

Exhibit to Agenda Item #2

- a. Accept the monitoring report for Strategic Direction SD-5, Customer Relations.
- b. Approve proposed revisions to Strategic Direction SD-5, Customer Relations to establish an overall customer experience “value for what you pay” target of 70 percent by the end of 2025 and 80 percent by the end of 2030.

Energy Resources & Customer Services Committee and
Special SMUD Board of Directors Meeting

Tuesday, August 18, 2020, immediately following the Special Board of Directors meeting scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

Agenda

- Strategic Direction 5
- 2019 Results
 - Customer Satisfaction
 - Value for What you Pay (VFP)
 - Accomplishments
- Request the Board accept the 2019 monitoring report
- 2020 current insights and proposal to change VFP target

2019 Customer Relations

SD-5

Policy:

“Maintaining a high level of customer relations is a core value of SMUD. Therefore, the Board establishes an overall customer satisfaction target of 95 percent with no individual component measured falling below 85 percent.”

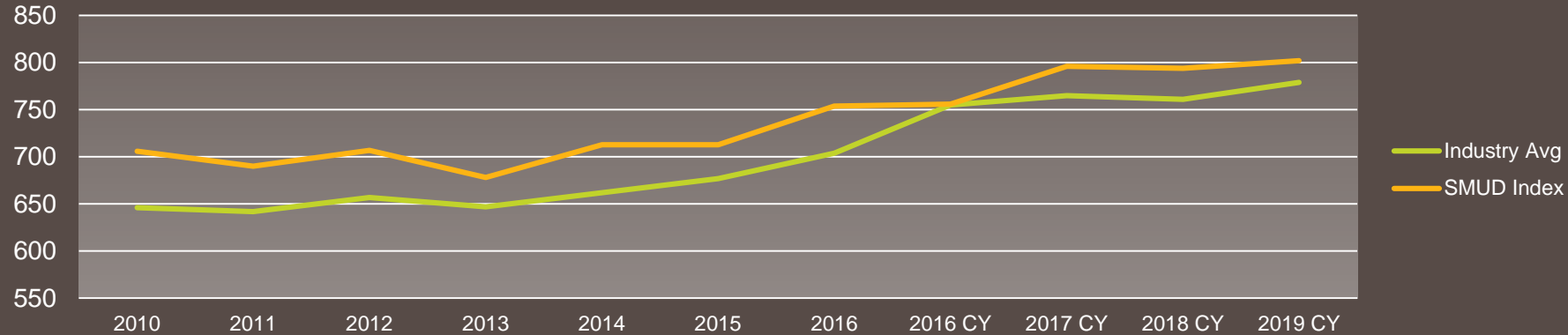
In addition, the Board establishes an overall customer experience “value for what you pay” target of 80 percent by the end of 2021, with neither the average commercial customer score falling below 69 percent nor the average residential customer score falling below 65 percent in any year.”

As part of this policy:

- (a) SMUD customers shall be treated in a respectful, dignified and civil manner.
- (b) SMUD shall communicate a procedure for customers who believe they have not received fair treatment from SMUD to be heard.

