

Educated Opinions

Jones, Larry

Getting customers to understand issues fully instead of simply reacting to them makes Deliberative Polling[®] a useful tool for Central and South West Corporation.

For Central and South West Corporation (csw), the challenge was simple enough to state: Bring electric utility customers into the planning process at the earliest stage. Meeting the challenge was an entirely different matter. The utility could have used a conventional approach, but the approach it finally adopted involved a process that had been used only three times in the last 2,400 years.

"Traditionally, electric utilities decide what they want to do and then go out and check public reaction," says Tom Hagan, csw senior vice president of external affairs. "We wanted to find out what our customers thought early enough in the process where we could be responsive to their input."

csw's Texas electric operating companies wanted to get input regarding the various alternatives to meet future energy resource needs—a pretty big question. The companies chose a process called Deliberative Polling[®], the goal of which is to obtain informed customer views on different issues by providing the customers with an opportunity to learn about all sides of those issues.

And Central Power and Light (CPL) was the first private enterprise in the United States—and literally the third enterprise in history—to use the process. West Texas Utilities Company (wTU) and Southwestern Electric Power Company (SWEPCo) become the fourth and fifth.

About Deliberative Polling[®]

This process differs significantly from ordinary polls and opinion surveys. As James Fishkin, chairman of the government department at the University of Texas at Austin, explains in his book, *The Voice of the People, Public Opinion & Democracy* (Yale University Press: New Haven, 1995), ordinary polls and surveys examine only what the public is thinking about different issues at a particular time—if, in fact, the public is thinking about them.

Deliberative Polling[®] is designed to go deeper. Fishkin developed the concept from the type of democracy practiced about 2,400 years ago in Athens.

The Athenians used citizen juries and legislative commissions of several hundred people, chosen by lot, who would deliberate for extended periods of time on important public issues. By the fourth century BC, these groups were making the final decisions on legislation.

The Deliberative Poll uses the same basic concept by collecting a random sampling of citizens who then gather together to get more information and develop a truly informed, deliberated opinion.

The approach is simple in concept. First, a telephone poll is taken that measures public opinion about the issues under consideration. Then, a scientifically random sample of all customers is selected using random digit dialing. The group meets

over an extended period, like a weekend, during which time the members study the issues in detail: They read through carefully balanced briefing materials, attend small-group discussions and large-group meetings, and have the opportunity to hear and question experts with differing views.

At the conclusion of the process, the group is surveyed a second time to determine whether the members' views on the various issues changed and, if so, to what extent. The resulting survey offers a representation of the considered judgments of the entire population from which the sample was drawn.

"It's a poll with a human face," Fishkin says. "It has the statistical representativeness of a scientific sample, so the results can be analyzed quantitatively. But just as important, Deliberative Polling[®] involves real people talking about real issues in human terms. That means we also have the immediacy of a discussion group."

The Experience

CPL coordinated the first Deliberative Poll in June 1996. WTU and swEPCo held their polls in August. They were large productions: Although the concept of Deliberative Polling[®] is simple and the promise is great, execution of the process takes commitment, time, and company resources.

csw was considering four alternatives to meet its future energy resource needs. With 60,000 customers, CPL had estimated that it needed 200-400 megawatts (MW) in the 1999 to 2001 period. WTU (with 185,000 customers) needed 150-250 MW in the 1998-2001 period, and SWEPCO (155,000 customers) needed a similar amount for the 1999-2002 period.

For simplicity, all the companies grouped the alternatives into four broad categories:

- * increase energy efficiency programs (using less electricity overall, reducing peak load, load leveling, offering various pricing options);
- * buy power from another company and transport it into the area (purchasing bulk power, using power marketers, exchanging power with Mexico, cogeneration);
- * build a fossil fuel plant (using natural gas, coal, or lignite, distributed generation, and other build options); and
- * build renewable energy plants (using wind generation and solar power).

