



Western
Area Power
Administration

Customer Services Survey Results

May 2016



Background

- In December, Western sent out a survey to 857 customers, customer representative organizations and generating agencies, across all of Western's regions, to seek their input in understanding their needs and how to best continue on our pathways of business, technology, and organizational excellence.
- The survey closed on January 5, 2016, and Western received 123 total responses (response rate: 14.35%)
 - 64 complete
 - 59 partial
- All 123 responses are included in the results.



Survey Questions Categories

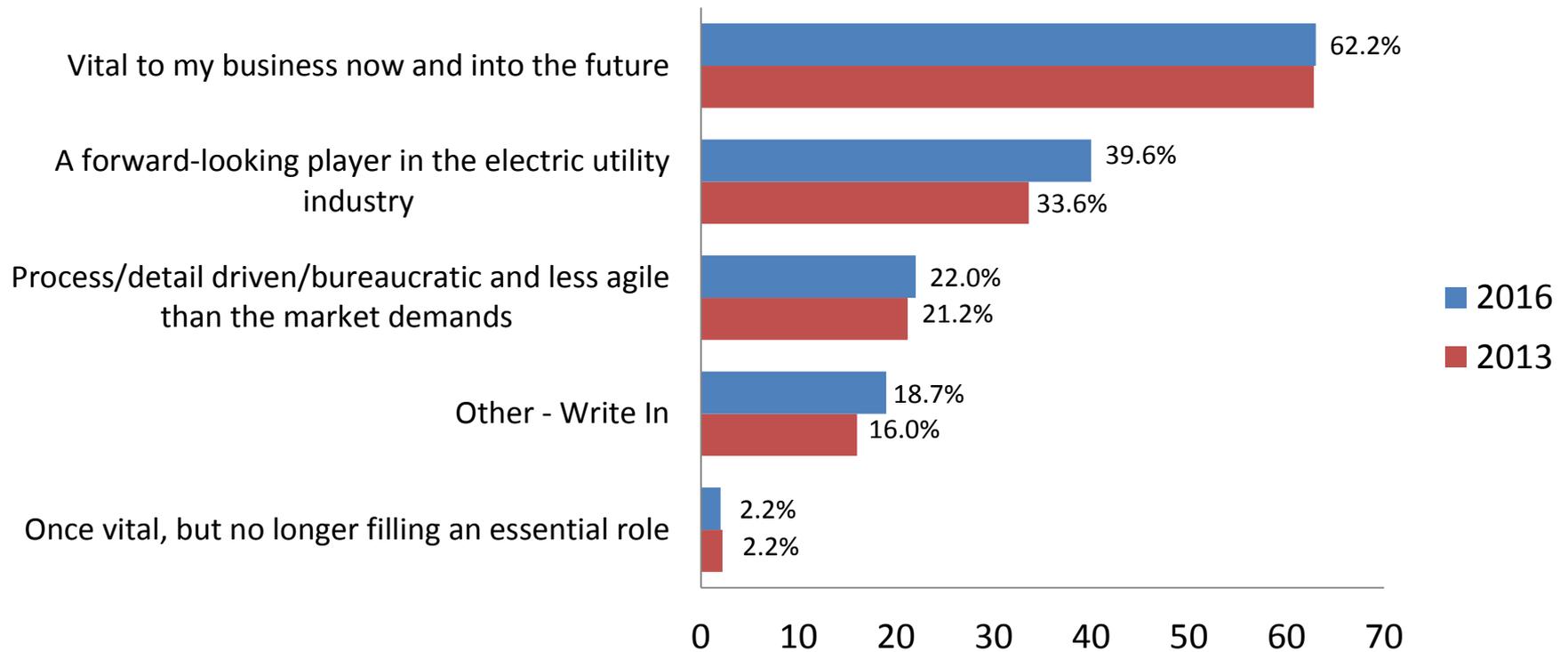
- The survey covered 10 question areas with several questions in each area. The question areas included:
 - Western’s role/positioning in the electric utility industry; now and in the future
 - Importance of services provided by Western to its customers
 - Usage of services and Western’s performance in delivering those services
 - Critical issues facing the electric utility industry
 - Western’s Asset Management Initiative – feedback on initiative and customer collaboration
 - Customer demographics
- Western performed a survey in 2013 to inform the development of its Roadmap. Where questions were repeated, previous data is included here.



Survey Results by Question



1. Currently, I would characterize Western as:



Based on 91 responses.