J.D. Power & Associates

Commercial Overall Customer Satisfaction



Commercial

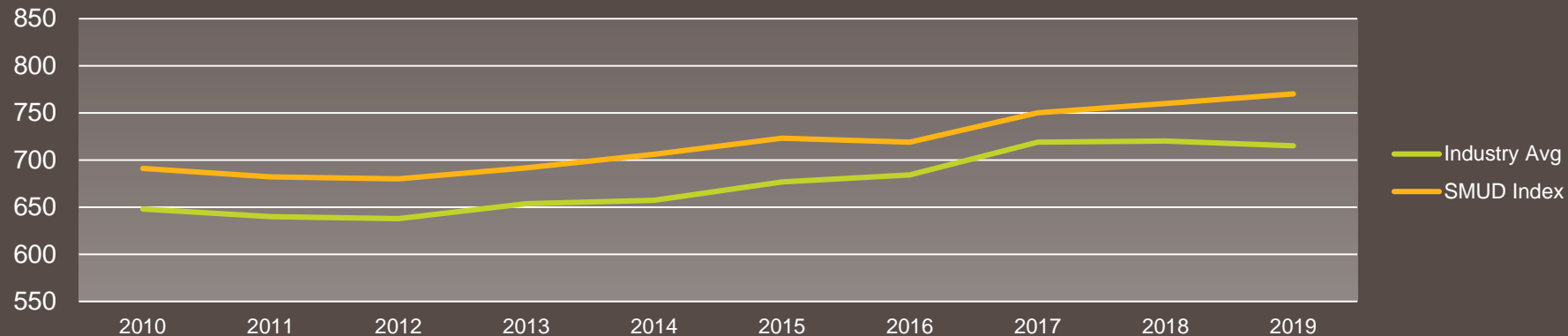
California Ranking

- **2019CY: #1**
- 2018CY: #1
- 2017CY: #1

West Midsize Ranking

- **2019CY: #3**
- 2018CY: #1
- 2017CY: #1

Residential Overall Customer Satisfaction



Residential

California Ranking

- **2019: #1**
- 2018: #1
- 2017: #1

West Large Ranking

- **2019: #2**
- 2018: #2
- 2017: #2

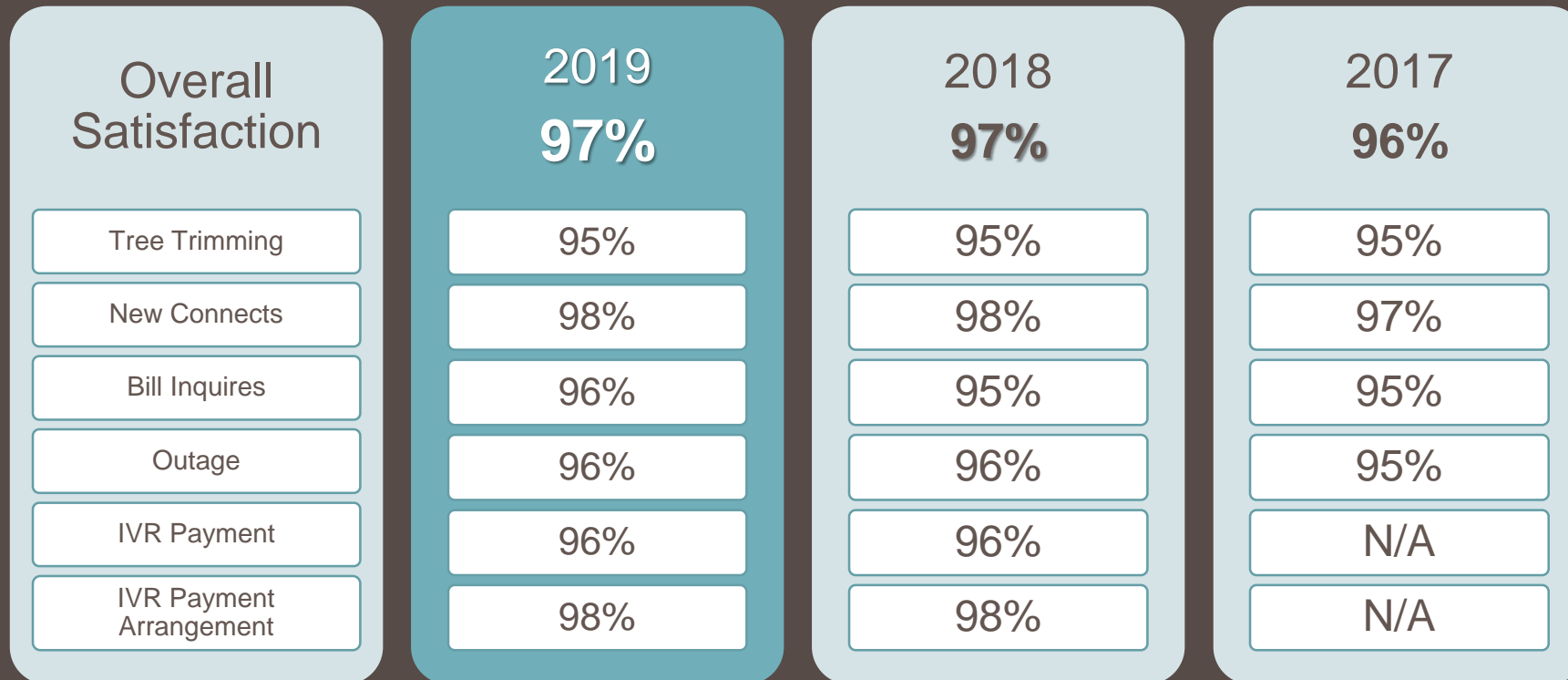
Updates to SD-5

| | SD-5 Measurement | Additions | Deletions |
|------|--|--|--------------------------------|
| 2018 | New Connects, Tree Trimming, Bill Inquiry, Outage | IVR Payment Arrangement IVR Non-Recurring Payment | N/A |
| 2016 | New Connects, Tree Trimming, Bill Inquiry, Outage | CX/VFP | N/A |
| 2015 | New Connects, Tree Trimming, Bill Inquiry, Outage | N/A | Meter Services |
| 2011 | New Connects, Tree Trimming, Bill Inquiry, Meter Services | Outage | N/A |
| 2010 | New Connects, Tree Trimming, Meter Services | Bill Inquiry | New Construction New Design |
| 2009 | New Connects, Tree Trimming, Meter Services, New Construction, New Design | N/A | Residential Audit |
| 2008 | New Connects, Tree Trimming, Meter Services, New Construction, New Design, Residential Audit | N/A | N/A |

