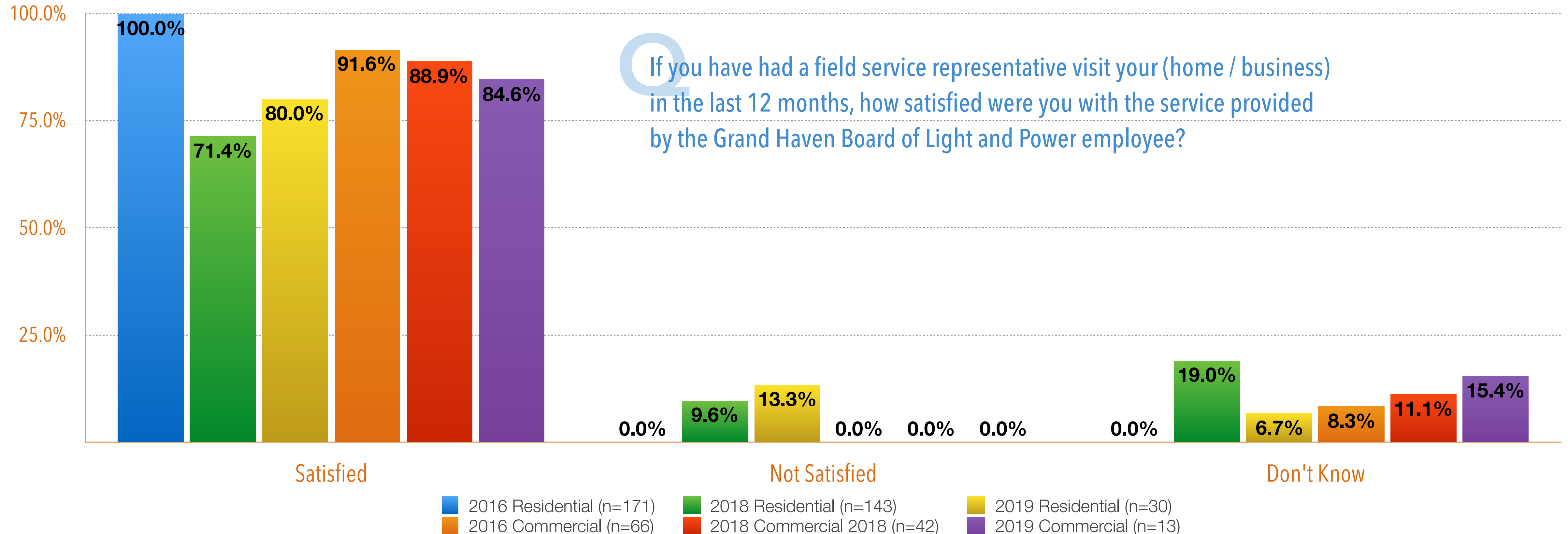
Strong satisfaction with customer service

In 2019, among those respondents that contacted Grand Haven Board of Light and Power's office in the last 12 months, the vast majority of residential customers (92.1%) were either "very satisfied" or "somewhat satisfied" with the service provided by the customer service employee. Notably, all commercial respondents who had contact with customer service (100.0%) were satisfied with the service they received.



Majority satisfied with field service department

An increased frequency of residential respondents who had a field service representative visit their home in the last 12 months were satisfied with the service they received (80.0% in 2019 over 71.4% in 2018). While still high, a lower rate of commercial customers were satisfied with the service provided by GHBLP's field service employee in 2019 (84.6%) compared to 2018 results (88.9%).



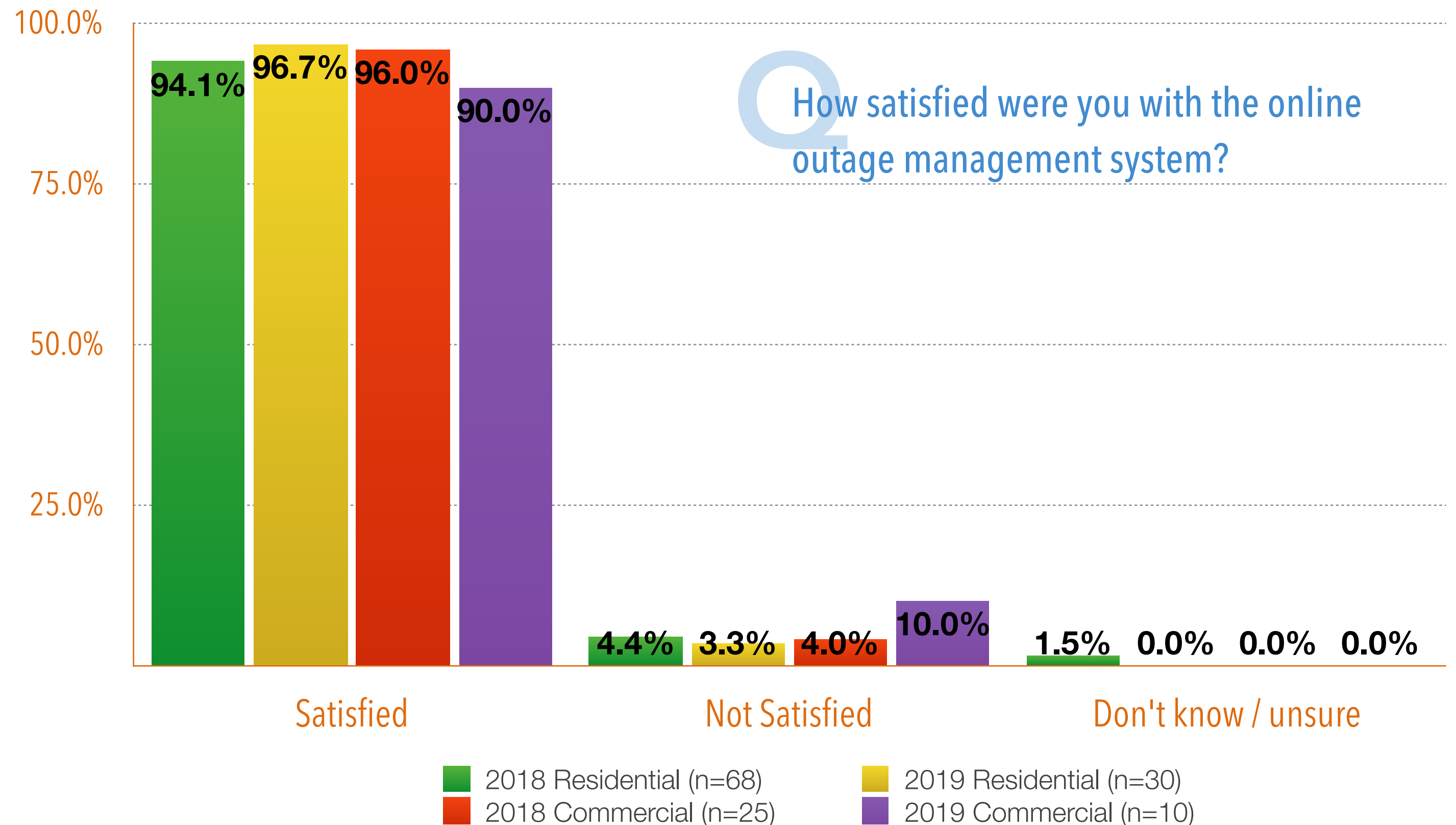
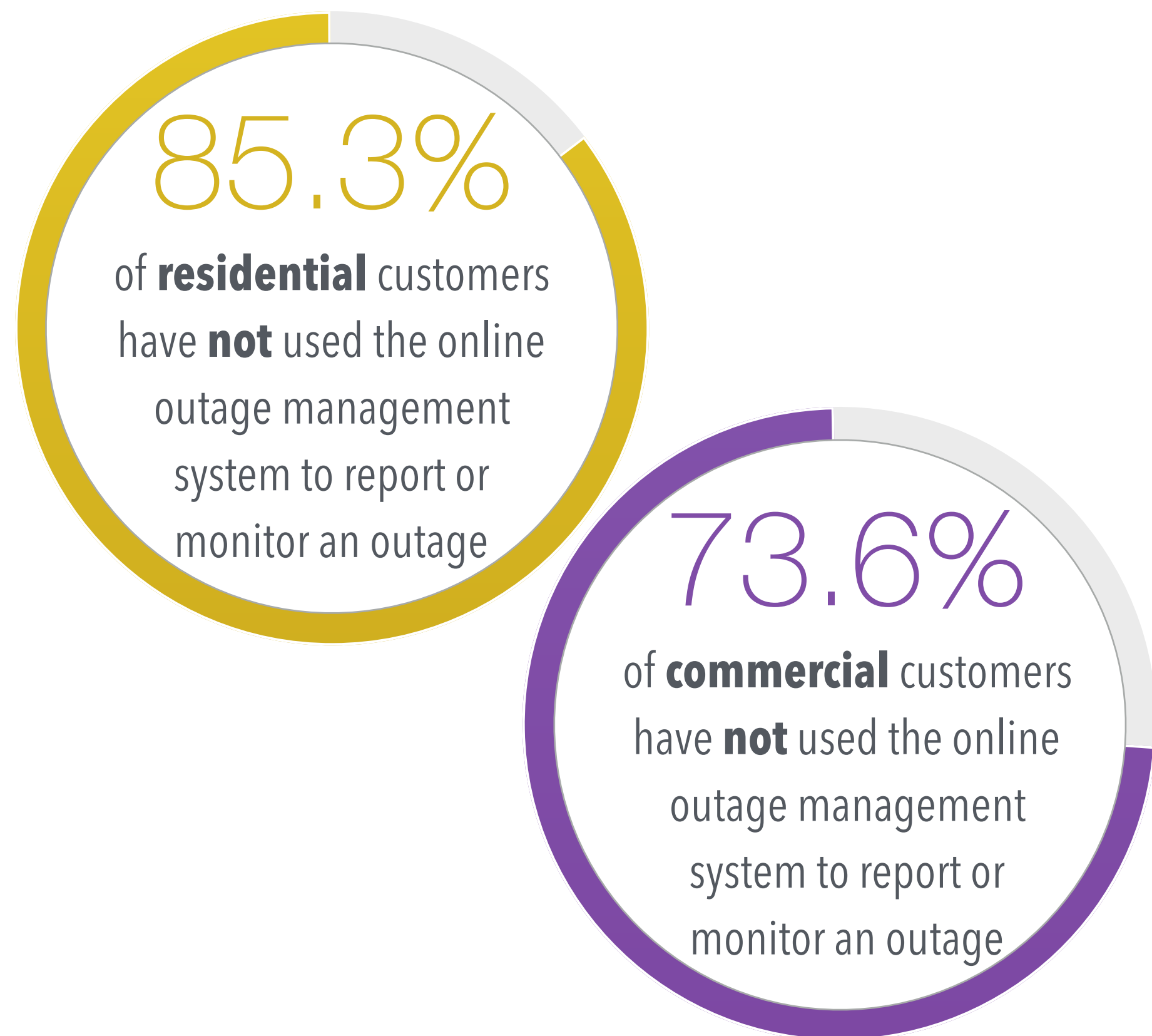
Seek information on bill inserts and website