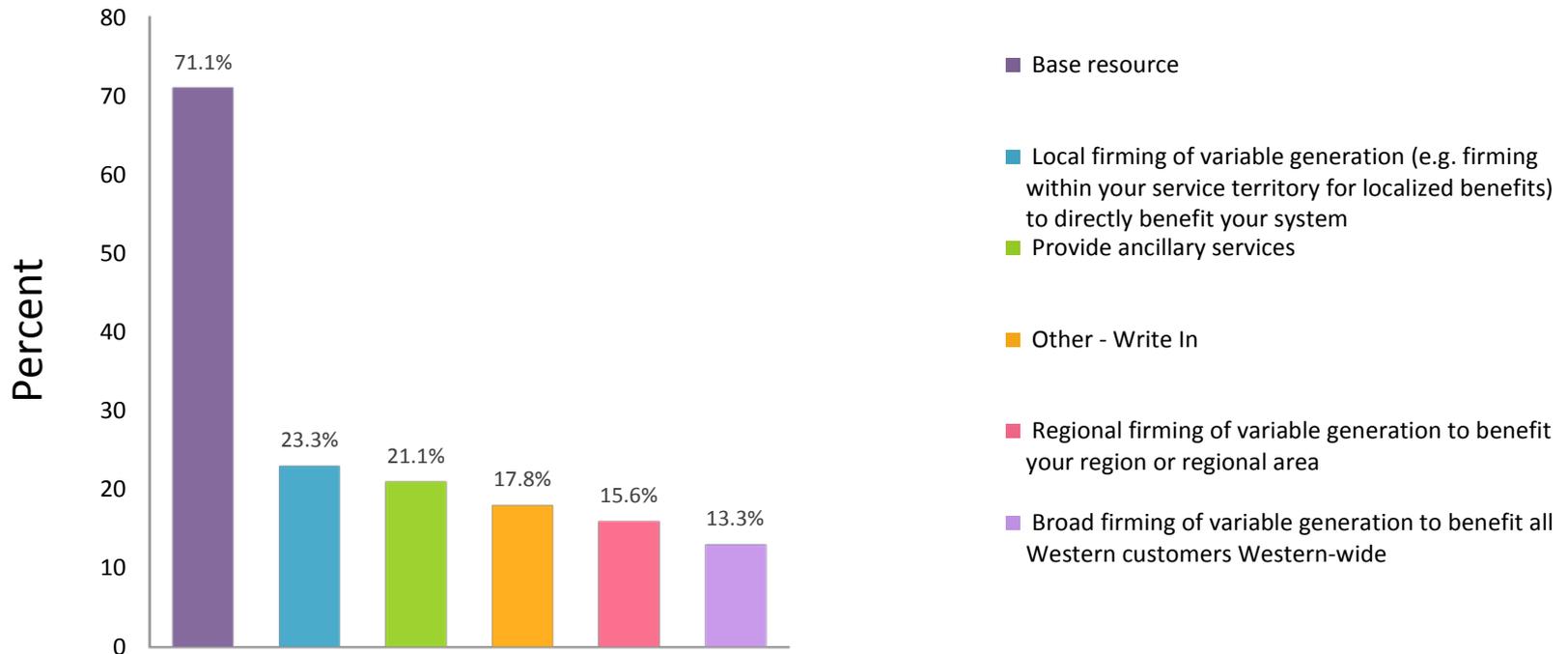


1. Other – Write In (Summary)

- Need to focus on core statutory mission (7)
- Vital to customers today, but unlikely to remain so in the future. This is primarily due to: (5)
 - Changing electric utility industry landscape in the Western United States
 - Unresponsive to customers' business interests and needs
- Customer centric and forward looking (3)
- More communication with customers to be able to better respond to their needs (2)
- Focused on delivering Federal hydropower to its customers at low and cost based rates (1)
- Incorporating collaborative work with customers (1)



2. Near-term, Western hydropower is best used as:



Based on 90 responses.

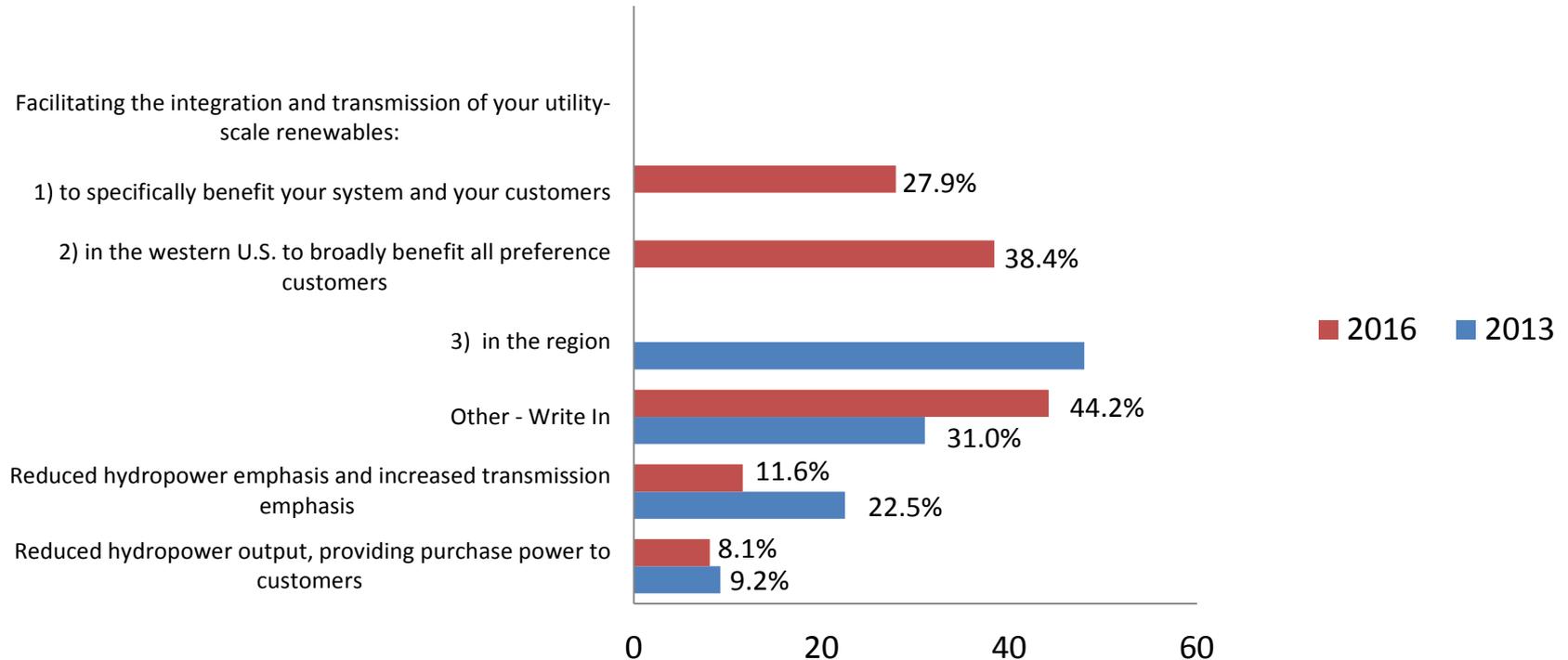


2. Other - Write in (Summary)

- A load following resource that provides most value for: (5)
 - Base resource
 - Ancillary services such as regulation
 - Firming capacity
- Low cost carbon free resource (4)
- Western should offer its resources in the market to offset costs. (2)
- Vital resource to Tribal customers (2)
 - Assist with development/integration of renewable energy resources
- Use of Western's resources varies by its regions. (1)



3. If Western were to look different in 2025, it may include:



Based on 86 responses.



