

How Cooperatives Talk about Themselves



Touchstone Energy®

ACE August 4, 2005
Carolyn Herr Watts
NC Touchstone Energy Cooperatives

Touchstone Energy®


- History
 - 1996: In NC realized need to distinguish EMCs
 - **DEREGULATION, RETAIL COMPETITION WAS COMING**
 - Retail business talk "aggregation" -- HA -- A co-op!
 - Electric Coops known *locally* but not outside
 - It's all we needed in past
 - With deregulation, customers could CHOOSE
 - How tell them who we are, so they would choose US!
 - Keep local but wanted to show LOCAL connected to larger network
 - **You can COUNT on US -- Reliability**

5

What to do?


- This was a dilemma
 - Local ID very important -- 50 years
 - Hard to change and
 - Did we WANT to change?
 - Tried "Carolina Electric Cooperatives"
 - Did not go over well
 - *(Before my time ... Thank goodness)*
 - Local coops felt run over
 - VA: Main Street NOT Wall Street

6




Touchstone Energy

- NATIONAL INVESTIGATION BEGAN
 - Very scientific – Surprised me! Who Knew?
 - Knew we had to “do more” than rely on the OLD STORIES
 - Remember when the “lights came on”
 - Rather, What have you done for me lately!
 - As began the campaign
 - US electric cooperatives
 - THE LARGEST ELECTRIC UTILITY IN US
 - Hit me in gut -- We’re LOCAL
 - But, we’re also large for bigger marketplace issues



Touchstone Energy

- FINALLY ... LOCAL NAME up front
 - **XYZ Cooperative**
 - *“A Touchstone Energy Cooperative”*
 - Touchstone
 - A stone that tests the purity of gold & silver
 - A test to determine the quality & genuineness of a “thing”
 - As lobbyist: Electric Coops operate at cost
 - “A yardstick by which to measure the true cost of electricity”
 - Like a “touchstone”



Touchstone Energy

“A network of of local, customer-owned utilities around the country committed to providing superior service at affordable rates to all customer – large and small.”

Customers: Large and Small

- For deregulation this is important
 - In NC, 97% of electric co-op consumers
 - Residential & Small Commercial
 - BUT want to attract large, industrial customers, too
 - That's where the \$ is
 - Use lots of power and delivery cost lower
 - However, our "fame" is in treating all alike
 - ALL COOPERATIVE MEMBERS!!!!

10

So, what about a cooperative was important?

- Consumer-owned?
 - This was NOT #1
 - Consumers feel burdened by every-day life!
 - Did not want to think "have to run my electric utility, too"
 - So it was **HOW** we ran our business
 - Consumer focus
 - Consumer-appreciated aspects IMPORTANT to distinguish co-ops in the marketplace
 - CORE Values

11

4 CORE VALUES

- INTEGRITY
- INNOVATION
- ACCOUNTABILITY
- COMMITMENT TO COMMUNITY

12

EMPLOYEES

- Commitment to Community
 - Involves employees
 - Used to be lights for ball field
 - Just "did it"
 - Now we make sure that we share knowledge of our commitment
 - DEMONSTRATE our core values
 - Extensive Employee Training
 - In the beginning Need to continue!

13

How have we fared?

- Touchstone Energy cooperatives scored 81/100 American Society for Quality (Univ. of MI business school)
- Highest of 30 utilities rated **8 points higher than next utility**
 - Measured on
 - Customer expectations
 - Service quality
 - Price satisfaction
 - Customer loyalty
 - "Our employees commit themselves to being the best."

14

What do we STAND FOR?

- How do we distinguish our electrons?
 - Ads showcase this
- By HOW WE DO BUSINESS
 - Cooperative model
 - Accountability
 - Integrity
 - Innovation
 - Commitment to the Community
- The Power of Human Connection

15



Touchstone Energy®
Cooperatives
The power of human connections®

16

Remember

*“Cooperative” is more than a
business model*

It's a personal quality

17