In 2019, an increased frequency of residential respondents reported a preference to look for information about Grand Haven Board of Light and Power through the utility's bill inserts (37.9% over 21.8% in 2018), while fewer surveyed residential customers reported they prefer to view information on the company's website (29.4% from 42.0% in 2018). While more commercial than residential respondents noted a preference to look for information about GHBLP on the company's website (47.2%), the rate of commercial respondents reporting this preference decreased significantly from 2018 survey results (-18.5 percentage points). An increase in frequency of preference for communication through "direct mail" was recorded among 2019 commercial respondents (+18.3 percentage points over 2019 data).

Preferred communication method...	2016 Residential	2018 Residential	2019 Residential	2016 Commercial	2018 Commercial	2019 Commercial
Bill inserts	26.9	21.8	37.9	12.0	9.3	20.8
Website	49.4	42.0	29.4	44.0	60.7	47.2
Direct mail	13.5	9.0	18.5	16.0	10.0	28.3
Newsletter/brochures	12.5	12.3	12.8	10.0	0.7	1.9
Direct contact	5.0	6.5	7.1	2.7	6.0	5.7
None	3.0	8.3	6.6	6.0	12.7%	7.5

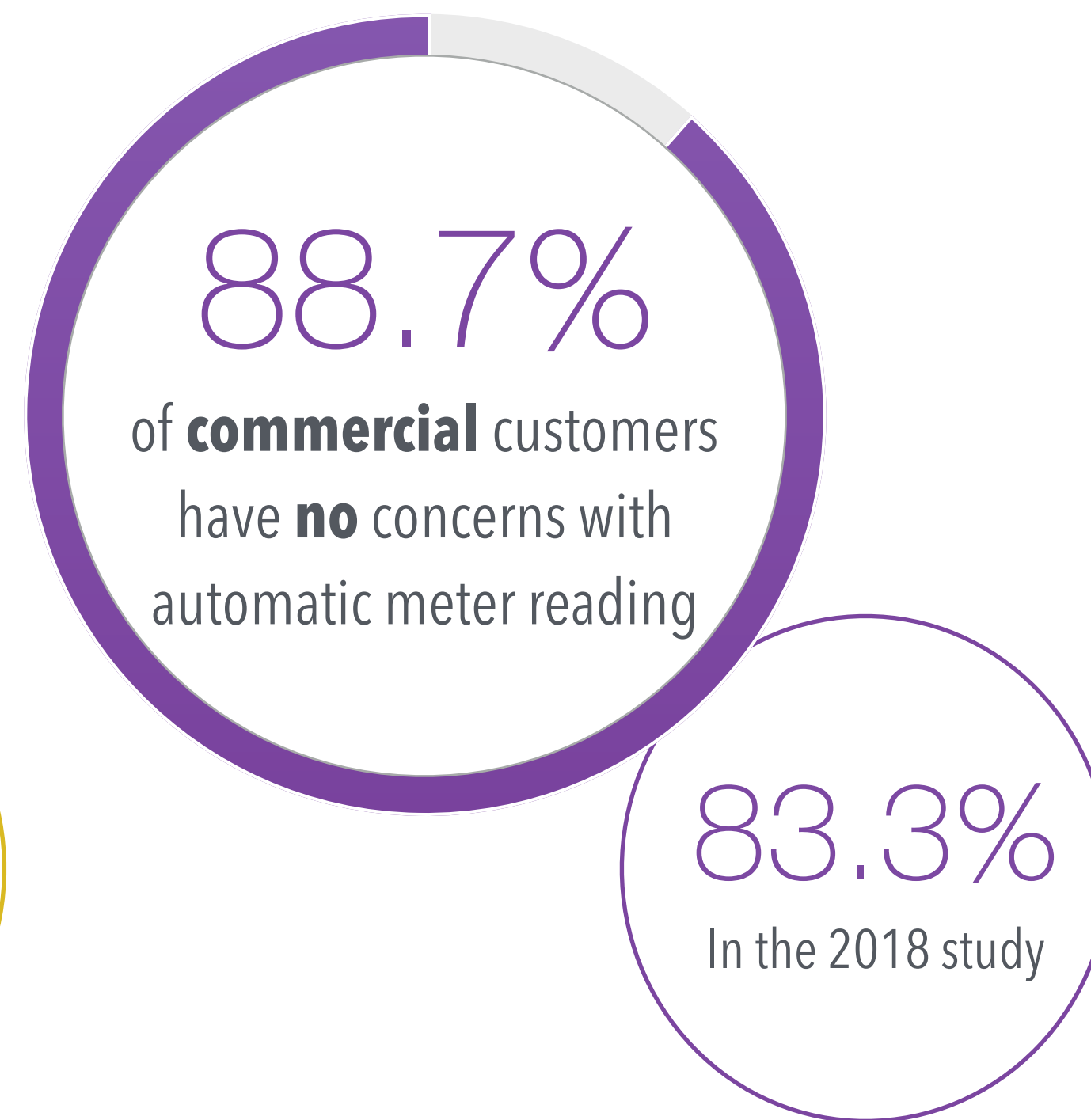
Online outage management system underutilized

