

A MarketSearch *Topline*

Santee Cooper Industrial Customer Satisfaction Survey

Spring 2020

This report presents the 2020 findings of **Santee Cooper's** annual *Industrial Customer Satisfaction Study*. Conducted since 2000, objectives of the study are:

- ✓ To monitor *Overall Satisfaction* among the utility's Industrial Customers;
- ✓ To investigate relationship dynamics with these customers and identify factors that drive satisfaction (or lack thereof);
- ✓ To measure satisfaction relative to several aspects of **Santee Cooper's** quality, service, and operations; and
- ✓ To gather other information that can be used to maintain and improve relationships with **Santee Cooper's** Industrial Customers.

These objectives are addressed via an executive interview format. Key contacts from each of **Santee Cooper's** 28 industrial customers are invited to participate in the study. This year, interviews were completed among a total of 25 individual respondents representing 21 different organizations. This is up from 18 individuals/organizations last year.

Additional information regarding study design, implementation, and specifications is provided at the end of this report.

Overview

Study participation, satisfaction, and support for **Santee Cooper** are all reasonably strong this year among the utility's industrial customers.

Overall Satisfaction is at 100% this year, with two out of three indicating they are *very satisfied*.

Other measures at 100% satisfaction this year include: *restoring power as quickly as possible after an outage; quality of electric power; responsiveness to questions and issues; general customer service; technical expertise; listening to your needs; keeping power outages to a minimum; abilities of your account rep; communications at the plant level; and access to information through the Industrial Portal.*

Comments suggest many industrial customers feel that **Santee Cooper** is going above and beyond to keep industrial customers happy. Even satisfaction with power costs and rate structures is high this year, with approximately nine out of ten indicating they are satisfied on these measures.

Controlling costs and remaining competitive is a key concern for these customers. Whatever **Santee Cooper** can do to keep costs low and stable and power reliable will help keep them satisfied.

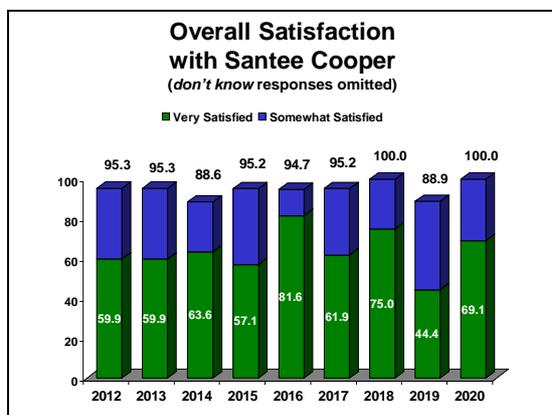
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At-A-Glance Summary of Quantitative Measures Industrial Customer Satisfaction with Santee Cooper ("Total Satisfied," <i>don't know/no answer</i> responses omitted)								
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Restoring power as quickly as possible	97%	100%	95%	100%	100%	100%	100%	100%
Quality of electric power provided	98	100	100	100	100	92	100	100
Responsiveness to questions and problems	100	100	95	94	100	100	100	100
General customer service	100	100	95	94	100	100	100	100
Technical expertise	98	96	91	100	100	100	100	100
Listening to your needs	100	91	95	100	93	100	100	100
Keeping power outages to a minimum	98	94	95	100	95	90	100	100
Abilities of account rep	100	100	100	100	100	100	100	100
Communications at the plant level	100	100	100	100	97	100	88	100
OVERALL	95.3%	88.6%	95.2%	94.7%	95.2%	100.0%	88.9%	100.0%
Access to information through the Industrial Portal	NA	NA	100	93	100	100	93	100
Communications at the management level	100	100	95	100	100	100	100	95
Meeting your needs	86	80	85	94	95	90	100	95
Price of electricity	72	73	67	83	76	95	83	95
Strategically planning for environmental regulations and the impacts of federal legislation	95	92	84	90	91	92	100	94
Being competitive with other utilities	70	74	70	83	82	100	83	94
Variety of pricing structures available	74	79	79	91	90	100	88	88

Specific Study Findings

Overall Satisfaction

- Overall Satisfaction is at 100% among Santee Cooper’s industrial customers this year, up from 88.9% last year. The proportion of industrial customers indicating they are *very satisfied* is also up significantly from last year (to 69.1% from 44.4%). Nearly matching 2018’s all-time high, these are among the most positive Overall Satisfaction levels recorded for this customer segment.



- Overall Satisfaction tends to be driven by customer service (accessibility, responsiveness, willingness to work with customers in special circumstances, etc.), reliability of service, knowledge and expertise, and long-term relationships.