Customer Satisfaction Scores

Policy:

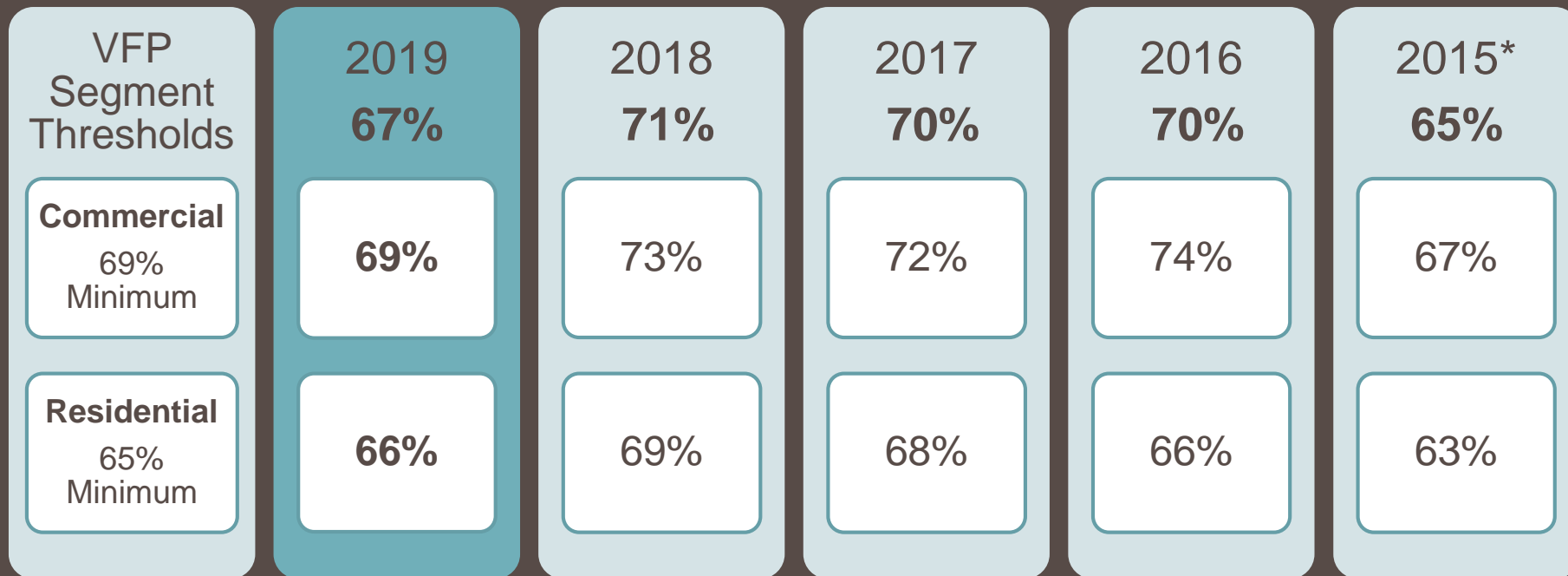
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Value For What You Pay