Each of these options has advantages, disadvantages, and trade-offs, as well as cost, environmental, economic, and social considerations-utility watchers are familiar with most of them, at least in a general sense. csw wanted to determine what values its customers place on each of these options early enough to incorporate the feedback into the plan to be filed with the Texas Public Utility Commission (PuC). For example, how much more were they willing to pay for, say, renewable energy? How did they view the trade-off between, say, buying power and building new lines to transport it? csw regulatory case manager Ron Ford explained that the corporation was committed to get customers involved in the process. "We considered the more traditional approaches to customer involvement, such as telephone surveys, focus groups, town meetings, or advisory groups," Ford says. "csw had used each of these tools, as had other utilities, with varying degrees of success. None of the methods gave the level of involvement that we were seeking."

Ford credits Dennis Thomas, a former chairman of the Puc and a consultant to csw, with first suggesting the Deliberative Poll. Thomas had been working on public involvement methods for some time and believed that the Deliberative Polling® approach was right for a "hands-on" company like csw. He suggested that csw consider using the process based on publicity associated with the then upcoming National Issues Convention in Austin, Tx-a Public Broadcasting System broadcast program that used Fishkin's methods with 600 U.S. citizens who discussed and debated key issues facing U.S. public policy with the presidential candidates. Fishkin had also tested the process with British voters in 1994 (concerning crime) and 1995 (concerning Britain's future in the European Union), and the results had been broadcast by the British Broadcasting Company.

"csw was committed to having an open process," Thomas says. "The company truly wanted to know how customers felt about the issues under consideration. And more important, the company wasn't afraid to let its critics present their point of view." Professor Fishkin admits that he was caught off guard when csw representatives first approached him about supervising a Deliberative Poll. "I had only thought about using the process as a way of examining public policy issues," he says. csw explained that as a regulated utility it had an obligation to consult the public, and the company was not satisfied with using traditional approaches to determine what the public is thinking (especially when, in reality, the public is not paying attention). "They pointed out that a new power plant can cost as much as \$100 million to build," says Fishkin, "and that the customers' input needed to be more than a top-of-the-head opinion."

Fishkin agreed to participate because all the stakeholder groups would have the opportunity to assist in preparing the companies' survey and briefing materials and to participate in the panel discussions. "This proved to be a time-consuming process, but it was a learning experience for all involved," he says.

A research team from the University of Texas at Austin-including Fishkin, Robert Luskin of UT's department of government, and Noelle McAfee, who was the assistant director of the National Issues Convention-supervised the research.

All Sides Now

Groups that normally intervene at the PUC participated in an advisory committee that reviewed the format for the meeting, the survey instruments, and the briefing materials. This group included representatives from environmental groups, consumer advocates, potential competitors, and others. Several also served as panelists during the actual meetings.

"Preparation of the briefing materials was a critical task," says Will Guild, research psychologist for the events. "The materials had to be rewritten several times to ensure that they gave a fair picture of all sides of the issue." In the end, while the various parties continued to disagree about issues, everyone agreed that the materials gave an unbiased presentation of the differing viewpoints.

"We came to the process without a position that we were trying to sell," says Ford. "Some participants had a difficult time accepting that we didn't already have an answer in mind and were not advocating one option over another. Clearly, there were strong differences of opinion among the various parties. But that's what this process is all about."

For the CPL poll, ensuring that level of balance entailed three months of preparation on several fronts; the following WTU and SWEPCo events each took two months. The issues team met with the advisory group regarding the format for the panel discussions, the survey instruments, a 16-page tabloid briefing newspaper, and a 17-minute orientation video. The logistics teams coordinated the details associated with hotels, meals, meeting locations, and the myriad of other details that need to be worked out for any event this size. Other teams trained employee volunteers who actually would staff the events. Each

company surveyed more than 1,000 residential customers by telephone, trying to gauge general opinion on the issues. Then they randomly invited 220-250 customers—a representative sample—to attend a weekend of deliberation about the four options. The level of involvement throughout the companies was high—each poll involved up to 120 employees. Many of them spent personal hours after the normal workday and on weekends contacting customers who were considering participating in the process.