Comments from those *Very Satisfied* Overall (18):

“We had to work through some power contract changes with them over the past year and they were very forthcoming and helped us work through our data. They were very helpful throughout the entire process.”

“I can call any time – I can call Sunday at 3:30 in the morning and they’ll be there

within an hour and have all the manpower and equipment to do what they need to do. They are the most reliable vendor we have.”

“I’ve worked with many utilities and pricing is the only issue I have with Santee Cooper. Other than pricing they are head and shoulders above all other utilities in terms of being available and technical expertise. Their pricing has improved. I compare them to other utilities and they have gone from the bottom of the list to the positive end of middle, so they are making good progress for us.”

“During early stages of the COVID crisis, we asked for allowances and they accommodated us. I’m very impressed with that. They extended themselves a bit when they didn’t have to and we appreciate that.”

“We use a lot of power which gives us some leverage. They allowed us to negotiate strategic rates depending on business conditions in the area and have worked with us in a number of ways which is great.”

“We have a very good working relationship with them at this plant. They are very quick to respond to outages and do whatever they have to do to get us up and running. Communication is very good and they are easy to reach. It’s just a good partnership.”

“I am new to this role but they have seemed very knowledgeable and willing to meet with me ... but then this social distancing stuff started so we haven’t had the opportunity to get together yet.”

“Due to some changes, we needed to change our contract levels for firm power and Santee Cooper was very accommodating in helping us with that and it might not have been optimal, but it helped. It was something they didn’t have

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to do, but they did and that kind of thing makes us very satisfied."

"We are a big plant and we have a lot of people. Keeping things going and getting people back to work when there is an outage is important. Time is money and Santee Cooper is responsive. We are very satisfied with them keeping the electricity on and getting it back on if something happens – even when it's our fault."

"Their openness. We are one of 32 or 33 direct, industrial customers served by Santee Cooper. Their overall outreach to industrial customers and keeping us informed is good. It is much better than other utilities I have worked with during my career. We like Santee Cooper and are very satisfied."

"Their customer service, knowledge and responsiveness."

"They respond any time to power issues, questions, needs. They understand things that matter to us and keep us going."

"They are easy to talk to and deal with ... management level and the workers. It's like a big family around here."

"They are extremely helpful. It's a working relationship. We have direct numbers and can call anytime. They are responsive and quick to get power restored. They are not just a power provider – we know them personally."

"Their service is very good. They are responsive and do things we ask them to."

"Even with all the crises we've been through – weather and health and whatever else – we've never had a disruption of service. They are very good in their response."

"Because of their reliability and limited outages. It is exceptionally rare that we lose power and when we're out, it's almost instantaneously restored. We count our outages in minutes, not days."

"They do everything with high quality; they are very customer oriented; and very seldom do we have an outage."

Comments from those Somewhat Satisfied Overall (7):

"They're our only option. It would give us more leverage if there were other options available."

"Their customer service is great but there is no flexibility in how we price power."

"We have had some outages that have been very painful for us."

"We are generally satisfied with their service, but it is a monopoly so we cannot shop and choose. It's a limitation. And the situation with the nuclear plant and the waste of money there which will impact us as customers."

"We have had an on-going issue of frequent outages that cause a lot of shutdowns for us. Reliability is getting better. It still has a ways to go, but I have been dissatisfied in the past and have now moved up to somewhat satisfied. On a positive note, we appreciate that they make time to communicate with us, let us know what's going on, and keep us up to date."

"I prefer to have rapid access to my data. I can see portals that are handled by other energy providers and I can see what my costs are....I can see usage data every 15 minutes with other portals and I can't see that with Santee Cooper's portal. With the way our account operates at the plant level, we have to shed power pretty quickly. A little more forewarning like an extra hour or two would be very helpful."

"I think there has been some turnover as to who we communicate with at the mill level. We had someone new but now they are gone as well. Other than that, we have no major complaints. They are

responsive and willing to work with us to resolve any issues.”

Key Strengths and Weaknesses

- **Strengths.** While industrial customers identify a variety of strengths for **Santee Cooper**, keeping the power on and responding quickly and intelligently when there is an outage tend to top the list. Comments reflect an acknowledgement that **Santee Cooper** is committed to quality and customer service and also making a strong effort to keep industrial customers ‘in the loop’.

“All of them understand their mission statement and there is 100% buy-in. They want to be a reliable, low-cost, green provider and promote economic development in the state of South Carolina.”

“They’re able to supply the power we need and they have a knowledgeable team and they can take care of our needs.”

“Not only their knowledge, but keeping us in power. That might even be something that is our own problem. They’ve loaned us spare parts before.”