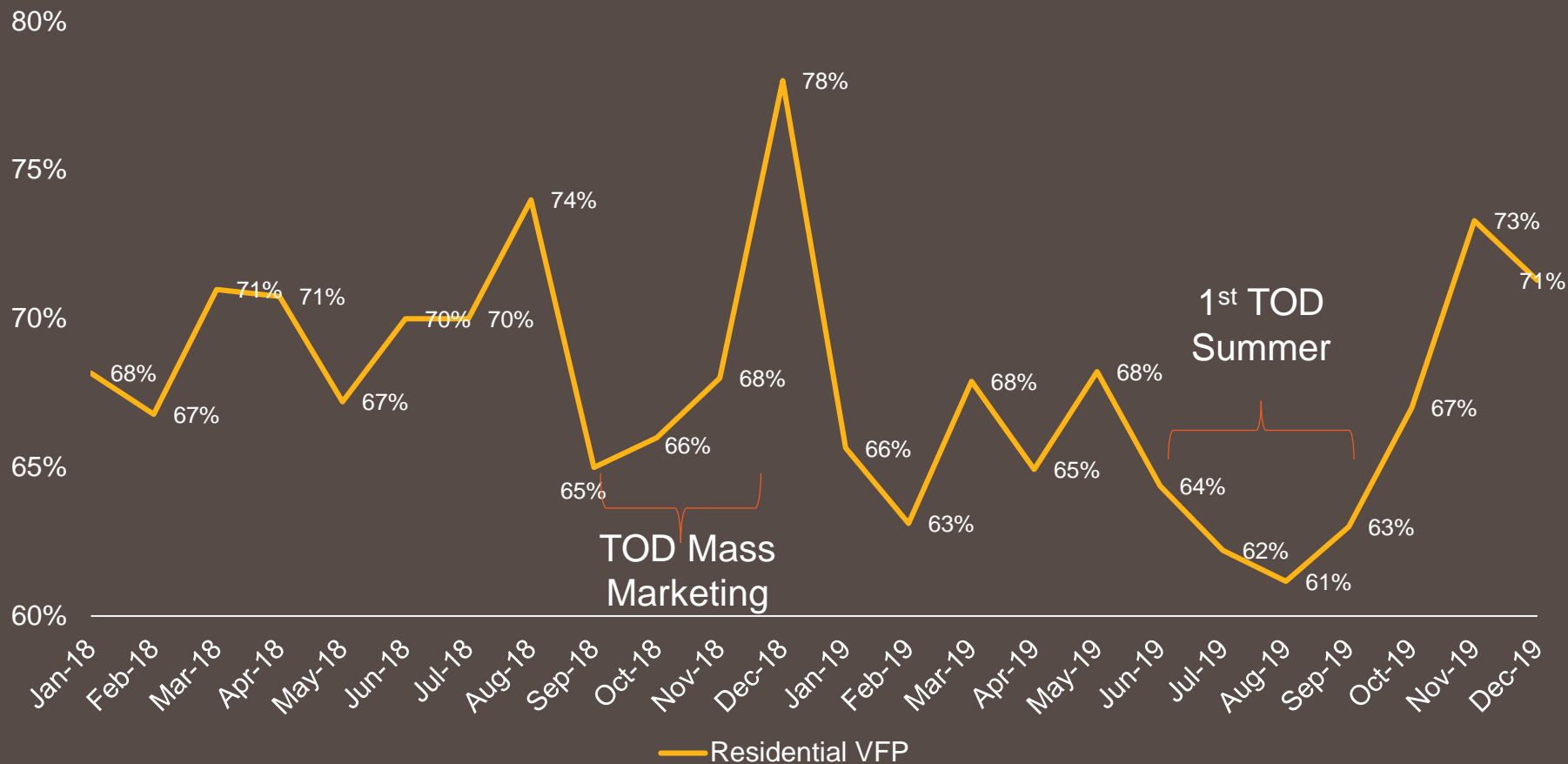
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*Start year

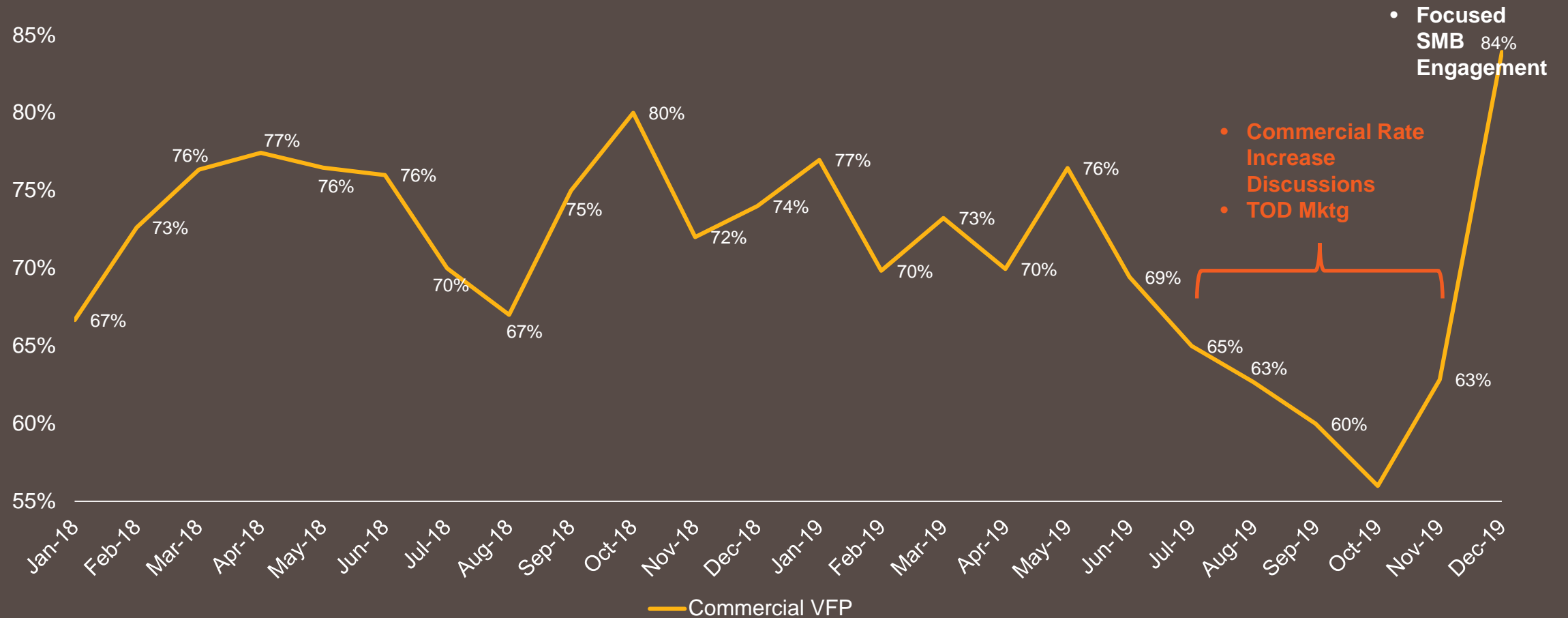
Impact of TOD on Residential Value for Pay Scores