Each Deliberative Poll was called a "Town Meeting on Electricity Issues" to give customers a better grasp of the weekend's format of large and small group meetings. [See the sidebar.] Participants were assigned to groups of approximately 15 people. Each group had a trained professional moderator, whose job was to lead the team through discussions about the four options. Moderators were recruited from outside the companies to maintain neutrality during the process. Their job was to see that everyone had a chance to talk and ask questions. Each group also had a company volunteer serving as a facilitator to deal with any problems that individuals in the group encountered.

One of the large group sessions included a discussion with representatives from PUC. That session was taped by a local television station and broadcast within the company's service territory.

Customer Response

In the 16-page newspaper distributed at the beginning of the weekend, the issues were explained as objectively as possible. Overlaying the four options were the pros and cons regarding * the dollar cost of resources (some customers want simply the lowest cost, others are interested in the short- and long-term costs as dictated by the unpredictability of future fuel costs, others argue that environmental and health costs should be analyzed as well); * environmental costs (burning fossil fuels creates emissions, and while some say these should be mitigated at all costs, others are concerned about rising costs of environmental controls and future changes in environmental laws); * economic impact (plant construction could increase jobs and the tax base, and stimulation of the energy efficiency and renewable energies industries could do the same, but some argue that utilities should provide the least expensive electricity and not engage in social or economic policy); and * utility requirements (how do the options achieve reliability and the proper balance of fuel mix and availability?).

Customers at all three Deliberative Polls overwhelmingly indicated a strong desire to incorporate a mix of the four resource options rather than relying on a single option to meet the entire energy need.

At the same time, they sent a strong message that they wanted more energy efficiency programs and renewable energy incorporated as a part of that mix. And they were willing to back that view up with their pocketbooks. For example, WTU participants were willing to pay as much as \$7.83 a month more to ensure that renewable energy plants were apart of the resource mix. SWEPCo participants were willing to pay an additional \$6.44 a month, and CPL participants were willing to pay an additional \$5.56. [See the sidebar, "Statistically Speaking."]

And how did they feel about being able to participate in the polls?

"Customers absolutely loved the process," Fishkin says. "They grasped the issues and came up to speed quickly, They went from 'top of the head' opinions to a much more sophisticated discussion of the advantages and disadvantages of the options."

On a 10-point scale, 79 percent of the participants gave the process a 10 at the SWEPCO event, 73 percent at the CPL poll, and 71 percent at the WTU event. "This is the same level of satisfaction that participants got from the National Issues

Convention on PBS with the presidential candidates," says Fishkin. "These people really became engaged in thinking about electricity issues."

"All too often, companies undertake massive research efforts and then are unsure what to do with information," says csw consultant Thomas. "Through the Deliberative Polls, the CSw companies got their customers involved while the clay was still wet."

That view was mirrored by Patrick Wood, chairman of the PUC. Wood and the other two PUC members praised csw for taking such an innovative approach to public participation and being open in their efforts to ensure that all sides were heard. "CPL took a big risk holding this conference with television cameras and reporters and by having us as guests," Wood said during a large group session at CPL's poll. "The company knows that we are going to be watching very closely to make sure that it has listened to what its customers have said in this process."

In a radio interview following the CPL poll, Karl Rabago, manager of the Environmental Defense Fund's Energy Program and a former member of the Texas PUC and deputy assistant secretary of the U.S. Department of Energy, agreed: "I think it was a stroke of genius and took a great amount of guts for CPL to say that we honestly care about our customers enough that we are going to ask them in a scientific and reliable way what they want."

"It may have been a risk to take this type of approach in the old world, but those days are gone," csw's Tom Hagan says. "As we move into a new era, utilities are going to have to find new ways of identifying what their customers want, as well as ways of responding to those expectations."

Larry Jones is senior communications consultant with Central and South West Corporation in Dallas. Deliberative Polling® is trademarked

Copyright Edison Electric Institute Jan/Feb 1997

Provided by ProQuest Information and Learning Company. All rights Reserved