“Reliability of service and technical expertise.”

“I’m not really sure, other than they’re responsive when we have an issue.”

“Their customer service ... the technicians and field work crews.”

“Their credibility and customer focus.”

“Their people and responsiveness ... the industrial group, in particular. They are in-tune with what we need.”

“Their people – throughout.”

“They are willing to work with us. In spite of them being a state-owned utility, they

are reasonably focused on customer service.”

“Their people on the ground ... the people on the ground are really driving Santee Cooper forward.”

“Their ability to take care of issues ... both the knowledge of their employees and their physical response and capabilities.”

“Their level of technical expertise ... I work with people at all levels and I would say from their service personnel to management, all of them are very technically competent. Top to bottom. And that’s not typical for utilities.”

“The ability to be in touch with them, directly, at any time. I have a number I can call and I reach someone that can take action. I don’t have to wait on hold and I don’t have to wait for someone to call me back.”

“They are extremely responsive and they try to work with us to find a resolution when we have an issue.”

“The people – at all levels. They are nice and easy to deal with.”

“They proactively seek to keep industrial customers informed of what they’re facing, because that’s ultimately what we will be facing. I’ve worked with a lot of other utilities and Santee Cooper is definitely more proactive than others.”

“Their willingness to communicate and be open with customers ... It’s at all levels.”

“They always reach out to industrial customers and deliver information so we know where they stand and what they’re trying to do. They are proactive on that; they have excellent communication.”

“Their size ... they’re bigger and that brings with it more resources and manpower. And their reliability is also a strength.”

“Maybe their overall nimbleness ... there are not a lot of layers they have to go

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through to get an answer or something done.”

“The reach of their network in SC. Their grid is statewide. The guys I talk with are polished and professional and I appreciate that. If I say serious vs. solemn, do you know what the difference between the two is? They are business-like but not stodgy. The personal touch is really good at the executive level.”

“Their location and proximity to us and their customer service.”

“I think the benefits of being a state entity ... It makes them exempt from taxes which gives them greater borrowing capabilities which serves to keep their rates lower which benefits me.”

- **Weaknesses.** The variety of comments regarding perceived weaknesses of **Santee Cooper** suggests that no single issue stands out as a major problem for industrial customers. Several feel that **Santee Cooper’s** weaknesses are outside of the utility’s direct control.

“I can’t really think of anything.”

“I don’t know how to answer that. In my dealings with them, I’m very satisfied.”

“They don’t have any – other than their government connections.”

“Uncertainty between being sold and reformed. It sounds as if they have ruled out being managed.”

“All the crap they’re dealing with; being state regulated and being tied up with legislation.”

“That they are tied to the state of South Carolina – that they’re state-owned. They get a lot of politics involved affecting their decisions.”

“The nuclear power plant thing ... it’s causing them a lot of trouble ... Maybe they could have seen it a little sooner.”

“Instability with the whole VC Summer thing and how that is going to be resolved. There are lingering questions about what the future holds for them.”

“I was disappointed to see the nuclear power facility was never brought online.”

“Their handling of the nuclear plant and investment on that.”

“At no fault of their own, I think it is the environmental restrictions placed on them.”

“The new CEO has made some changes to mitigate rate increases, but they are still not willing to explore and develop new rate changes. They listen, but they don’t implement anything. Now I think their focus is on other things.”

“There is no flexibility in pricing based on market dynamics. It needs to be commercially priced.”

“Their greatest trouble is environmental lobbyists. I don’t know that they’d have any weaknesses on their own.”

“Their ability to cope with extreme weather. In heat waves or when there’s a freezing spell, we can count on there being some service interruptions during extreme weather.”

“This has been a good year in terms of reliability, but, in the past, there have been some issues. I’m not sure if this past year was just an anomaly or what; I still worry about their overall reliability.”

“Sometimes they tend to have a bit of an island mentality ... not looking beyond their service area to see what other utilities are doing. I think there is starting to be a move in South Carolina for deregulation of electric utilities. If that happens there will be competition, so I think they need to be looking beyond what they’re doing and what they have always done.”

“Not being diversified... Most employees come from one area... geographically. When we have a breakdown, we don't always get people who know our area and our equipment. And sometimes it takes a while too.”

“They are smaller than other utilities we work with and don't necessarily have the same resources or capabilities.”

“Maybe that I don't know who my customer service rep is.”

“They show up unexpected sometimes and we have to break free and escort them. I have asked them before – it would be nice if they could give us a heads up ahead of time.”