Feedback

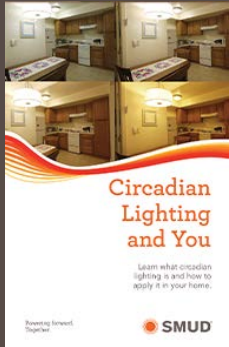
- High Satisfaction with TOD Communication
- Feeling that TOD is Not Fair
- Frustration with High Bills

Commercial Value for Pay Scores



Value our residential customers & community

2019 accomplishments



36 families installed/tested circadian lighting

400+ gas-powered HVAC systems converted to all-electric

2319 EV Incentives



10,697 free trees



Customer bill savings ~\$14.5M



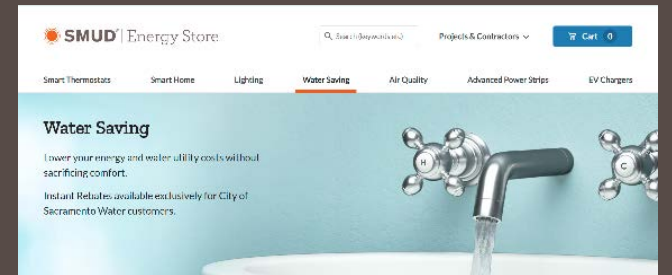
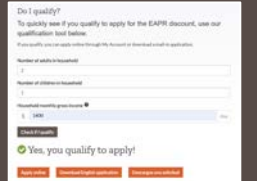
Weatherization & EAPR pilot goals exceeded

Sustainable Communities initiative launched inc. partnerships



80,000+ paperless enrollments

Digital first: Launched online EAPR application

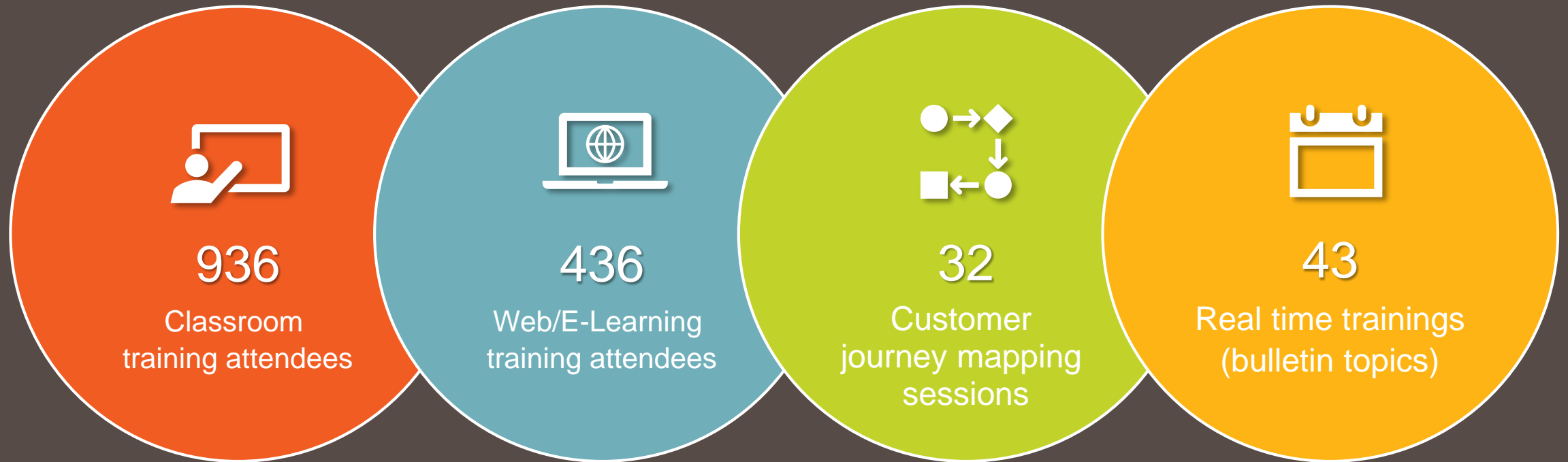


5-yr. partnership: SMUD Energy Store & City of Sacramento

Policy: "...(a) SMUD customers shall be treated in a respectful, dignified and civil manner."