3. Other – Write In

- Refocus on statutory obligations and don't deviate unless dictated by Congress. (16)
- Provide low-cost hydro electric power and transmission to preference customers. (11)
- Protect and promote hydro-generation as a renewable baseload resource. (4)
 - Continue to provide a good mix of energy resources
- Recognize diversity in customer base. (2)
 - Be demonstrably responsive to both existing and new customers' needs.
- Transmission: (2)
 - Do not expand transmission; let customers handle transmission and other functions such as metering
 - Play active role in the transmission planning process
- Adhere to principle of “beneficiary pays.” (1)
- Assist Tribal customers with development of energy resources. (1)



4. Importance of services provided by Western to its customers

and

5. Usage of services and Western's performance in delivering those services to its customers



4 & 5 (a). Energy Portfolio and Buy/Sell Services:

Importance Of Service							Use of Service and Western's Performance	
Services (no. of responses)	Very important	Important	Neutral	Not very important	Not at all important	Don't know/Not applicable	% of Respondents using this service (No. of Respondents 72) *	Western's Performance (Weighted Average Scale of 4.0)
Generation bid/sell (76)	14.50%	32.90%	13.20%	7.90%	21.10%	10.50%	6.90%	3.40
Buy/sell transmission (75)	18.70%	34.70%	14.70%	6.70%	14.70%	10.70%	22.20%	3.20
Purchase power (75)	26.70%	30.70%	9.30%	9.30%	14.70%	9.30%	55.60%	3.18
Scheduling coordination (76)	34.20%	31.60%	10.50%	3.90%	11.80%	7.90%	26.40%	3.16
Portfolio management/resource strategies (77)	16.90%	31.20%	13.00%	7.80%	20.80%	10.40%	6.90%	3.60
Load/resource analysis (75)	20.00%	34.70%	8.00%	8.00%	22.70%	6.70%	11.10%	3.57
Renewable Energy Credit (REC) purchases (75)	8.00%	32.00%	20.00%	5.30%	25.30%	9.30%	8.30%	3.00
Renewables purchases (76)	14.50%	23.70%	18.40%	7.90%	27.60%	7.90%	6.90%	3.60
Purchase power strategies (77)	22.10%	33.80%	10.40%	5.20%	19.50%	9.10%	9.70%	3.20
Market assessments (77)	15.60%	31.20%	13.00%	9.10%	20.80%	10.40%	5.60%	3.25
Congestion analysis (76)	14.50%	30.30%	21.10%	7.90%	15.80%	10.50%	8.30%	3.20
Energy exchanges / displacement (76)	22.40%	39.50%	10.50%	10.50%	7.90%	9.20%	18.10%	3.00

*Use of Service and Western's Performance: Out of the 72 respondents, 70.8% use the Energy Portfolio and Buy/Sell Services.

< =10.99% > =20% > =25%



4 & 5 (b). Operations and Transmission Services

Importance Of Service							Use of Service and Western's Performance	
Services (no. of responses)	Very important	Important	Neutral	Not very important	Not at all important	Don't know/Not applicable	% of Respondents using this service (No. of Respondents 66) *	Western's Performance (Weighted Average Scale of 4.0)
Balancing Authority functions (76)	26.30%	36.80%	13.20%	5.30%	7.90%	10.50%	39.40%	3.00
Transmission Operator functions (76)	34.20%	35.50%	10.50%	3.90%	6.60%	9.20%	24.20%	3.31
Transmission planning (76)	32.90%	36.80%	14.50%	5.30%	3.90%	6.60%	22.70%	2.93
Reliability coordinator (76)	26.30%	30.30%	18.40%	1.30%	13.20%	10.50%	13.60%	3.11
Transmission service provider (75)	36.00%	40.00%	9.30%	1.30%	5.30%	8.00%	48.50%	2.84
Path operations (76)	18.40%	39.50%	19.70%	1.30%	10.50%	10.50%	7.60%	3.00

*Use of Service and Western's Performance:
Out of the 66 respondents, 62.1% use the Operations/Transmission Services.

< =10.99%	> =20%	> =25%
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4 & 5 (c). Contract Administration Services

Importance Of Service							Use of Service and Western's Performance	
Services (no. of responses)	Very important	Important	Neutral	Not very important	Not at all important	Don't know/Not applicable	% of Respondents using this service (No. of Respondents 66) *	Western's Performance (Weighted Average Scale of 4.0)
Bill crediting and net billing (76)	23.70%	38.20%	23.70%	2.60%	6.60%	5.30%	31.80%	3.00
Advanced funding for capital projects (76)	23.70%	38.20%	22.40%	3.90%	6.60%	5.30%	16.70%	2.64
Facilitation of multi-party agreements (76)	25.00%	38.20%	21.10%	2.60%	7.90%	5.30%	28.80%	3.29

*Use of Service and Western's Performance:

Out of the 66 respondents, 53% use the Contract Administration Services.

< =10.99%	> =20%	> =25%
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4 & 5 (d). Regulatory Compliance Services

Importance Of Service							Use of Service and Western's Performance	
Services (no. of responses)	Very important	Important	Neutral	Not very important	Not at all important	Don't know/Not applicable	% of Respondents using this service (No. of Respondents 64)	Western's Performance (Weighted Average Scale of 4.0)
Reliability compliance (76)	31.60%	36.80%	14.50%	1.30%	11.80%	3.90%	9.40%	3.83
Cyber security (76)	44.70%	21.10%	15.80%	2.60%	11.80%	3.90%	6.30%	3.75
Risk management (76)	19.70%	35.50%	19.70%	1.30%	17.10%	6.60%	3.10%	3.50
Environmental services (76)	19.70%	34.20%	21.10%	3.90%	14.50%	6.60%	4.70%	4.00

*Use of Service and Western's Performance:
Out of the 64 respondents, 12.5% use the Regulatory Compliance Services.