Over four-fifths of residential customers surveyed in 2019 (85.3%) have not used Grand Haven Board of Light and Power's online outage management system to report or monitor an outage, while nearly three-quarters of commercial respondents (73.6%) have not used the online outage management system. The vast majority of those residential (96.7%) and commercial (90.0%) respondents who have used the online outage management system are either "very satisfied" or "somewhat satisfied" with this platform.



Most have no concerns regarding AMI

An increased frequency of residential customers surveyed in 2019 (83.4% over 70.8% in 2018) reported having no concerns with automatic meter reading infrastructure. Similarly, more commercial customers surveyed in 2019 (88.7%) have no concerns with AMI than those surveyed in 2018 (83.3%). Concerns among both customer bases regarding AMI include the “price increase,” “accuracy of reading,” “health risks” and “location of meter.”

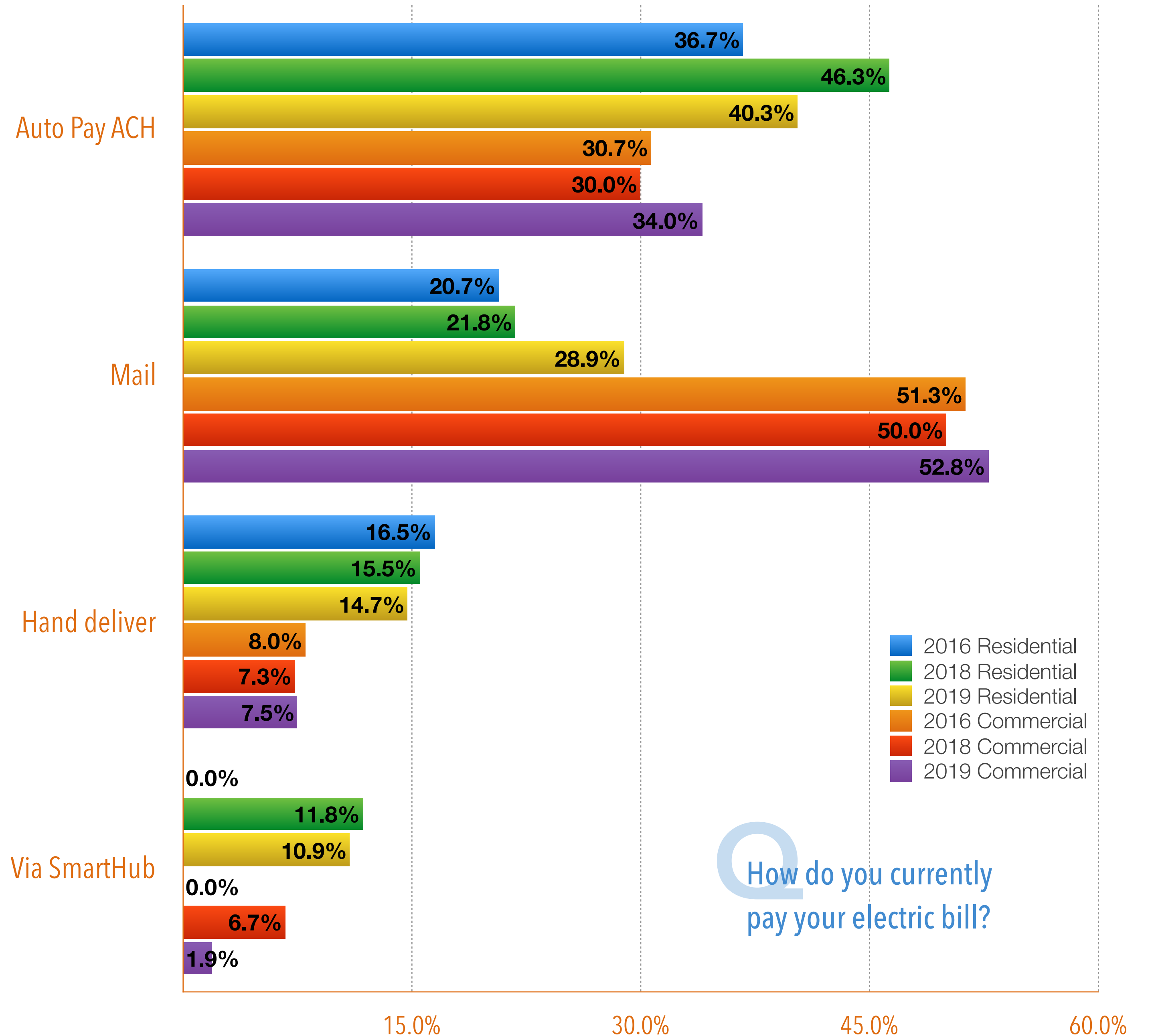


Q What are your concerns with AMI?