2019 Status:

Customer experience supported by internal training and customer journey mapping



Customer Relations SD-5

Policy:

“...(b) SMUD shall communicate a procedure for customers who believe they have not received fair treatment from SMUD to be heard.”

Status:

Hearing and appeal process is found in detail on the SMUD.org website

- [smud.org/assets/documents/pdf/Board-Meeting-Procedures.pdf](https://www.smud.org/assets/documents/pdf/Board-Meeting-Procedures.pdf) - Pg. 14 & 15
- The process is described on the back page of every bill

Customer Communication Process

Over 1.2M contacts



2019 Awards & Recognitions



E.F. Scattergood System Achievement Award



Paul J. Raver Award for Community Service



Publication Excellence



Resource Efficiency & Community Service Award



Cogent Syndicated Utility Trusted Brand



Reciprocity Partner of the Year Award



America's Best Mid-Size Employers of 2019



Hammy and Leadership Award



2019 Healthiest Workplace in America honoree (38/100)



Employee Communications Awards – Employee Engagement category



Local TV – TOD
Local PSA – Car Pole Safety
Promo – Soil Born Farms
Promo – EnergyHELP

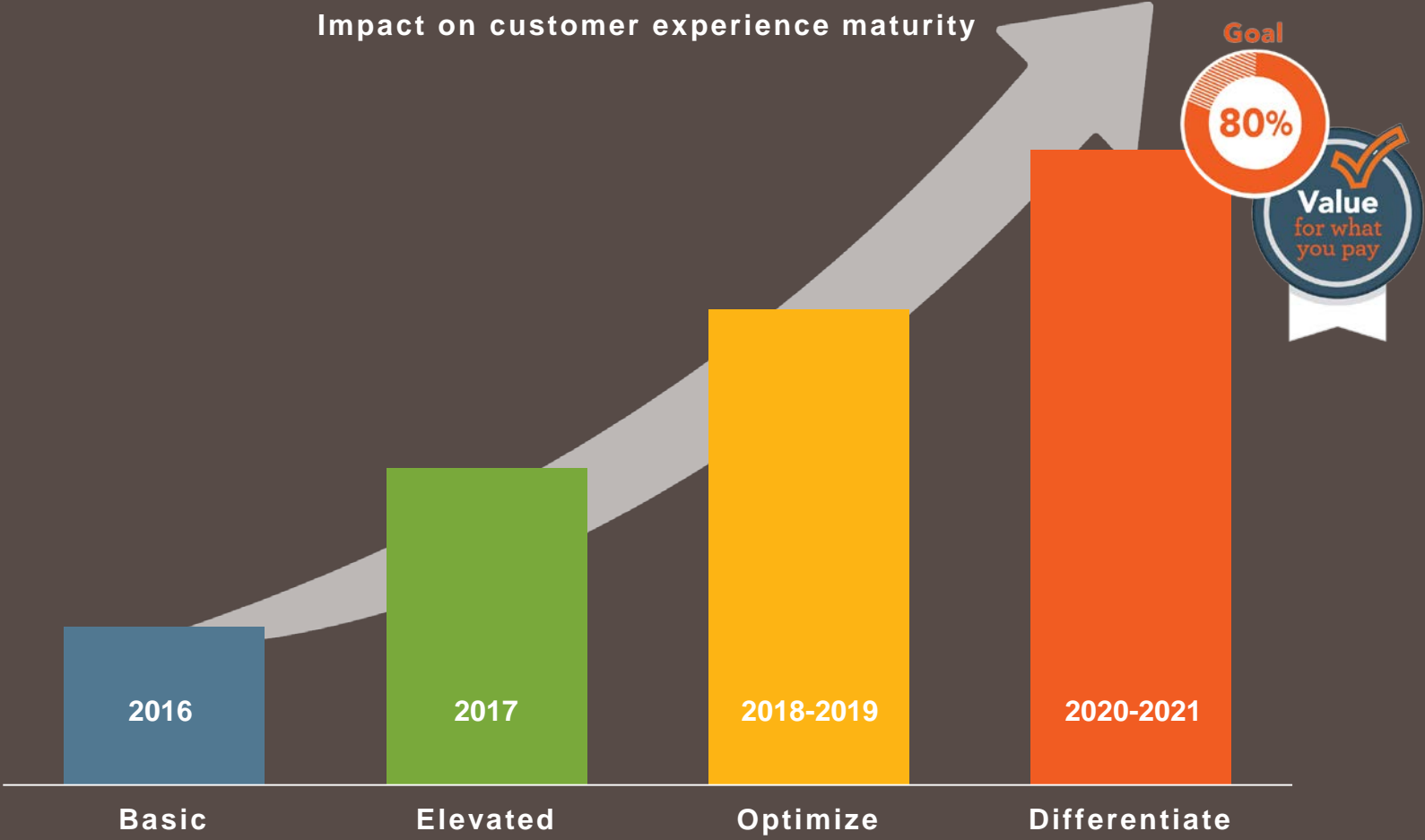


Spirit of Caring Award

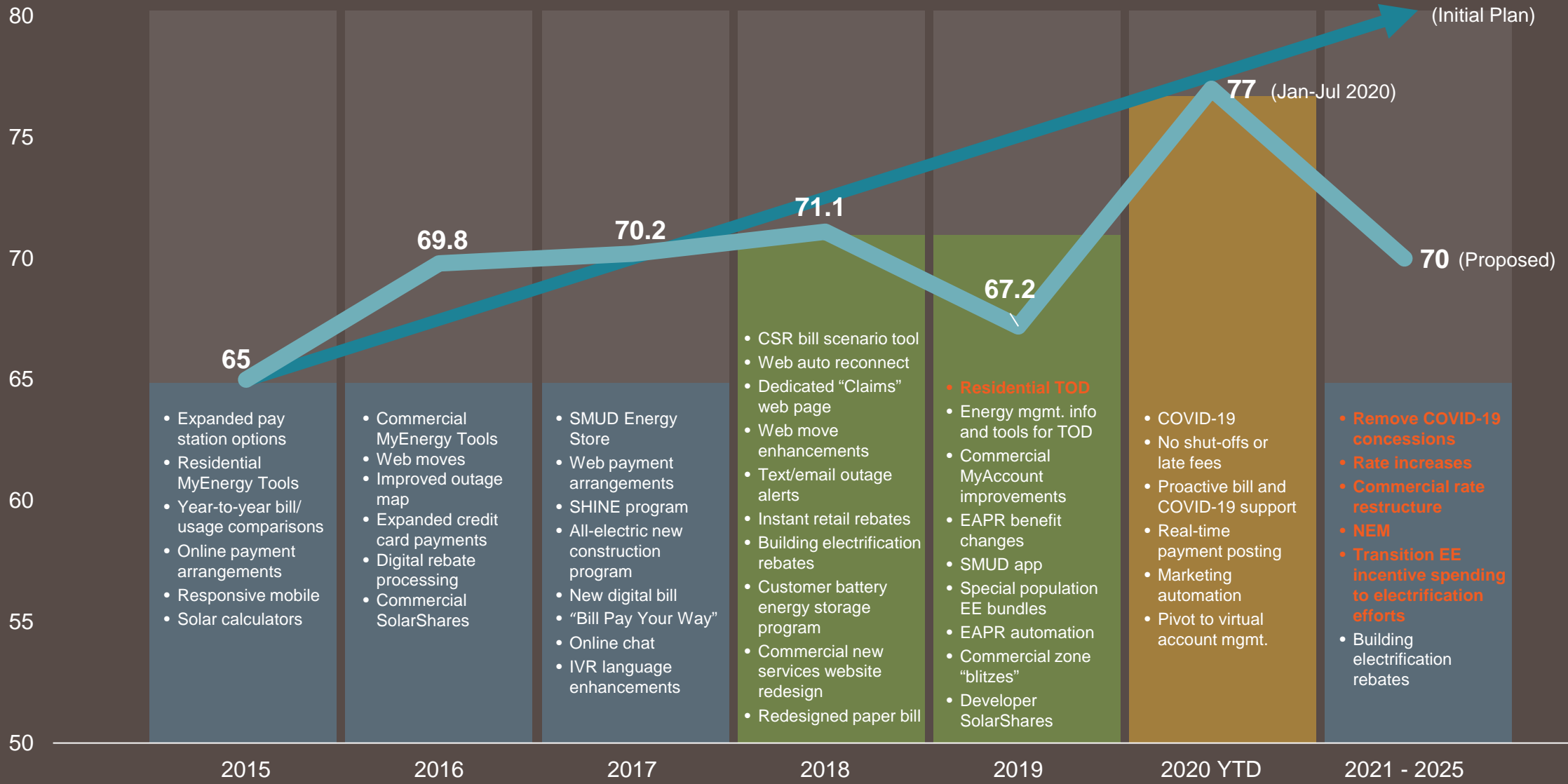
Request the Board accept the SD-5
monitoring report.

Request change to SD-5 Value for Pay target starting in 2021.

