

# FOR BOARD ACTION

Agenda Item # 6

Meeting Date:

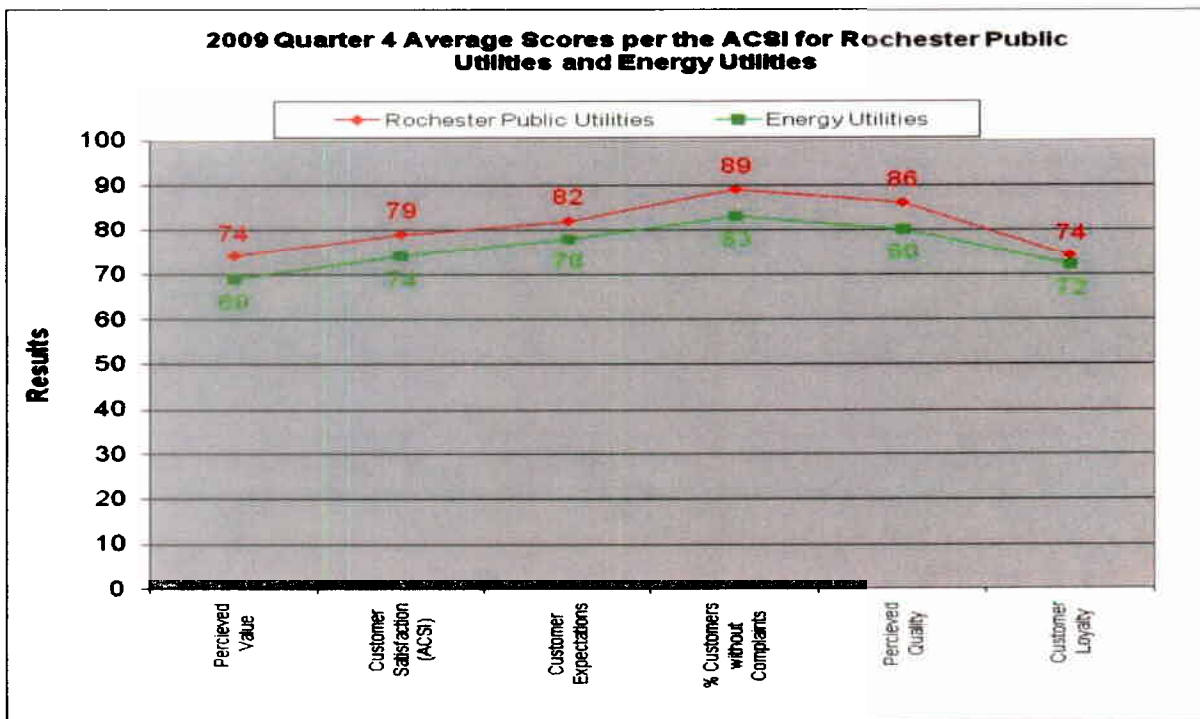
2/23/10

**SUBJECT:** American Customer Satisfaction Index (ACSI) Electric Utilities Subscription

**PREPARED BY:** Tony Benson, Communications Coordinator  
Bob Ledebuhr, C.P.M., Materials Manager / Contract Administrator

**ITEM DESCRIPTION:**

RPU uses ACSI (American Customer Satisfaction Index) to conduct quarterly random telephone surveys of our customers to measure overall satisfaction. Indices measured include perceived value, perceived quality, and customer expectations. The data of the three indices collectively quantify our level of customer satisfaction and its affect on customer loyalty. (The graph below shows how RPU ranked compared to other energy utilities surveyed across the nation for 4<sup>th</sup> quarter 2009.) The total cost of this subscription service for 2010 is \$55,000.



**FOR CAPITAL PURCHASES/BIDS/MAJOR PROJECTS:**

This is within RPU's approved 2010 budget.

**UTILITY BOARD ACTION REQUESTED:**

Staff recommends that the Utility Board approve a purchase order agreement with ACSI LLC in the amount of \$55,000.00 for an annual subscription to the American Customer Satisfaction Index (ACSI) Electric Utilities for 2010, and request the Mayor and City Clerk execute the agreement.

