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submitted
9/11/2000

National Accounts Program Participation



Strategy 3

- Focus on customer segments
 - Example: Regional/National Accounts

Regional/National Accounts

- What is a Regional/National Account?
 - Any GRU commercial customer that buys electricity from another utility company for another facility - Wal-Mart

Regional/National Accounts

- Regional/National Accounts make up at least 17 percent of our electric revenue or about \$21 million (1998 Market Segmentation Model)
- These customers have been difficult to sign to BP agreements
 - 150 of GRU's Top 200 would fall into this category
 - We've signed about 48% of these 150 customers

National Accounts

- According to research by Satisfaction Development Systems, when the opportunity for choice comes:
 - Most regional/national accounts will not issue an RFP - they will choose who they want
 - Most believe they will save money

National Accounts

- Office Depot signed a 5-year agreement with an Atlanta Based Company
 - Contract negotiation for electric and gas
 - Energy usage
 - Payment monitoring
 - Bill consolidation
 - Energy efficiency recommendations

Some Options

- Based on GRU's current status as a local provider, it will be difficult for us to compete for these customers
- What can we do?
 - Give up that market segment and accept that we might eventually lose those customers
 - Gain a more regional/national presence through a strategic alliance

A Strategic Alliance

- Main Street Energy Partners
 - Same organizations that belong to The Energy Authority (JEA, MEAG, NPPD, Santee Cooper, City of Springfield, GRU)
 - Looking for 8-10 participants
 - Determine if we can protect this revenue and compete for national accounts
 - Do a feasibility study

Feasibility Study

• Customer Research	\$ 40,000
• Legal	\$ 75,000
• Facilitation	\$110,000
• Miscellaneous	<u>\$ 15,000</u>
• TOTAL	\$ 240,000
• GRU's portion	\$ 40,000

Strategic Alliance

- Each utility will provide two staff to participate in design and development
- Upon completion of the business model, utilities must declare full participation
- GRU Would Bring this Before the City Commission