Customer experience maturity model: 2016 plan to differentiation by 2021



VFP performance: planned vs. actual



- Expanded pay station options
- Residential MyEnergy Tools
- Year-to-year bill/usage comparisons
- Online payment arrangements
- Responsive mobile
- Solar calculators

- Commercial MyEnergy Tools
- Web moves
- Improved outage map
- Expanded credit card payments
- Digital rebate processing
- Commercial SolarShares

- SMUD Energy Store
- Web payment arrangements
- SHINE program
- All-electric new construction program
- New digital bill
- "Bill Pay Your Way"
- Online chat
- IVR language enhancements

- CSR bill scenario tool
- Web auto reconnect
- Dedicated "Claims" web page
- Web move enhancements
- Text/email outage alerts
- Instant retail rebates
- Building electrification rebates
- Customer battery energy storage program
- Commercial new services website redesign
- Redesigned paper bill

- **Residential TOD**
- Energy mgmt. info and tools for TOD
- Commercial MyAccount improvements
- EAPR benefit changes
- SMUD app
- Special population EE bundles
- EAPR automation
- Commercial zone "blitzes"
- Developer SolarShares

- COVID-19
- No shut-offs or late fees
- Proactive bill and COVID-19 support
- Real-time payment posting
- Marketing automation
- Pivot to virtual account mgmt.

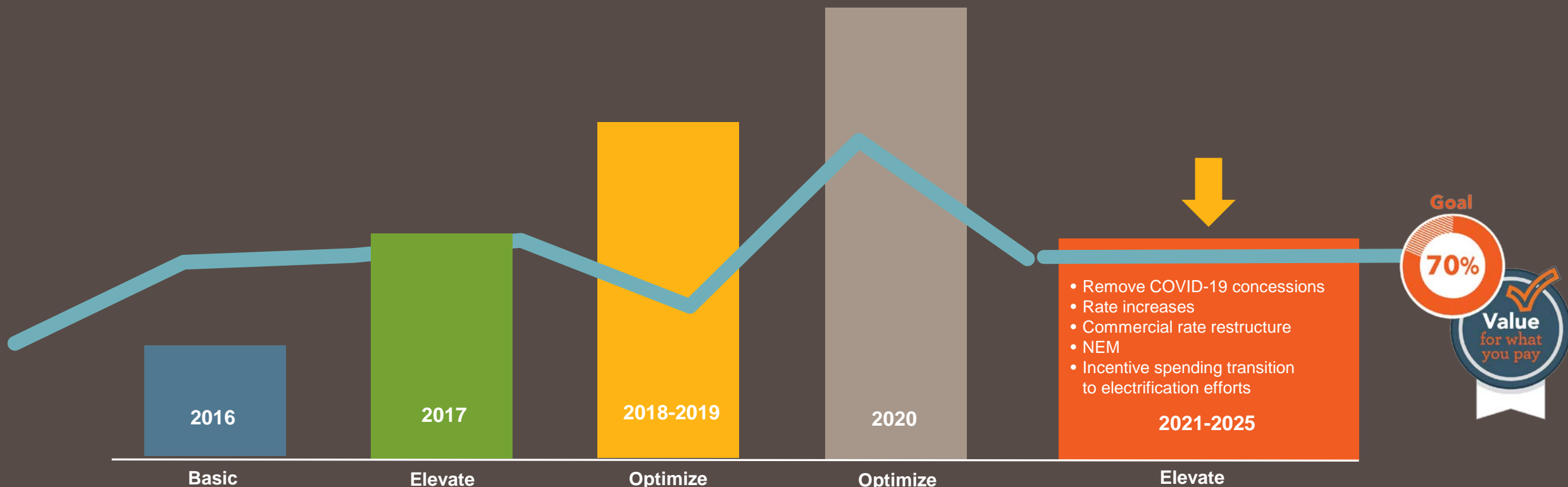
- **Remove COVID-19 concessions**
- **Rate increases**
- **Commercial rate restructure**
- **NEM**
- **Transition EE incentive spending to electrification efforts**
- Building electrification rebates

— Overall VFP — Original VFP Trajectory

August 18, 2020 19



Realistic customer experience path



Recommendation

- Update the overall customer “value for what you pay” target to 70 by 2025 and 80 by 2030.
 - Minimum score thresholds:
 - Residential = 65
 - Commercial = 69

Proposed SD-5 Language

Maintaining a high level of customer relations is a core value of SMUD. Therefore, the Board establishes an overall customer satisfaction target of 95 percent with no individual component measured falling below 85 percent. In addition, the Board establishes an overall customer experience “value for what you pay” target of 70 percent by the end of 2025 and 80 percent by 2030, with neither the average commercial customer score falling below 69 percent nor the average residential customer score falling below 65 percent in any year.

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Next steps

Request Board adopt new language for SD-5 Customer Relations.

- Modify VFP targets.
- Provide ongoing Board update during SD-5 and SD-15 combined monitoring report to the Board of Directors.