*Tony Koshir*  
General Manager

*2/17/10*  
Date

**ROCHESTER PUBLIC UTILITIES**



**2010 ACSI Agreement for the ACSI Proprietary Research/  
Corporate Subscription Program  
Rochester Public Utilities**

City of Rochester, acting by and through its Rochester Public Utilities Public Utility Board, (referred to as "RPU" throughout this agreement) hereby agrees to become a Proprietary Research Corporate Subscriber of the American Customer Satisfaction Index (ACSI) Energy Utilities for calendar year 2010. In return for contributing a sum of \$55,000, RPU shall be entitled to the Data Collection Processes and Deliverables of Subscription as stated in this Agreement and shall be subject to the Conditions of Subscription, which are also stated in this Agreement.

**Data Collection Processes;**

For RPU, the ACSI will use a randomized, cross-sectional customer list of 2,500 residential customer names and phone numbers for electric service supplied by RPU each quarter from which the ACSI to conduct quarterly random telephone surveys using a computer-aided telephone interviewing (CATI) technology, collecting completed RPU residential customer survey responses, per the quarterly data collection schedule below.

The ACSI will use the ACSI Energy Utilities questionnaire as the instrument for the data collection and will enact the ACSI statistical methodologies to generate the ACSI data and results on a proprietary basis for RPU. The ACSI will conduct residential customer interviews in the service territory of residential customers of RPU concurrent with the independent data collection process conducted with the top investor-owned energy utilities per the quarterly data collection schedule below. The ACSI will use the ACSI Energy Utilities questionnaire as the instrument for the data collection and will enact the ACSI statistical methodologies to generate the ACSI data and results on a proprietary basis for RPU. The results will be weighted as two-quarter rolling averages using the prior quarter to provide greater statistical stability.

**ACSI Data Collection Schedule - 2010**

| <b>Time Frame of Data Collection</b>  | <b>1<sup>st</sup> Quarter, 2010</b> | <b>2<sup>nd</sup> Quarter, 2010</b> | <b>3<sup>rd</sup> Quarter, 2010</b> | <b>4<sup>th</sup> Quarter, 2010</b> |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| <b>Total Sample-625 Randomly Completed Telephone Interviews</b>                 | 250 completed interviews            | 125 completed interviews            | 125 completed interviews            | 125 completed interviews            |
| <b>Estimated Field Data Collection Time Frames of RPU residential customers</b> | Jan 18 – March 26                   | April 19 – June 25                  | July 19 – Sept 24                   | Oct 18 – Dec 10                     |
| <b>Estimated dates of banner and report uploads</b>                             | April 30                            | July 30                             | October 29                          | January 31, 2011                    |

**Deliverables;**

The 2010 ACSI Proprietary Research Program for RPU consists of the following deliverables:

A new state of the art online confidential subscriber portal for RPU that includes;

1. An upgraded, user friendly ACSI reporting portal enabling RPU to review ACSI data and results in more efficient manner
2. A more robust ACSI Simulator and Customer Asset Calculator for the ACSI/RPU quarterly data collection efforts.
3. Confidential Industry Reports for the 1<sup>st</sup> Quarter, 2<sup>nd</sup> Quarter, 3<sup>rd</sup> Quarter and 4<sup>th</sup> Quarter 2010 of RPU and the top investor-owned Energy Utilities, (listed in Appendix A) including electronic reports following the 2010 Report/Data Collection schedule above.
4. Electronic zip files of the ACSI banners, data and results for RPU and the top Energy Utilities in Excel format uploaded into the new subscriber portal for RPU listed in the ACSI data collection schedule above;

5. **Subscriber Interpretative Support;** The ACSI will provide support of the quarterly ACSI results to RPU. ACSI will assist RPU in the interpretation of the ACSI results in comparing RPU's quarterly ACSI results to the ACSI Energy Utilities industry average and any of the investor-owned energy utilities in the ACSI. This interpretation includes discussion of the comparisons regarding the statistical differences in RPU score and ACSI industry average.

## **Conditions;**

RPU acknowledges, understands and agrees to the following:

1. The manner and purposes whereby RPU may use information, text and data contained in the ACSI Reports, ACSI Modeling and Analysis Software, individual company ACSI scores and variables internal to the ACSI model, collectively referred to as "ACSI Information and Data" are provided for in this Agreement and in the attached Use Guidelines. Although RPU is to use ACSI Information and Data principally for its own internal business purposes, there are circumstances under which RPU may disclose or release certain portions of ACSI Information and Data to a third party. Those circumstances are explained in paragraphs 3 and 4 of this Agreement.
2. RPU agrees to limit the use and viewing of ACSI Information and Data to only those employees of RPU who are instrumental in utilizing the information to improve its products and services. RPU shall advise all employees to whom ACSI Information and Data is released or viewed of its confidentiality and the terms of these conditions in order to prevent prohibited or unintended disclosure of ACSI Information and Data.
3. RPU may release ACSI Information and Data to a necessary outside, third-party consultant of RPU who is assisting RPU with efforts to improve its services. RPU shall advise all outside, third-party consultants to whom ACSI Information and Data is released or viewed of its confidentiality and the terms of these conditions in order to prevent prohibited or unintended disclosure of ACSI Information and Data.
4. The American Customer Satisfaction Index, LLC (ACSI LLC) has the right to publish and/or release for publication certain portions of ACSI Information and Data consisting of individual company ACSI scores and rankings contained in the 2010 ACSI Energy Utilities industry or any prior ACSI for the purpose of promoting and explaining ACSI and its benefits. If individual company ACSI scores and rankings contained within the ACSI Information and Data are publicly released or published by ACSI LLC for a particular year, RPU may then use or distribute only the exact, same material that was released or published by ACSI LLC for that particular year in connection with its public advertising or promotional efforts. Except as specifically provided in this agreement, neither RPU nor any other person or entity to whom RPU has provided ACSI Information and Data shall use or distribute the material for any type of communications effort.
5. RPU acknowledges that the ACSI, its various component parts and ACSI Information and Data are the property of ACSI, LLC and that its rights entitle RPU to use ACSI Information and Data subject to the terms and conditions of this Agreement.
6. RPU acknowledges receipt of Use Guidelines (attached as Appendix B) for its use in connection with any public use or distribution of ACSI Information and Data under the terms of this Agreement.
7. Payment terms for the 2010 ACSI Proprietary Research Program are net 30 days from receipt of invoice. The execution of this agreement initiates the issue of an invoice
8. This agreement shall be governed by the laws of the State of Minnesota.
9. The terms of this agreement shall not be altered, waived, modified or amended in any manner whatsoever except by written instrument signed by the parties.
10. Neither party may assign this agreement without the written consent of the other party.
11. This agreement constitutes the entire agreement between the parties. There are no understandings, agreements or representations, oral or written, not specified herein regarding this agreement. The parties, by the signatures below of its authorized representatives, hereby acknowledge that they have read this agreement, understand it and agree to be bound by its terms and conditions.

**ACSI Corporate Subscriber Contact Information/Signature Area;**

Corporate Subscriber: Rochester Public Utilities

Primary Contact: Tony Benson

Address: 4000 East River Rd NE

City: Rochester State: MN Zip Code: 55906-2813

Telephone Number: (507) 280-1534 Fax Number: (507) 280-1542

Dated: \_\_\_\_\_

ROCHESTER PUBLIC UTILITIES

\_\_\_\_\_  
General Manager

CITY OF ROCHESTER

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

Reviewed as to Form:

\_\_\_\_\_  
City Attorney

Accepted on behalf of American  
Customer Satisfaction Index LLC

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

David Van Amburg, Managing Director of the American Customer Satisfaction Index, LLC certifies that Terry Felker, as Director of Marketing of the American Customer Satisfaction Index, has authority to sign the above contract on behalf of the ACSI and bind the ACSI to its terms.

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David Van Amburg

Managing Director

ACSI LLC

625 Avis Drive

Ann Arbor, MI 48108-9649

Please fill in the above information and,

- Check here if your organization requires an invoice. If it is different than address above, please indicate the exact billing address.

Email this signed agreement to:

Terry Felker

Director of Marketing

[tfelker@theacsi.org](mailto:tfelker@theacsi.org)

# Appendix A

## 2010 ACSI Investor-Owned Energy Utilities

### Gas Service

- Centerpoint Energy
- Atmos Energy

### Electric Service

- American Electric Power
- Duke Energy
- Edison International
- Energy Future Holdings (formerly TXU)
- Entergy Corporation
- First Energy
- Florida Power & Light
- Reliant Energy
- Southern Company

### Gas & Electric Service

- Ameren Corporation
- CMS Energy
- Consolidated Edison
- Dominion Power
- DTE Energy
- Energy East
- Exelon (Commonwealth Edison/PECO Energy)
- MidAmerican Energy Holdings Company
- National Grid
- NiSource
- Northeast Utilities
- Pepco Holdings (Potomac Electric/Delmarva/Connective Energy)
- P,G & E
- PPL Corporation
- Progress Energy
- PSEG
- Sempra Energy
- Xcel Energy