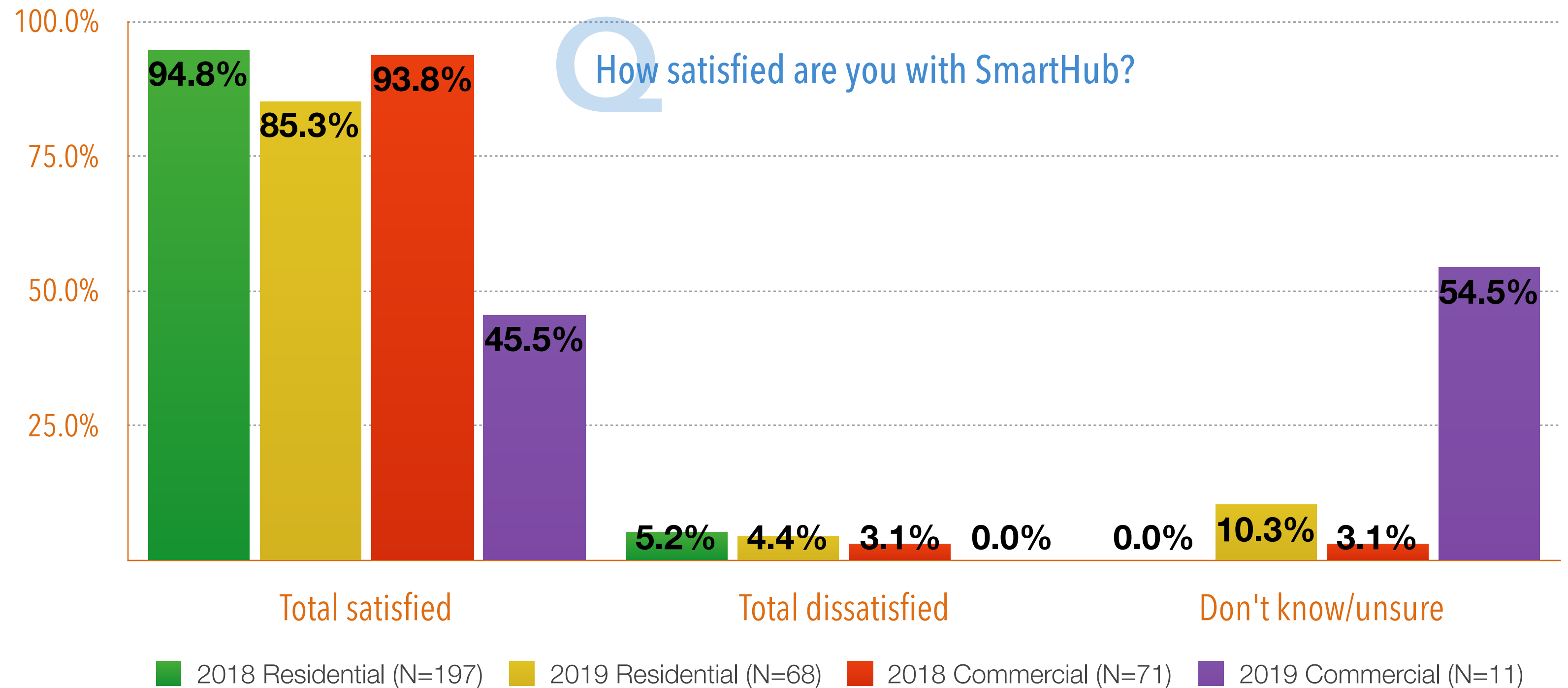
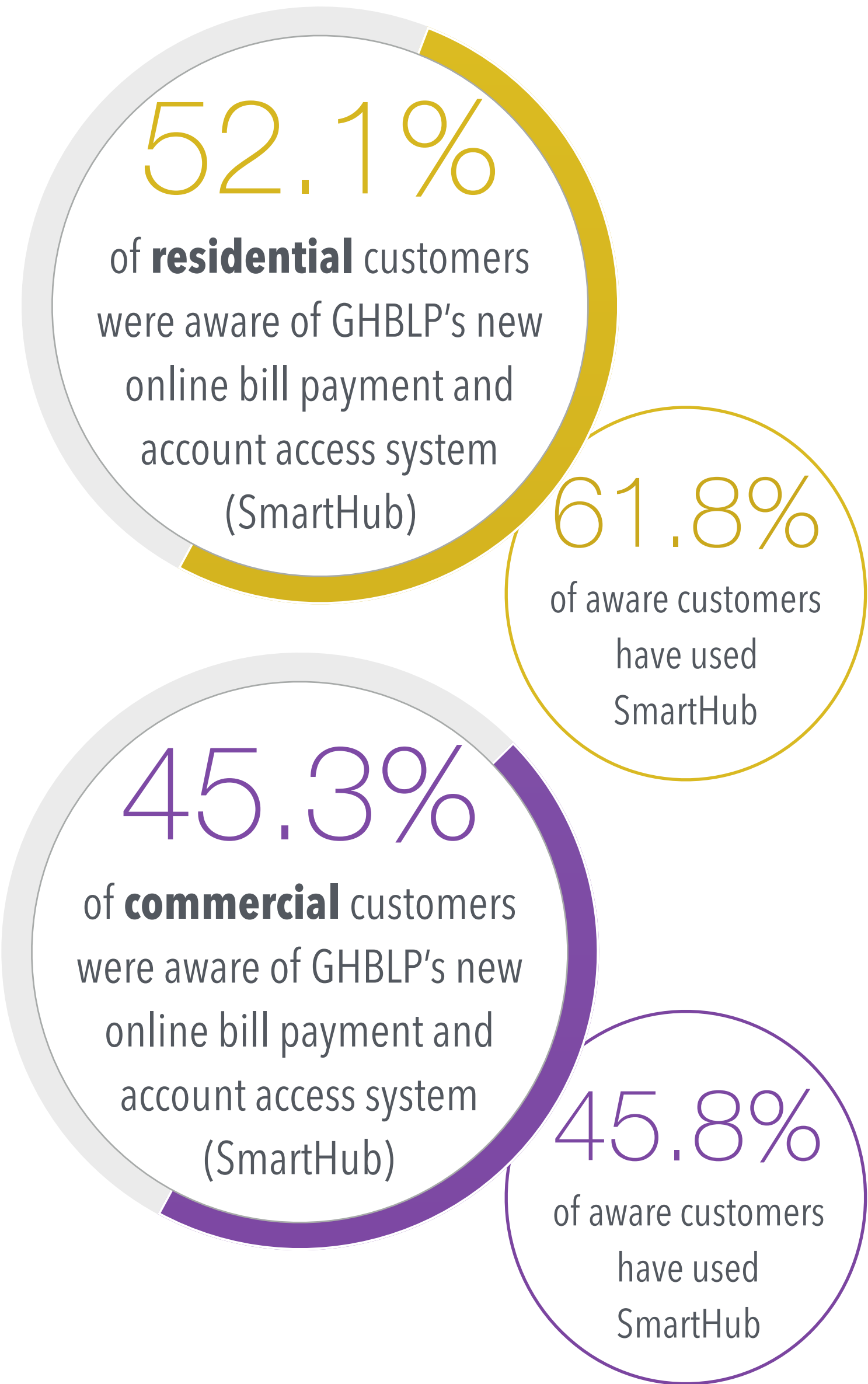
Auto pay/direct mail prevalent payment methods

More residential customers surveyed in 2019 (40.3%) currently pay their electric bill through auto pay ACH than commercial respondents (34.0%). Meanwhile, over one-half of commercial respondents (52.8%) reported paying their electric bill through the mail, compared to more than one-quarter of residential respondents (28.9%) utilizing mail to pay their bill.



SmartHub ratings decline

More residential customers surveyed in 2019 (52.1%) reported awareness of Grand Haven Board of Light and Power's SmartHub platform than commercial respondents (45.3%). Of the 68 residential respondents who have used SmartHub previously, a lower frequency (85.3% from 94.8% in 2018) were satisfied with the platform. Similarly, of the 11 commercial respondents who have used SmartHub, only 45.5% expressed satisfaction with the platform (compared to 93.8% in 2018), while 54.5% were unsure of their satisfaction.