< =10.99%	> =20%	> =25%
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4 & 5 (e). Maintenance and Construction Services

Importance Of Service							Use of Service and Western's Performance	
Services (no. of responses)	Very important	Important	Neutral	Not very important	Not at all important	Don't know/Not applicable	% of Respondents using this service (No. of Respondents 64) *	Western's Performance (Weighted Average Scale of 4.0)
Construction / construction management (76)	18.40%	32.90%	19.70%	9.20%	11.80%	7.90%	7.80%	2.20
Maintenance Western provides for others (76)	14.50%	30.30%	27.60%	9.20%	10.50%	7.90%	23.40%	3.33
Construction planning/design (75)	22.70%	34.70%	14.70%	9.30%	13.30%	5.30%	9.40%	2.33
Crews for emergency restoration (76)	32.90%	38.20%	17.10%	3.90%	3.90%	3.90%	17.20%	3.45
Equipment and supplies sharing (76)	18.40%	40.80%	18.40%	9.20%	10.50%	2.60%	15.60%	3.56

*Use of Service and Western's Performance:

Out of the 64 respondents, 35.9% use the Maintenance & Construction Services.

< =10.99%	> =20%	> =25%
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4 & 5 (f). Training

Importance Of Service							Use of Service and Western's Performance	
Services (no. of responses)	Very important	Important	Neutral	Not very important	Not at all important	Don't know/Not applicable	% of Respondents using this service (No. of Respondents 65) *	Western's Performance (Weighted Average Scale of 4.0)
Energy efficiency (76)	7.90%	35.50%	22.40%	10.50%	14.50%	9.20%	10.80%	3.33
Integrated Resource Planning (IRP) (76)	13.20%	36.80%	15.80%	11.80%	15.80%	6.60%	15.40%	3.10
Fall protection (74)	14.90%	18.90%	23.00%	13.50%	16.20%	13.50%	3.10%	3.00
Risk management (74)	14.90%	32.40%	13.50%	10.80%	16.20%	12.20%	4.60%	3.67
Switchman (76)	11.80%	26.30%	19.70%	10.50%	11.80%	19.70%	12.30%	3.63
Merchant functions (75)	4.00%	29.30%	24.00%	10.70%	14.70%	17.30%	6.20%	3.50
Electric Power Training Center (EPTC) (74)	9.50%	27.00%	25.70%	9.50%	13.50%	14.90%	4.60%	4.00
Dispatcher continuing education (NERC certification) (76)	13.20%	19.70%	25.00%	7.90%	15.80%	18.40%	3.10%	4.00
Purchase power strategies (75)	17.30%	29.30%	14.70%	12.00%	16.00%	10.70%	6.20%	4.00
Project development assistance (distribution level) (76)	9.20%	23.70%	18.40%	15.80%	15.80%	17.10%	0.00%	0.00
Open Access Transmission Tariff (OATT) compliance (75)	21.30%	29.30%	21.30%	8.00%	10.70%	9.30%	7.70%	3.40
Grounding (76)	15.80%	23.70%	21.10%	9.20%	14.50%	15.80%	3.10%	3.50
Regulatory compliance (76)	22.40%	28.90%	14.50%	7.90%	13.20%	13.20%	7.70%	4.00
Asset management (76)	10.50%	25.00%	23.70%	13.20%	13.20%	14.50%	3.10%	3.50

* Use of Service and Western's Performance: Out of the 65 respondents, 36.9% use the Training Services.

< =10.99%	> =20%	> =25%
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6. Critical Issues For The Electric Utility Industry Over The Next Three Years

Top 5 responses:

2016 Survey	2013 Survey
1. Increasing regulatory compliance related to energy and the environment (e.g., FERC, NERC, Endangered Species Act, Clean Air Act/Section 111(d), EPA regulations, etc.)	1. Managing a more complex transmission grid
2. Cyber security	2. Availability of additional Federal transmission capacity development
3. Coal plant closures	3. Corporate financial stability, including ability to increase rates
4. Aging infrastructure	4. Transmission Reliability
5. Transmission reliability	5. Aging infrastructure

Note: This question was the same in both the surveys. However, some of the answer options in the surveys were different.



6. Other – Write In

- Impact of environmental regulations (3)
 - Shutting down baseload coal units and replacing them with intermittent renewables and gas combustion turbines
 - Over emphasis on intermittent renewables and their adverse impact on cost and reliability
- Ensuring Western stays aligned with its core mission (1)
- Reduced affordability of electricity for consumers (1)
- Transmission costs (1)
- Western cost controls (1)



Asset Management: Questions 7 & 8

7. Check all the statements that apply to your knowledge of Western's Asset Management Program *(based on 79 respondents)*.

- 55.2% have been briefed on why Western has a formal Asset Management program
- 23.9% are familiar with industry standard ISO 55000 for Asset Management
- 38.8% are not aware of Western's Asset Management Program

8. Expectations regarding Western's Asset Management program and suggestions for improvement.

- Use of capital expenditures to achieve long – term system reliability and lower costs. (6)
- Utilize best practices to manage assets. (2)
- Better manage resources and use data and benchmarking criteria to drive decisions. (2)
- Address regional issues first before addressing Western-wide and national energy policies. (2)
- Enable to quickly assess possible disruption and take appropriate action to maintain reliability. (1)
- Adhere to principle of “beneficiary pays.” (1)
- Critical assets requiring attention need to be replaced first; rather than basing replacement decisions solely on the age of the asset. (1)
- Co-ordinate with customers. (1)



Asset Management: Question 9 (a & b)

9. Do you currently have or are you planning a formal transmission system asset management program? (based on 67 respondents)

- 13.4% said “Yes”
- 53.7% said “No”
- 32.8% said “N/A”

9a. Are you aligning your formal transmission asset management program with ISO 55000? (based on 8 respondents)

- 25% said “Yes”
- 25% said “No”
- 50% said “I don’t know”

9b. Would you like to collaborate or share your formal transmission system asset management program information with Western? (based on 7 responses)

- 42.9% said “Yes”
- 57.1% said “No”
- A customer suggested collaboration would help both Western and the customers to learn from each other and keep overall costs down.