**Appendix B**  
**2010 Communications Use Guidelines**  
**For the**  
**American Customer Satisfaction Index (ACSI)**

The ACSI Corporate Subscription and Proprietary Research agreements contain various terms and conditions associated with Rochester Public Utilities' (referred to as "RPU" hereafter in the Guidelines) public use of the American Customer Satisfaction Index (ACSI). The agreement refers to Use Guidelines to be used by a RPU in those specific situations when the RPU may publicly use and distribute ACSI information and data. The purpose of these guidelines is to provide assistance and guidance to a RPU when it plans to publicly distribute its ACSI information and data. The guidelines are not intended to change the terms and conditions contained in the Corporate Subscription or Proprietary Research agreements. A RPU should carefully review the terms and conditions in its agreement and these guidelines when a RPU may publicly use or distribute its ACSI information and data.

The Use Guidelines are as follows:

1. A Subscriber who is an independently measured organization can publicly use, distribute or reproduce any data, information, overall ACSI score(s), ranking(s) or change(s) that had been previously made confidential to ACSI "Corporate Subscribers". Though certain information and data for a particular year has been publicly released or published, a Corporate Subscriber who is an independently measured company in the ACSI or a Proprietary Research Subscriber, is entitled to publicly use or distribute ACSI information and data such as the overall ACSI company score(s), ranking(s) or change(s) of the variables internal to the ACSI model which are customer expectations, perceived quality, perceived value, customer retention, customer loyalty and customer complaints data it receives from ACSI.
2. As RPU provides to ACSI a customer sample for ACSI surveying, the list must be a randomized customer sample that is a cross-sectional representation of RPU's customer base. This is requested of Proprietary Research Subscribers so that the proprietary research sampling process is comparable to the ACSI independent sampling process conducted by the ACSI and available for advertising communications use. Should RPU provide customer lists with different sample parameters than above; RPU waives the option to publicize ACSI information and data such as the ACSI company score(s) and variables internal to the ACSI model which are Customer Expectations, Perceived Quality, Perceived Value, Customer Retention, Customer Loyalty and Customer Complaints from those specific sampling efforts.
3. RPU should not change, misrepresent or misstate the content or meaning of information from the ACSI in the RPU's public use or distribution of authorized ACSI information and data.
4. RPU should not represent that ACSI, or any of the ACSI information and data contained in ACSI, constitutes an endorsement of RPU energy services, or that ACSI endorses RPU energy services.
5. RPU must make sufficient attribution of the ACSI in its public use of the ranking(s) and score(s). RPU shall make attribution by clearly stating the name "American Customer Satisfaction Index" and/or by use of the ACSI logo in its advertisements or public communications.
6. RPU must document in the disclaimer, legal and attribution information on advertisements and communications clear and legible font on the ACSI information.
7. As RPU has engaged the ACSI in Proprietary Research, it must communicate in their attribution of the ACSI the specific details – the date of research and the nature of the ACSI research processes in its public attribution.
  - a. RPU can publicly disclose its ACSI scores or rankings in the ACSI Energy Utilities industry for its advertising and communication from the first quarter, 2010 research only.
8. In the event RPU intends to publicly use, distribute, reproduce or publish permissible information and data from the ACSI, RPU is requested to submit to the ACSI point of contact 7 business days before the intended use of the material the following:
  - a. The exact information and data to be used from the ACSI in the format intended to be publicly used by RPU.
  - b. A description of the extent, degree and manner of the intended public use by RPU
  - c. The use, placement and styling of the ACSI disclaimers, text and logo (if used by RPU).

Upon receipt of this information and data from RPU the ACSI will review it and communicate with RPU regarding the intended use and distribution of the materials.

In the event you have any questions concerning these Communications Use Guidelines or the circumstances and manner in which RPU may publicly use and distribute data and information from ACSI for its own communications purposes, please call or email Terry Felker (734-913-0788) (tfelker@theacsi.org).



## RESOLUTION

**BE IT RESOLVED** by the Public Utility Board of the City of Rochester, Minnesota, to approve a purchase order agreement with ACSI LLC and request the Mayor and the City Clerk to execute the agreement for

**American Customer Satisfaction Index (ACSI) Electric Utilities Subscription**

The amount of the purchase order agreement to be **FIFTY FIVE THOUSAND AND 00/100 DOLLARS (\$55,000.00)**. Passed by the Public Utility Board of the City of Rochester, Minnesota, this 23rd day of February, 2010.

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**President**

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**Secretary**