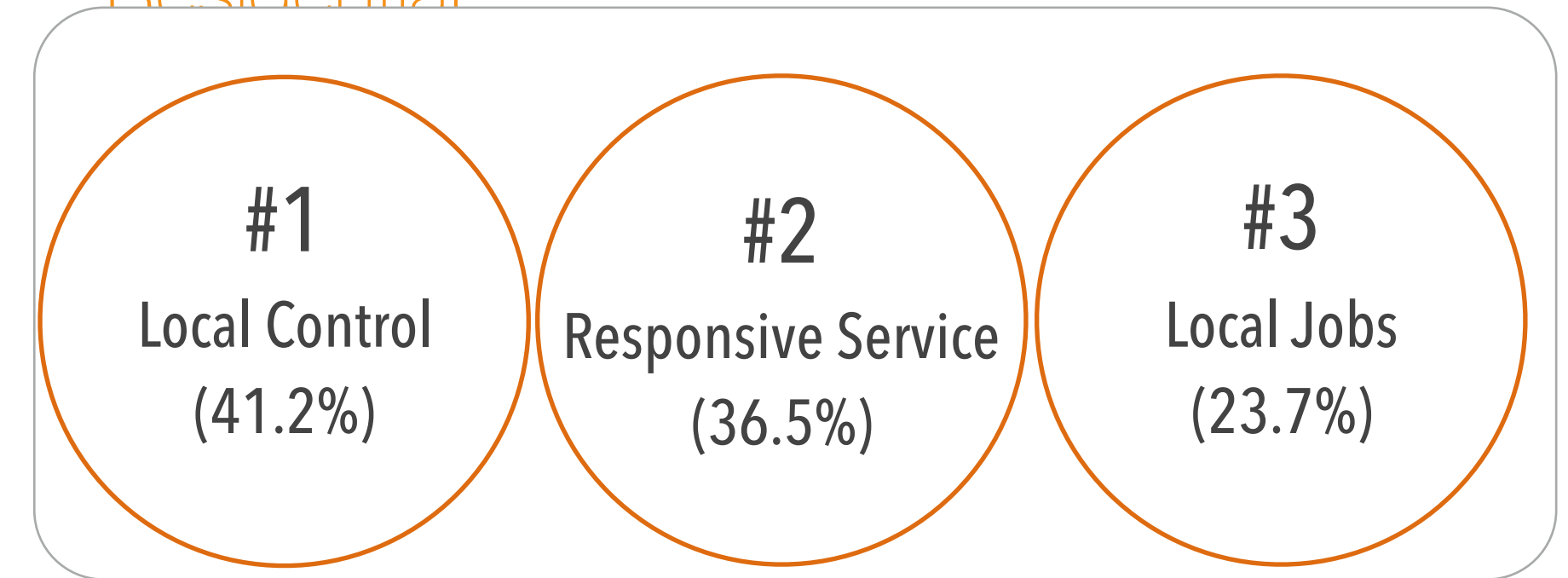


Most aware of ownership

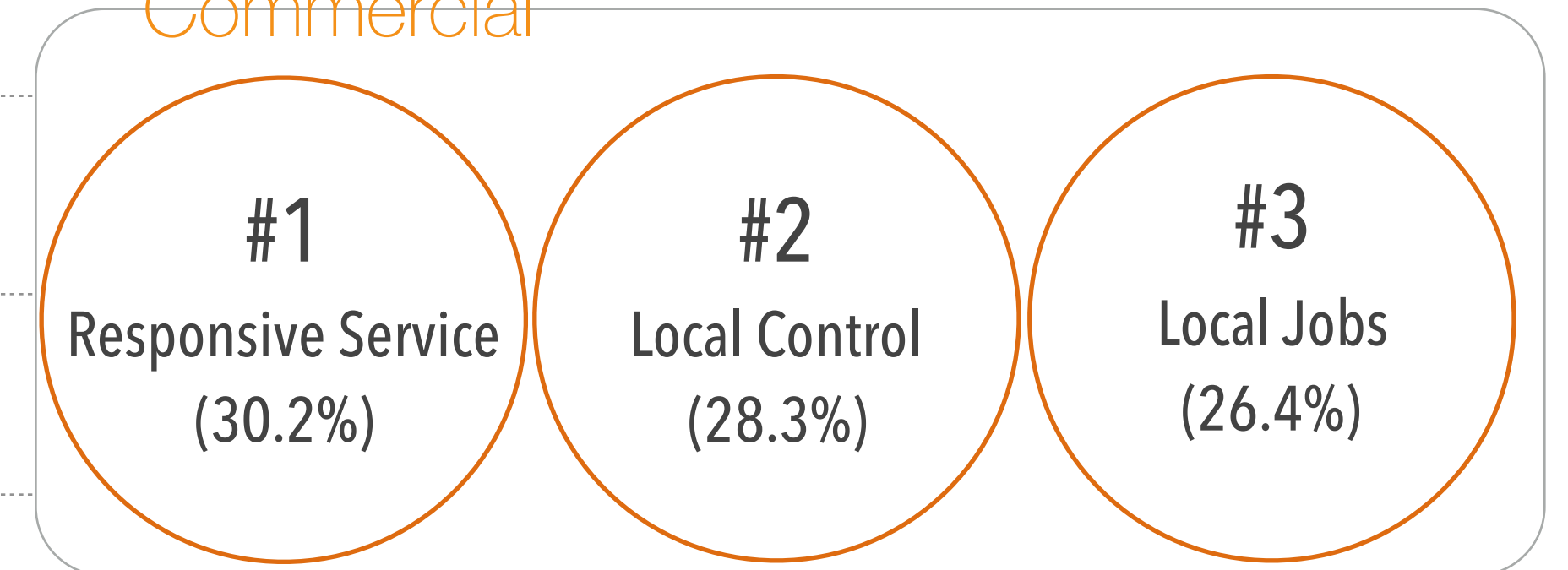
In 2019, fewer residential (71.1% from 78.5% in 2018) and commercial (69.8% from 76.0% in 2018) respondents were aware Grand Haven Board of Light and Power is a “Community Owned Municipal Utility.” This is higher than the national public power average of 62.2%. Perceived benefits of being a customer of a community-owned electric utility among both audiences included local control, responsive service and local jobs.

What would you say is beneficial about being a customer of a community-owned electric utility?

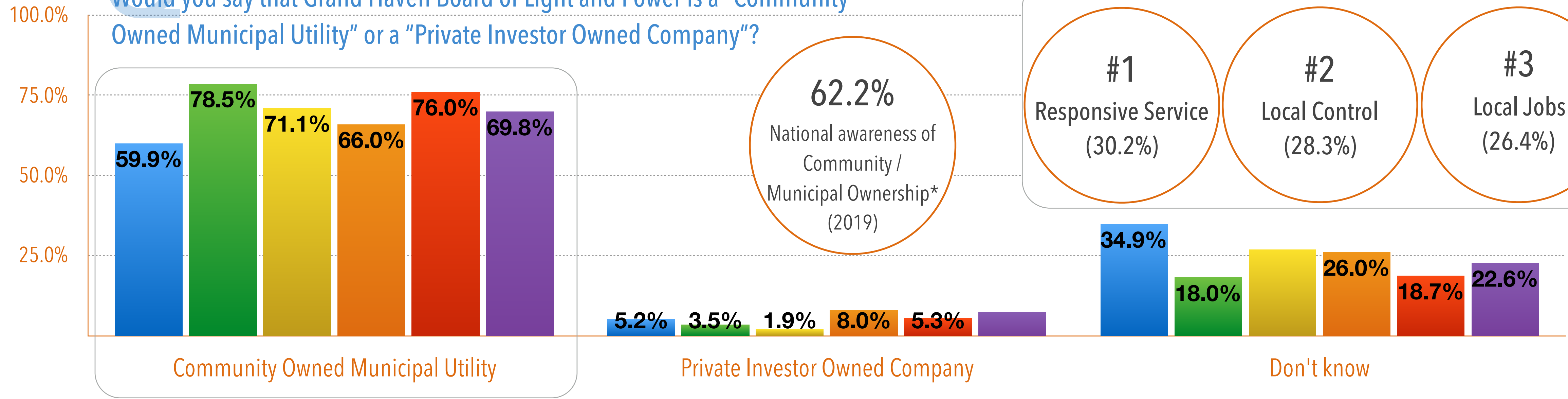
Residential



Commercial



Would you say that Grand Haven Board of Light and Power is a “Community Owned Municipal Utility” or a “Private Investor Owned Company”?