10. Please tell us more regarding your views about Western now and into the future, and how we can best serve you. (Write In Responses)

- Western should focus on core mission of meeting statutory obligations and not add new services. (16)*
- Customers are pleased with Western's high level of customer service and dedication towards maintaining reliability. (13)
- Increase transparency, planning and collaboration with customers. (13)*
- Adhere to the principle of "beneficiary pays." (7)*
- Consider de-centralizing, since Western serves a diverse customer base across its regions; centralization may cause Western to move away from local customer concerns. (6)*
- Focus on Western-wide cost control. (6)

NOTE: Points with asterisk () represent that that one comment was submitted in collaboration of five individuals. The parenthetical number accounts for the 5 individuals, plus the comments of other individual respondents.*



10. Please tell us more regarding your views about Western now and into the future, and how we can best serve you (continued)

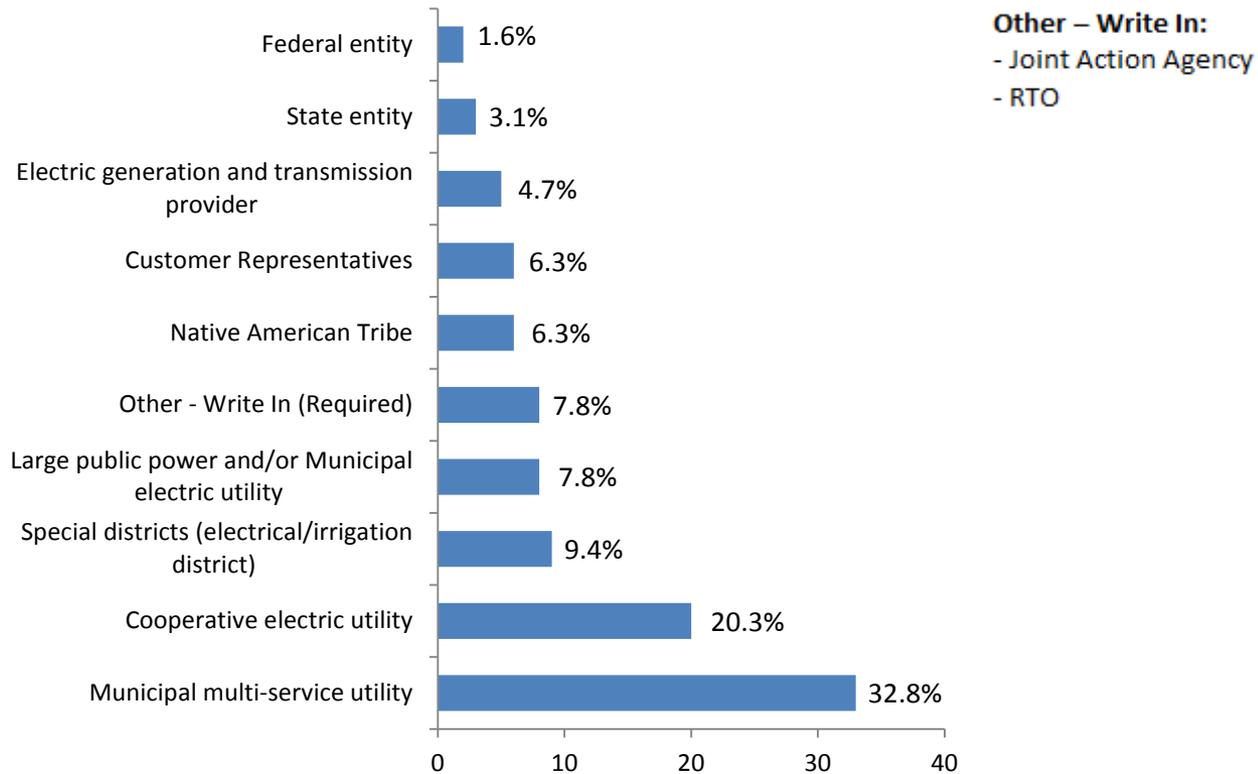
- Aging infrastructure: (4)
 - Maintain and maximize capacity of existing facilities and transmission lines.
 - Let customers build new transmission capacity.
- Western has been very vital to customers, especially small utilities, who fully rely on Western supplied power and services that help keep their rates competitive with larger utilities in the area. (3)
- Customers believe that Western is vital for their business and is doing a good job in maintaining focus and level of service even during challenging times. (2)
- Western needs to be responsive to both existing and new customers' and maintain customer needs as their highest priority. (2)
- Provide assistance to small utilities and Tribal customers for the development/integration of new renewable resources. (2)
- Western is positioned well to effectively meet its mission of providing low cost energy and transmission services to its customers. (1)



