Customer Impact Report: Key Account Management And Interaction

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EXECUTIVE SUMMARY

Large commercial and industrial (C&I) customers comprise approximately 10% of a typical utility's customer base. However, when factoring in their energy usage and revenue to the utility, the proportions are much different. According to the Energy Information Administration (EIA) of the Dept. of Energy, C&I customers account for more than 60% of the nation's total electricity consumption, and industrial customers alone represent about one-third of all usage.[1] It is expected that large customers in the C&I segment receive special attention from the utility or utilities that provide them with electricity and gas.

How do utilities determine which accounts receive an assigned account representative? J.D. Power research finds there is no conforming industry practice in this regard, and that most identify their key accounts by demand or energy usage. Of the utilities featured in this report, these thresholds most often range from a minimum demand of 1 megawatt (MW) to a demand of 200 kilowatts (kW) or greater. Many utilities have begun to identify some midsize business customers as managed accounts, those that have a lower threshold than key accounts but who receive some level of attention from an assigned account rep familiar with their business. These customers may not necessarily receive the proactive level of support key account customers are afforded.

Regardless of how a utility defines its largest customers, the fact is they are important to the utility, as well as the community. Satisfaction with their energy supplier is essential to maintaining this relationship. While satisfaction among customers in this segment is higher than among customers in other segments, there are situations that may threaten a utility's relationship with key customers. For example, Walmart recently announced a goal to be supplied by 100% renewable energy, and this leading retailer has placed renewable energy and sustainability among its top corporate goals.

Walmart, which is an important national account for many utilities nationwide, in May 2013 touted itself on its corporate website as being the "largest onsite power generator in the U.S." with its renewable initiatives providing "enough electricity to power 78,000 homes in a year."[2] An important customer for many utilities, Walmart is positioning itself as a potential energy supplier for at least its own stores. While sustainability, corporate citizenship, and energy efficiency are all important goals for many businesses, if utilities are not able to meet the energy goals of their customers, those large enough may find other ways to garner their energy supply.

Following are some of the most important drivers of customer satisfaction for large C&I customers.

1 Source: U.S. Energy Information Administration, September 2011, Table 10. Class of ownership, number of consumers, sales, revenue, and average retail price by state and utility: all sectors.

2 http://news.walmart.com/news-archive/2013/04/22/walmart-highlights-sustainability-progress-in-its-2013-global-responsibility-report

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