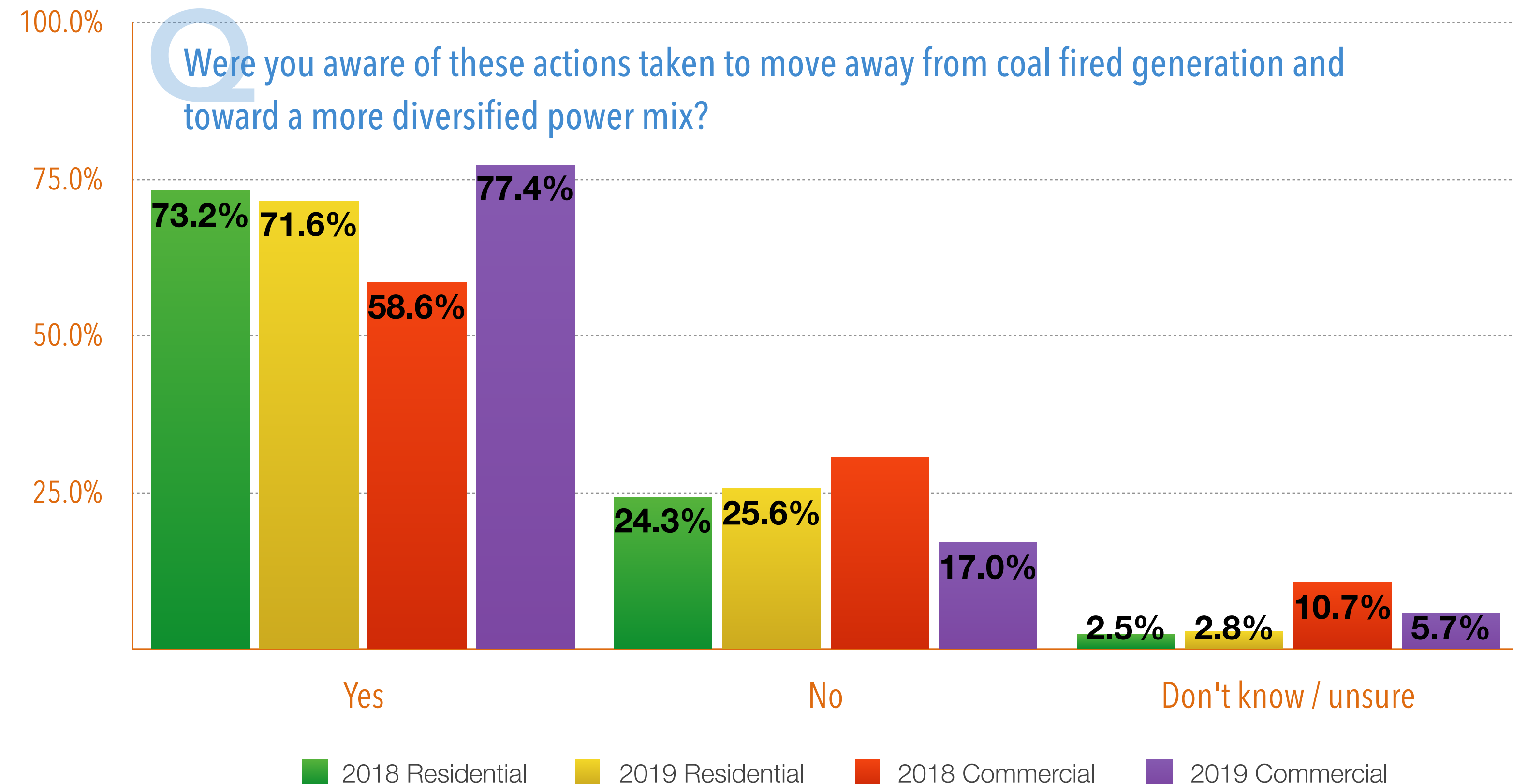
■ 2016 Residential ■ 2018 Residential ■ 2019 Residential ■ 2016 Commercial ■ 2018 Commercial ■ 2019 Commercial

*Source: APPA Public Power Data Source powered by GreatBlue Research, Inc. (December 2019)

Majority aware of diversified power supply efforts

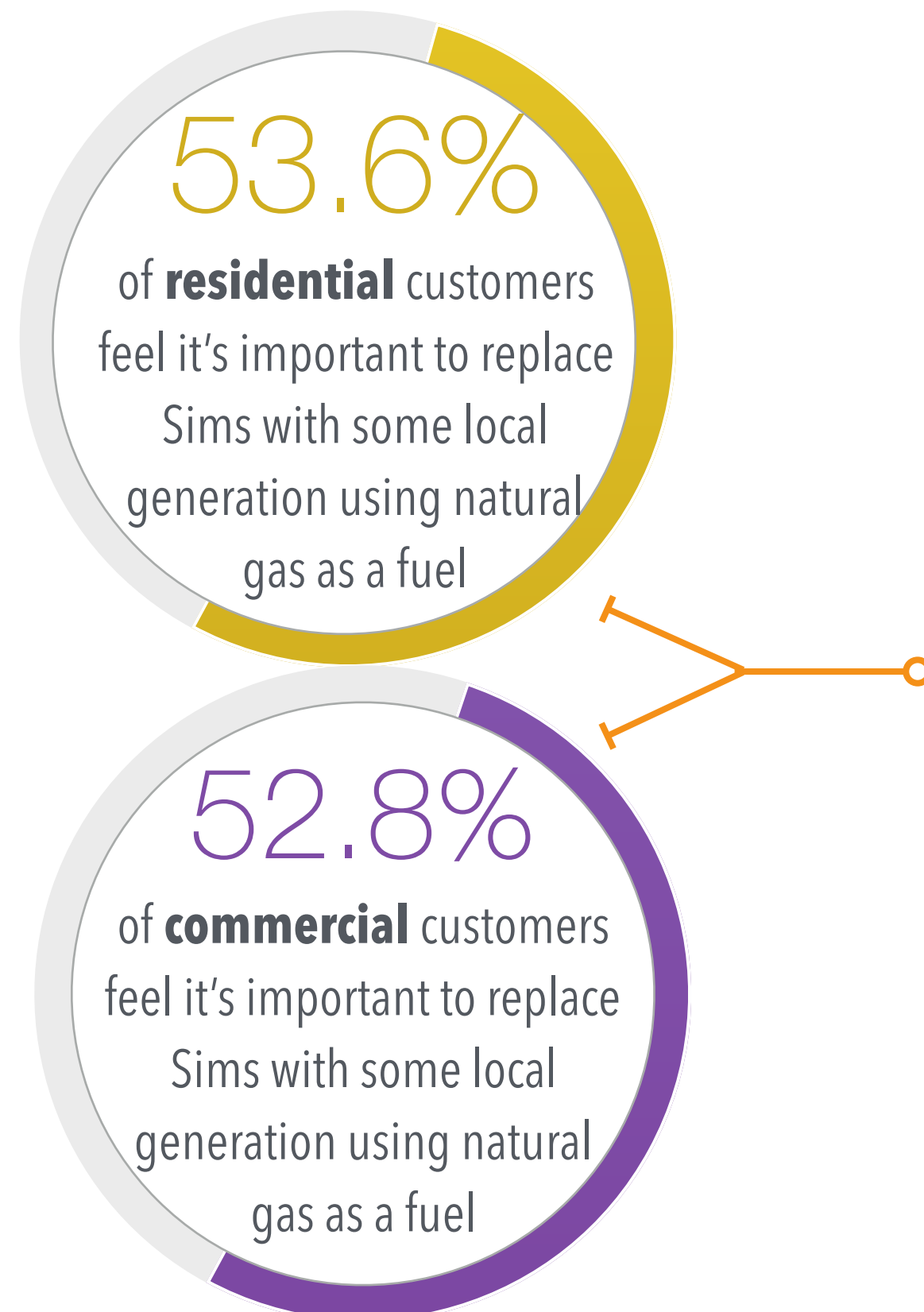
In 2019, an increased frequency of commercial respondents (77.4% over 58.6% in 2018) were aware of Grand Haven Board of Light and Power's actions taken to move away from coal fired generation and toward a more diversified power mix. Further, over seven-out-of-ten residential customers surveyed (71.6%) were also aware of these efforts.