Customer Satisfaction on Individual Dimensions

- **Quality of Service.** Satisfaction with power quality issues is 100% among **Santee Cooper's** industrial customers again this year. Measures include: the *quality of electric power provided, keeping power outages to a minimum, and restoring power as quickly as possible after an interruption.*

Satisfaction With Santee Cooper On Quality of Service/Reliability (don't know responses omitted)			
	TOTAL SATIS.	VERY SATIS.	TOTAL DIS-SATIS.
Restoring power as quickly as possible after an interruption	100%	95%	0%
Quality of electric power provided	100	95	0
Keeping power outages to a minimum	100	72	0

In addition, 68% say **Santee Cooper** does an *outstanding* job maintaining and restoring power at their facility, with an

additional 28% describing their efforts as *very good*.

- **Communications, Customer Service, and Other Support Services.** When it comes to *customer service* issues (including technical expertise, capabilities, communications, listening, responsiveness, general customer service, and services offered), industrial customers continue to be quite satisfied. In addition, approximately three out of four feel that **Santee Cooper's** quarterly fuel projections are useful.

Satisfaction With Santee Cooper On Communications, Customer Service, and Other Support Dimensions (don't know responses omitted)			
	TOTAL SATIS.	VERY SATIS.	TOTAL DIS-SATIS.
Responsiveness when you have questions and problems	100%	85%	0%
General customer service	100	84	0
Technical expertise	100	80	0
Listening to your needs	100	78	0
Abilities of the account rep	100	71	0
Communication at the plant level	100	70	0
Access to your information through the Industrial Portal	100	62	0
Meeting your needs	95	55	5
Communication at the management level	95	72	5
Usefulness of fuel projections	71	26	29

- **Strategic Planning.** Most industrial customers (94%) indicate they are *satisfied* with **Santee Cooper's** efforts planning for environmental regulations

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and the impacts of federal legislation, with two out of three (65%) saying they are *very satisfied*.

Satisfaction With Santee Cooper On Strategic Planning (don't know responses omitted)			
	TOTAL SATIS.	VERY SATIS.	TOTAL DIS- SATIS.
Being strategic in planning for environmental regulations and the impacts of federal legislation	94%	65%	6%

- Rates and Pricing Structure.** Findings identify general satisfaction with **Santee Cooper** among industrial customers when it comes to rates, pricing structures, and competitiveness. Positions on these measures have strengthened over the past several years.

Satisfaction With Santee Cooper On Rates and Value Dimensions (don't know responses omitted)			
	TOTAL SATIS.	VERY SATIS.	TOTAL DIS- SATIS.
Being competitive with other utilities	95%	42%	5%
Price of electricity	95	34	5
Variety of pricing structures	88	38	12

Challenges and Opportunities

- Greatest Challenges Facing Industrial Customers Over the Next Several Years.** General operating costs and competitiveness continue to be a predominant concern of **Santee Cooper's** industrial customers as they

look to the future. Power costs factor into this in a major way.

Other concerns mentioned relate to how things shake out for **Santee Cooper** (and impacts of that on power supply, cost, contracts, etc.), availability of skilled workers and succession planning at the individual organizations, and getting back to normal after COVID.

"Our greatest challenge will be meeting our customers' needs with our existing infrastructure."

"Business being taken by businesses outside the country with cheaper labor."

"Is Santee Cooper going to be a state-owned entity or owned and run by someone else ... The implications for us is that we know our rates with Santee Cooper and we have established relationships with people there. We can make a pretty safe assumption that nothing major is going to change. We can plan ahead with some degree of certainty what direction we're heading ... The buyout plan also has some control, but the reform plan has a bit more advantage for us."

"Our biggest challenge is always trying to know where prices are and where they will be."

"Having capital to invest to be able to compete with others."

"Competing with imports of goods into the U.S."

"The infrastructure around us – the power grid and the transportation grid. If they don't do something it's going to start failing."

"Market and competitive pressures."

"Up to two months ago, I would have said a booming economy, even with its good and bad, has things looking pretty good for us. Now, we are focused on how do we

control costs and stay viable as a company.”

“Chinese competition. The tariffs put in place the past couple of years we thought would help, but the Chinese manage to skirt them by going through Canada and Mexico and changing the formatting. It is still hurting us. Plus, the uncertainty of the impacts of COVID.”

“For all industrial customers, the environmental regulations will be our challenge. How do you maintain plants to meet those regulations?”

“In today’s environment, that’s tough. We think COVID will affect our market long-term. We are at risk for higher rates if we cut production.”

“Meeting sustainability and renewable goals with no greater cost.”

“Overcoming the current economy situation – getting things made in America again.”