Customer Demographics



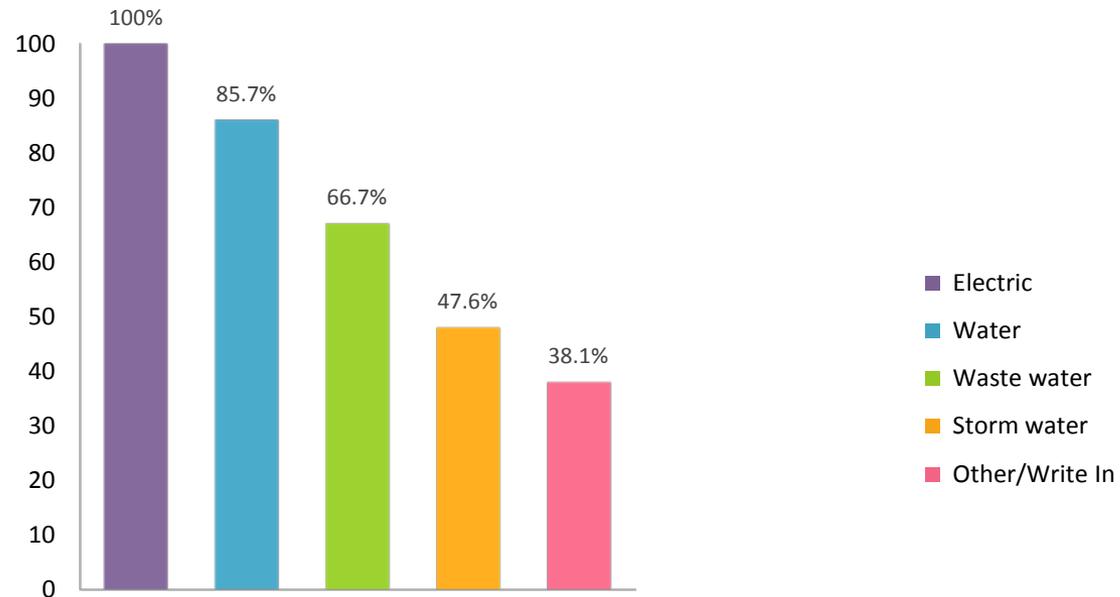
1. Type of Organization:



Based on 64 responses.



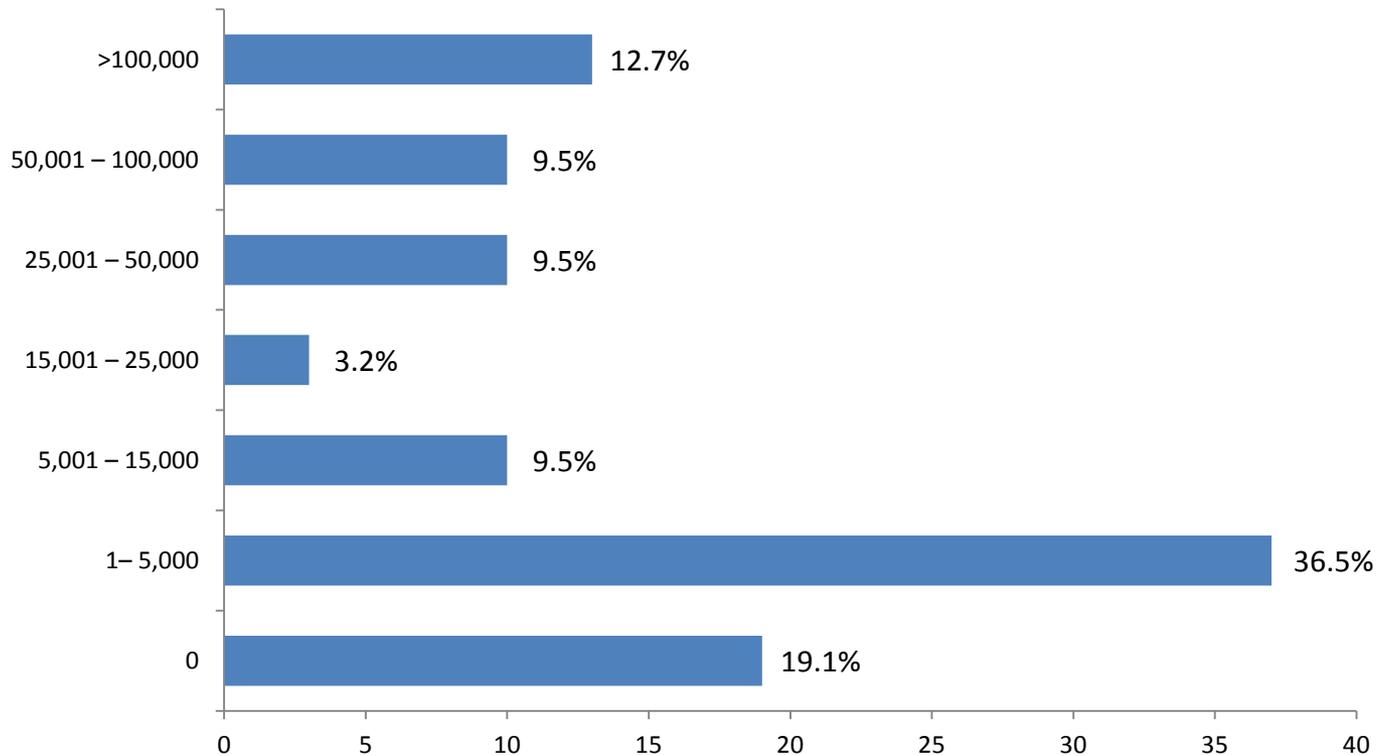
2. What utilities you are responsible for:



Based on 21 responses.