The Board of Light & Power has approved the June 1, 2020 retirements of the coal fired Sims power plant on Harbor Island and the last operational engine at the local Diesel Plant on Harbor Drive. The BLP has also planned to replace these facilities with a more diversified power supply portfolio including a mix of purchased power, renewable energy, and potentially a local natural gas fired generation plant.

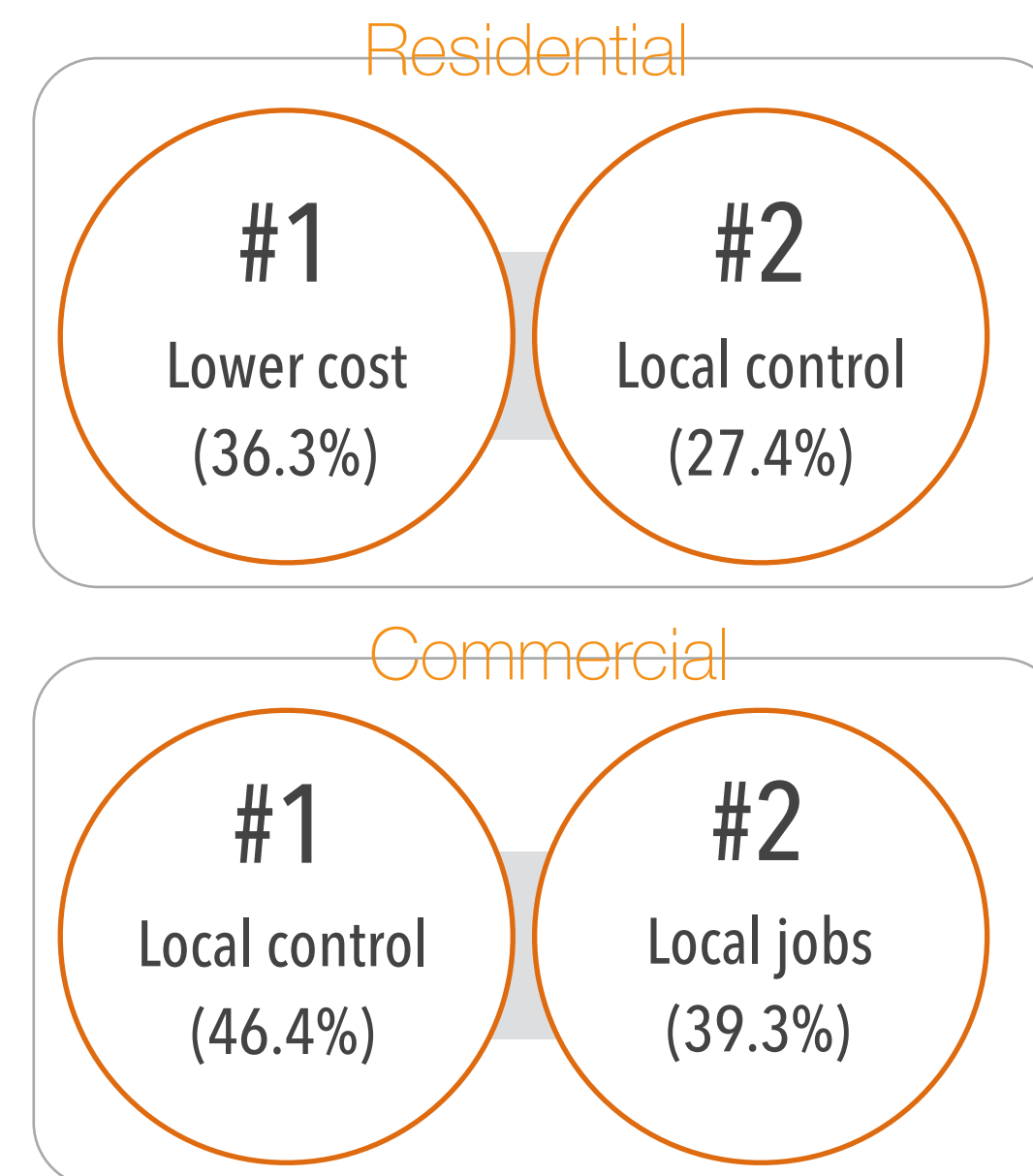


Customers see benefits of local generation

In 2019, over one-half of both residential (53.6%) and commercial (52.8%) respondents reported it is important to replace Sims with some local generation using natural gas as fuel. Residential respondents primarily cited this is because of the lower cost to generate locally (36.3%), while more commercial customers noted the ability to maintain local control (46.4%) and local jobs (39.3%) were reasons to replace Sims with local generation. While over two-fifths of residential (41.6%) and commercial (46.4%) respondents were not willing to pay any additional amount for a local, natural gas plant, over one-half were willing to pay an additional amount under 10% (53.1% residential, 53.6% commercial).



Why do you feel it's important to replace Sims with local generation?

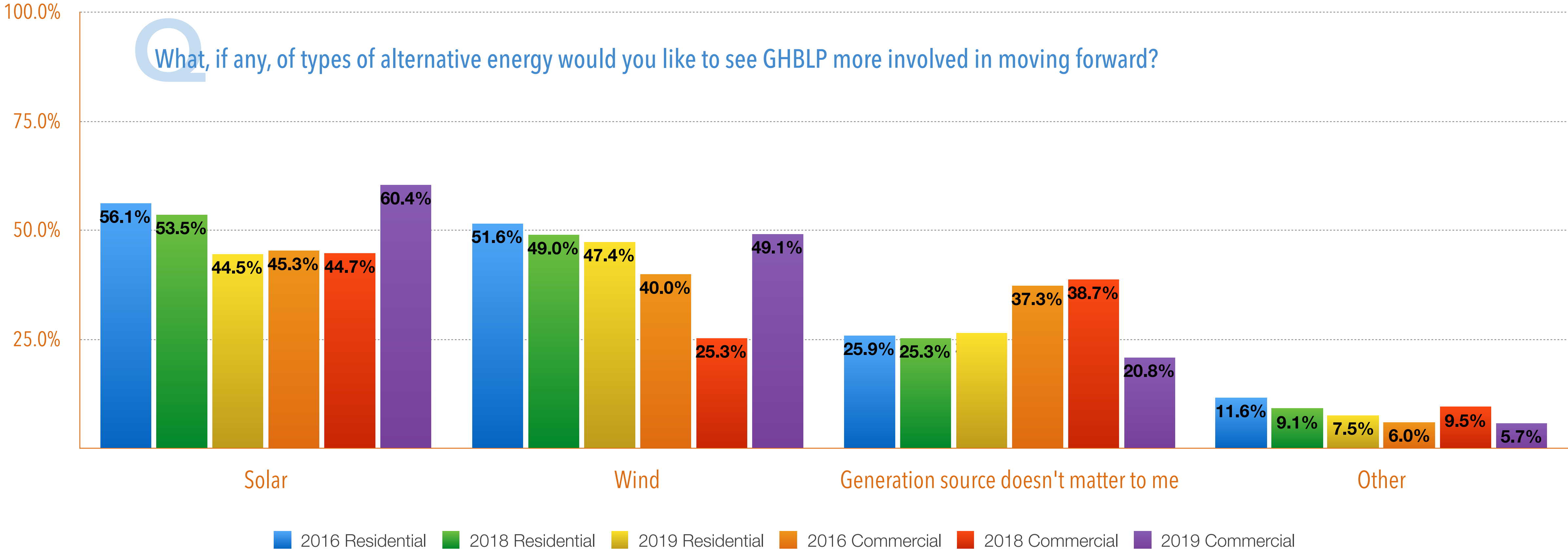


How much more are you willing to pay for a local, natural gas plant?