“Keeping enough raw materials.”

“Automation and skilled workers.”

“Staffing ... we need more, higher qualified candidates to fill jobs. Of course everything has changed within the past two months. Now there are just general pandemic concerns and uncertainty regarding the future.”

“Maintaining competitiveness and power quality. It’s our single biggest cost of doing business, so it is our focus.”

“We have to remain competitive in the market. With the amount of monetary outlay for electricity, every opportunity to improve return on the dollar we spend is highly important.”

“Viability of our product, in general. There’s been a decline in demand even before the pandemic. Now it will be recovering from that.”

“Getting back to normalcy.”

“We are going to be considering new power sources – deciding between thermal and electric.”

“Manpower. Finding qualified folks. There are a lot of gray-haired people around here that will be retiring in the next year or so. We need to find some way to replace them.”

“Replacing personnel with qualified people.”

- **Opportunities for Santee Cooper to Help Industrial Customers Address These Challenges.** As in the past, industrial customers generally see the primary role of **Santee Cooper** in helping them address challenges is to provide reliable power, stability of rates, and the lowest cost possible.

“They’ve proposed and will hopefully be able to provide long-term rate stability.”

“Keep power costs as low as possible to keep our bottom line competitive with others.”

“Just helping us save money and keep our production costs down ... I feel that energy cost is competitive with other countries around the world.”

“I think they need to do a better job of advertising their strengths ... to all their customers. They should tout their safety record, their reliability, and their prices. News from Columbia makes it sound like they’re terrible and have high rates. They need to be relentless in promoting their competitive strengths so that people know and support them ... Another thing they might do is create a program for heating efficiency in trailers. They need to work at that so heating costs don’t seem so high among the cooperatives. The residents, the cooperatives and Santee Cooper would all benefit from that.”

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"If they can give us a better rate and reduce our production costs."

"Well, it's all about cost, so just finding ways to help us be competitive and minimize operational costs, of which electricity is a major factor."

"Maintain competitiveness. I have concerns with the high level of renewables in long-term rate stability and power reliability."

"Any initiatives that would provide opportunities for us to save money and that are environmentally sound would be very interesting to us. We have so many restrictions at this point involving face to face interactions....so as the restrictions are lifted, I look forward to resuming face to face access to the executives. I travel to SC to attend these meetings. It would be good to for our account rep to arrange a face to face meeting."

"Pricing based on market dynamics."

"They will help us with our strategic planning. We already have a team together."

"I don't see them as helping us locate people, but in helping us control costs so that we have the budget to hire good people."

"Come up with a plan to upgrade the infrastructure. They have done nothing in at least 25 years and it's about to start failing."

"Absolutely! It goes back to what I said before – what can we do with solar and other clean power options?"

"I guess we just need to start a discussion to see what's out there ... We are open to any as long as it doesn't cost a penny more."

"Maybe having access through their transmission right of ways."

"I'm not sure unless it would be economic programs to get companies back that have closed."

"Well, it would help us if Santee Cooper implemented a strategic initiative to install high efficiency transformers. It would also decrease their environmental footprint. In theory it makes sense but in reality they don't. I would also think that partnering with a local, South Carolina company to increase efficiency would look good as they are facing the legislative issues they are." [INTERVIEWER NOTE: I confirmed with the respondent that this statement would likely compromise the anonymity of the interview and, after consideration, they opted to include it.]

Study Specifications and Methodology

The **Santee Cooper Industrial Customer Satisfaction** study has been conducted annually since 2000 as part of a comprehensive assessment of performance among all customer segments.

Research among Industrial Customers is conducted via an executive interview format (by phone), incorporating both quantitative and qualitative elements.

Key contacts from each of **Santee Cooper's** 28 industrial customers are invited to participate in the study, though interviews are not necessarily completed with all the organizations or all the contacts listed for each organization. This year, interviews were completed among a total of 25 individual respondents representing 21 different organizations.

It should be noted that as of 2013, percentages are based on the total number of organizations rather than the total number of respondents; this is to ensure

that each participating organization carries the same weight whether we interview a single respondent or multiple. *Don't know* and/or *no answer* responses are omitted in the calculation of percentages.

Interviews for the study were completed between May 4 and 20, 2020. All interviews were conducted by MarketSearch management staff with extensive experience in conducting research for **Santee Cooper** and electric utilities in general.

NOTE: Caution should be used in reviewing quantitative data within this report due to the small sample size. Sampling error for a sample size of 21 with a universe of 28 is ± 10.9 percentage points (at the 95% confidence level). This means that a change of at least 11 percentage points is necessary for the shift to be statistically significant.