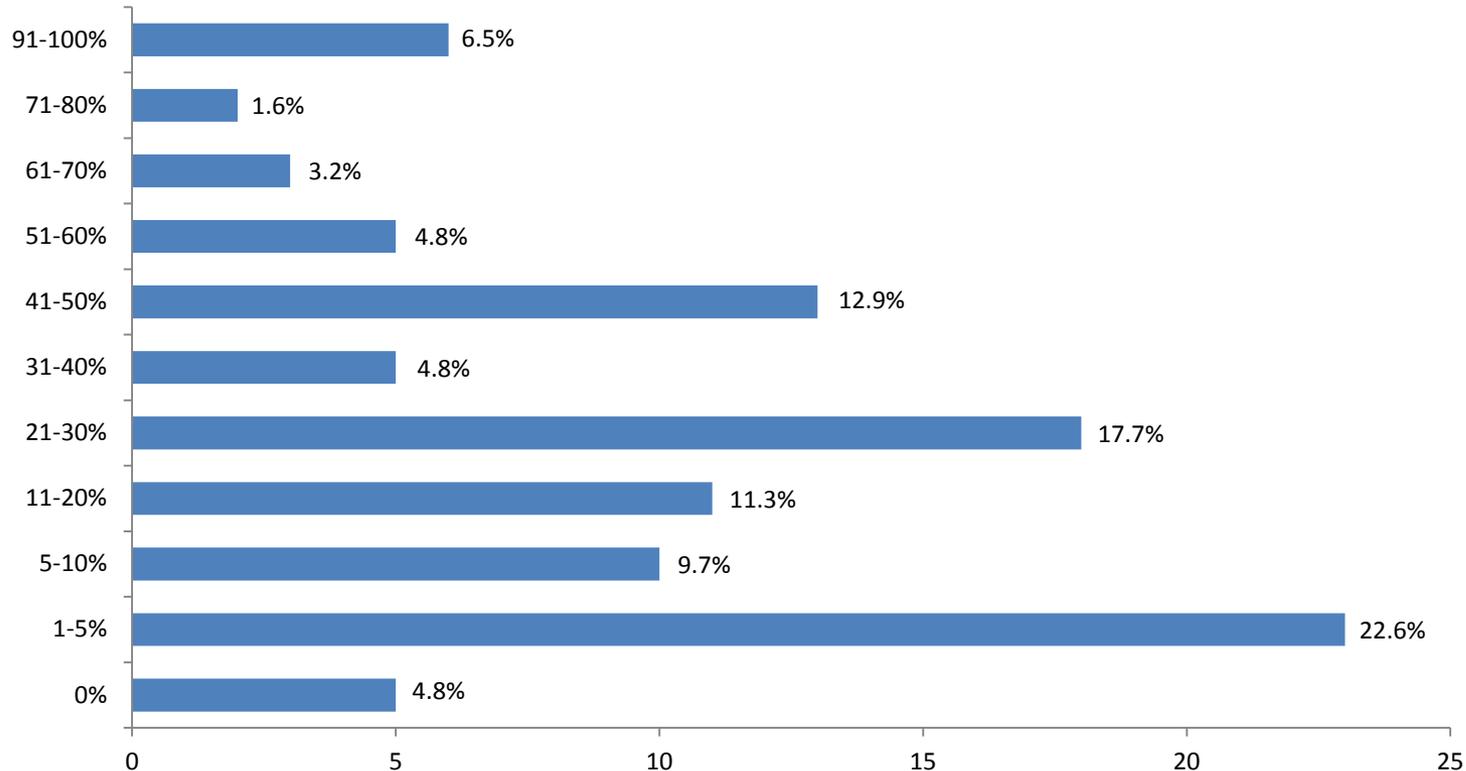
3. Number of retail customers



Based on 63 responses.



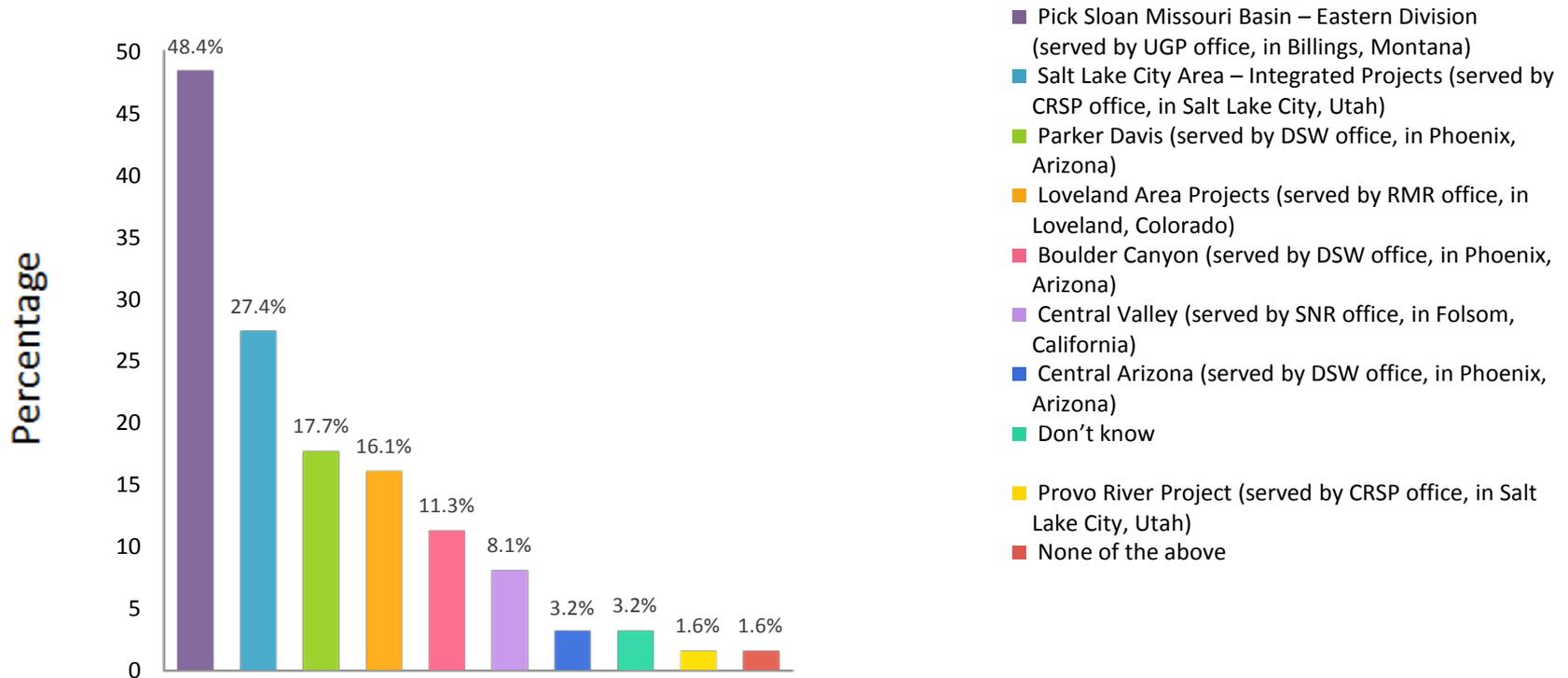
4. Western provides this percent of my organization's power requirements:



Based on 62 responses.