	2019 Residential	2019 Commercial
0%	41.6	46.4
1 - 4%	36.3	35.7
5 - 9%	16.8	17.9
10 - 14%	4.4	--
15% or more	0.9	--

Commercial customers interested in alternative energy

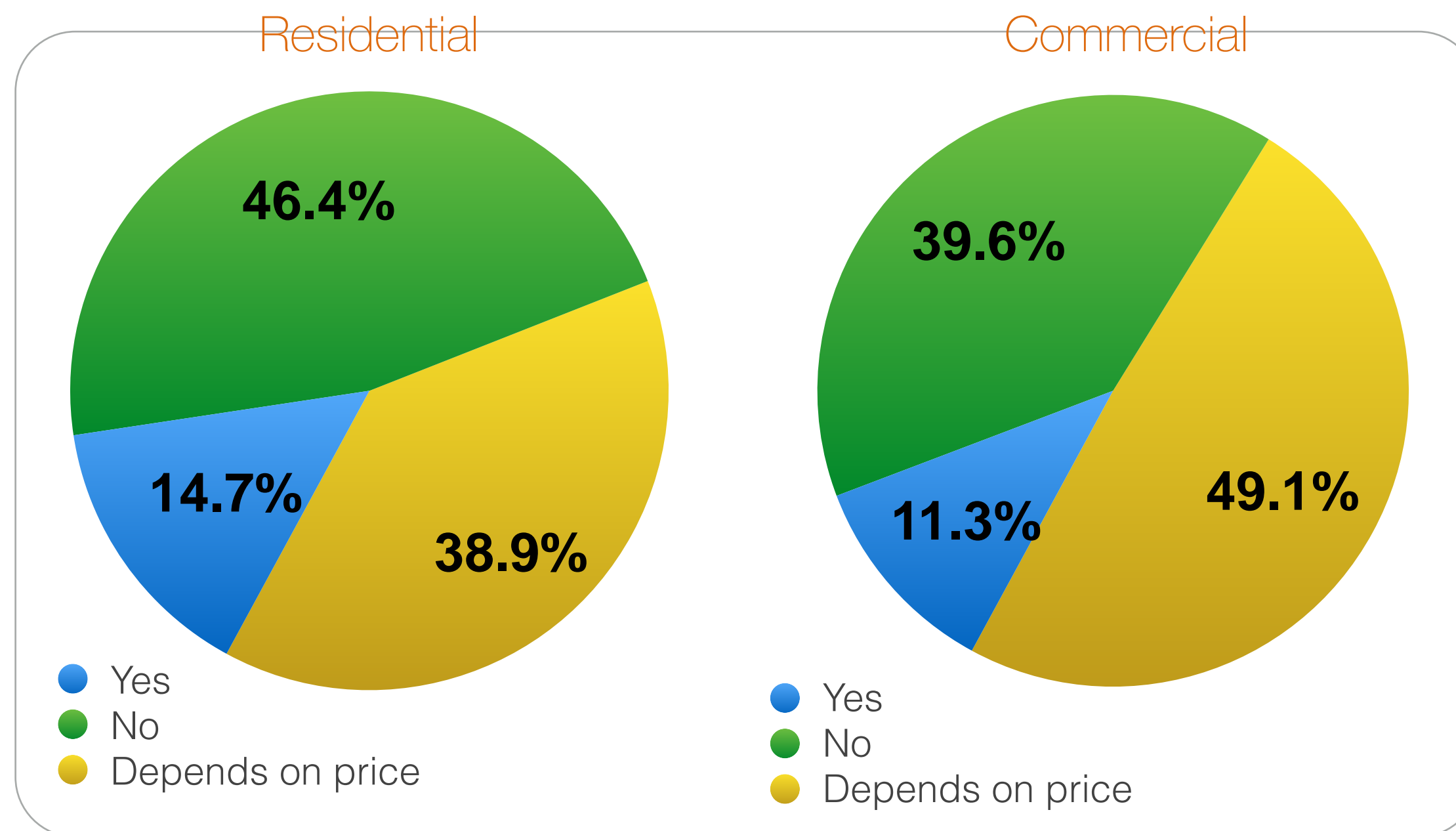
Fewer residential customers surveyed in 2019 would like to see Grand Haven Board of Light and Power more involved in solar energy moving forward (44.5% from 53.5% in 2018). Meanwhile, an increased frequency of commercial respondents would like GHBLP to become more involved in solar energy (60.4% over 44.7% in 2018) and wind energy (49.1% over 25.3% in 2018).



Most unwilling to pay for alternative energy

In 2019, the majority of both residential (46.4%) and commercial (39.6%) respondents reported no interest in Grand Haven Board of Light and Power purchasing additional alternative energy if it was at a higher price than their current cost. Additionally, 38.9% of residential respondents and 49.1% of commercial respondents indicated their interest depends upon the cost. Of those interested in GHBLP purchasing additional alternative energy, more than three-fifths of residential customers (61.9%) and commercial customers (65.6%) surveyed were willing to pay an additional amount less than 10%.

Q Would you be interested in GHBLP purchasing additional alternative energy if it was at a higher price than your current cost?



Q How much more are you willing to pay for additional alternative energy?

	2019 Residential	2019 Commercial
0%	25.7	31.3
1 - 4%	38.9	40.6
5 - 9%	23.0	25.0
10 - 14%	7.1	3.1
15% or more	5.3	--

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Considerations

- **Explore valuable features of online outage management system.** While usage of Grand Haven Board of Light and Power's online outage management system was relatively low among both residential and commercial customers surveyed in 2019, the vast majority of those respondents that do use the platform reported satisfaction with their experience. For this reason, it is recommended that GHBLP gain feedback from satisfied users regarding the outage management system's specific features that are most beneficial to their experience of reporting and tracking outages. This will aid GHBLP in ascertaining which aspects of the outage management system to communicate in any marketing efforts to those customers who are not currently using the platform. To gain such feedback, it may be beneficial to add questions to the next survey instrument as a follow-up for customers who use the outage management system to learn which features they use most frequently and find most valuable.
- **Educate about the value of replacing the Sims power plant.** The majority of residential and commercial customer respondents reported awareness of Grand Haven Board of Light Power's actions to move away from coal fired generation and toward a more diversified power mix by replacing the Sims power plant, yet many respondents did not see the importance of replacing this plant and using natural gas as fuel instead. It is suggested that Grand Haven Board of Light and Power place importance on increasing the knowledge of their customer base regarding the value of natural gas generation over coal fired generation to increase support for the upcoming retirement of the Sims power plant. By educating customers about the value of natural gas generation and benefits this will ultimately bring to GHBLP's customers, more customers may develop an understanding of the importance of replacing the Sims power plant and support its retirement.

Considerations

- **Perform UX Testing of SmartHub.** Fewer customers surveyed in 2019 reported satisfaction with Grand Haven Board of Light and Power's SmartHub platform than in previous years. In order to increase both usage of this platform and satisfaction with the experience of using SmartHub, GHBLP may consider conducting a "UX" (or "user experience") test of SmartHub. In a UX test, participants are asked to navigate a series of tasks on a website to mimic a customer's typical experience navigating the program. Through such a test, GHBLP will be able to identify any obstacles or painpoints customers have while navigating the website to determine if any areas of dissatisfaction or reasons for not using SmartHub pertain to issues with functionality and ease of use of the platform itself. This will help GHBLP to ascertain any improvements that should be made to SmartHub to improve its functionality and optimize the platform to provide a positive experience for customers. Modifying features of the SmartHub as necessary may ultimately increase satisfaction for those customers already using the platform, and may encourage more customers to use SmartHub moving forward.

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