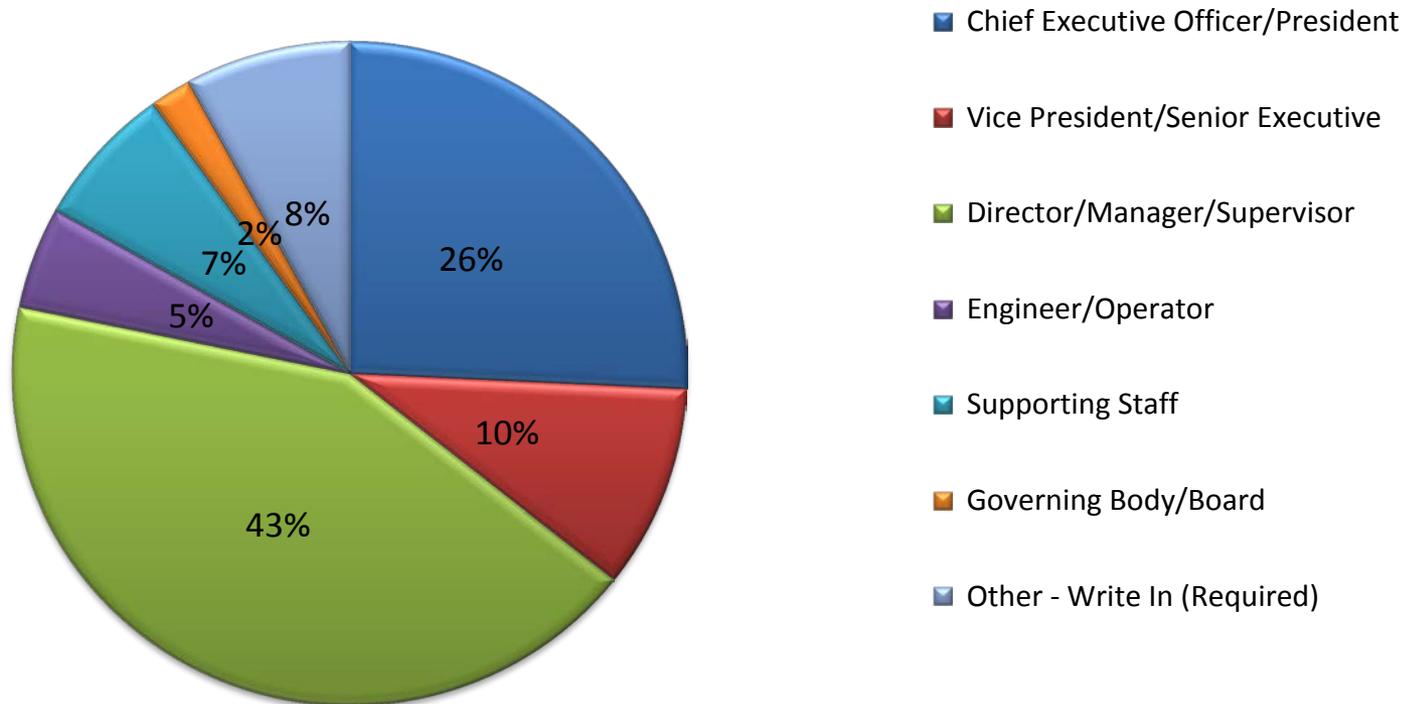
5. Power provided to my organization comes from the following project(s):



Based on 62 responses.



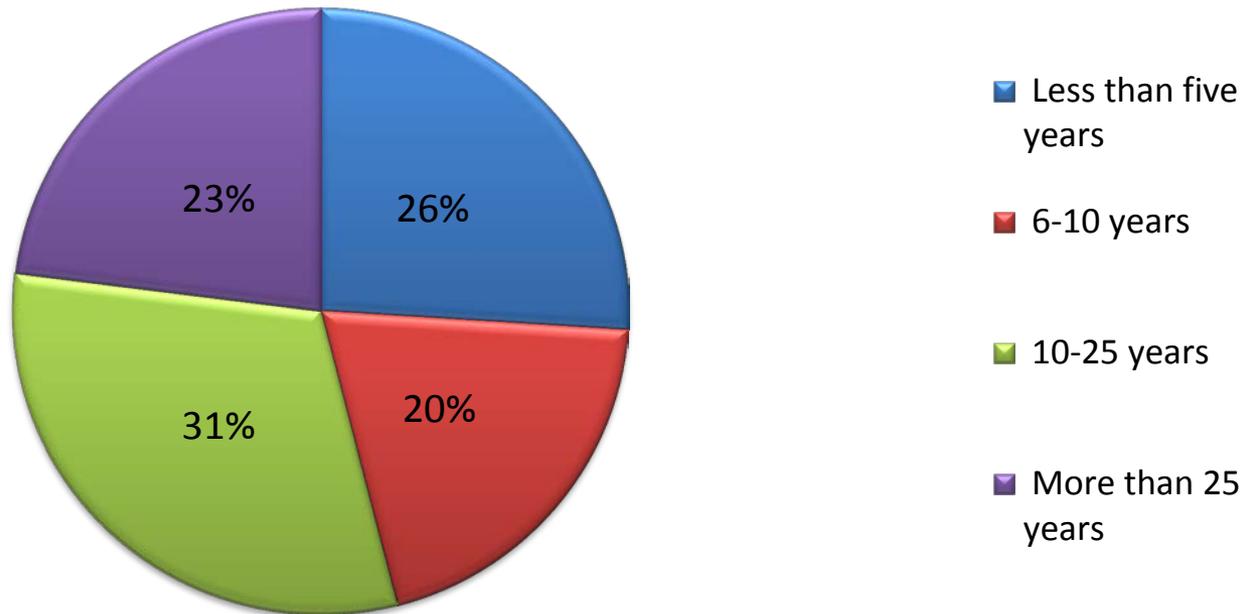
6. Your job title or equivalent position:



Based on 61 responses.



7. Length of time with your current organization:



Based on 61 responses



Question? Please contact:

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