

BILLING AND PAYMENT LEADERSHIP COUNCIL:

Fall Meeting 2022 – Orlando, Fla.

Oct. 17, 2022

Members of Chartwell's Billing and Payment Leadership Council met for a one-day session Oct. 17, 2022, at the Renaissance Orlando to discuss billing and payment successes and challenges, eBill adoption, emerging technologies, vulnerable customers, and surveys and metrics. In addition to these topics, Chartwell hosted a discussion led by Jeff Lojko, vice president of Bank Of America, on the subject of Delivering a Great Customer Experience.

Chartwell Consultant Noah Solomon opened the meeting by sharing general information on Chartwell. He also recognized three Council MVPs – APS, received the Gold MVP Award; National Grid, received the Silver MVP Award and OPPD, received the Bronze MVP Award. This award was presented to utilities for their active engagement on the Council during 2022.

Trivia

One of the activities council members have indicated they enjoy and gain a lot of information from is Chartwell's Trivia Challenge. The winner for fall meeting trivia game was the team Lost In Paradise with 7 out of 8 questions answered correctly, followed by Energy Power Stars with 6 out of 8 answered correctly.

Successes over the last 12 to 18 months

- Consumers Energy reported their Credit Disconnect back log was nearly back to pre-pandemic levels following months of extremely high numbers. Successes leading to the reduction in the backlog were attributed to helping customers access more than \$90 million in energy assistance funds. Consumers further reported that more work needed to be done as they move into 2023 with energy assistance funding decreasing and rates climbing.
- Con Edison shared that they are making bill design changes following a billing system change. The bill design changes are intended to help customers understand their bill better and also deliver one, similar bill for all companies. Con Edison also reported that they have had success reducing arrears following a business process change that enabled them to start accepting credit card payment in the field for businesses. Con Edison has recently extended this new service to residential customers but they were unable to gauge the level of success at this time since they were only a few weeks into the new process. Con Edison noted that as of Oct. 3, there will be no fee for card payments for residential customers since regulators approved socialization of these costs (with a cap).
- Con Edison also reported that they were streamlining billing processes and making improvements to net metering.
- OPPD shared that they have recently extended payment installment capabilities for expanded terms if customers owed less than 18-month installment plans.
- PSEG reported that their RPA program for risk customers was working well with \$80 million in 2022 which is close to pre pandemic: mostly self-serve.
- Black Hills told council members that their efforts to meet/exceed debt collection had better-than-anticipated results and that they were realigning the organization to improve the ability to listen to customers and communicate better to customers in their debt collection processes. Black Hills also shared that their bill print/redesign effort was moving forward. However, their prepay effort was struggling due to assistance payments causing issues.

eBILL ADOPTION

Highlights of Chartwell presentation:

- Utilities lead most industries in eBill adoption at approximately 40% average
- Adoption is most favored among consumers 18 to 49 and higher incomes
- The most common reason customers decline to use ebill is that customers want the paper bill as a reminder and record
- Bill credits are by far the most favored form of incentive for consumers

Council members proposed a question for feedback regarding the best practice for applying a credit to a customer bill as an incentive for eBill enrollment.

- Con Edison shared that they believe applying a credit for eBill for being in the program over time vs. a one-time incentive is the right thing to do.
- DTE offers credits of \$10. They reported that less than 2% will enroll and drop, and advised that marketing dollars for the program are a key success factor.
- Other comments:
 - Using demographics to make offers creates better engagement and sign-up.
 - Engage CSRs to encourage sign up.
 - Offer on bill sign up.

JEA EBILL ADOPTION

- JEA presented their story relative to their journey toward eBill adoption. This is a six-and-a-half year effort JEA has undergone, and they are currently leading the way with a 43.8% adoption rate. JEA reports that starting service and promoting eBill is a key factor in their success. JEA sets the expectation that eBill is the default and primary method of billing for the company and as a result, they incorporate eBill offers in all touch points for the customer with an incentive to switch. Making eBill the “normal” billing method is their goal.
 - eBill customers on autopay is a good marriage. eBill customers typically only call about questions about the amount of their bill vs. not getting a bill or not understanding a bill- this supports JEAs key focus to drive down call volume.
 - JEA short-staffed CSC since Pandemic:
 - Sending links to customers to get tax info is preempting calls (customers get a pdf of bills month by month; business customers can get an excel version.
- Other member input:
 - DTE: all customers are eligible for eBill if they have an account; autoenrollment is scheduled for 2024 and will kick off with February bills (lowest bills)
 - Opt-in programs work –
 - Start service opt-in is most successful.
 - Removing convenience fee helps opt-in (ability to pay by link on bill)

ROBOTIC PROCESS AUTOMATION

- 42% of utilities are using RPA to improve processes, according to Chartwell data.

EV AND EMERGING TECH

- 25% of utilities offer EV rates and tariffs.
- Most utilities offer one rate option for residential EV customers.
- Growth of EV adoption:

- Black Hills Energy has rates, no charge stations for public use and no plans to get in; Colorado in cutting edge of clean energy programs and efforts; they provide rebates for residential via an affiliate; have techs to install charging stations at customer homes
- Duke Energy has rates for EV chargers like TOU
- Duke surveyed 3,800 customers – 3% have EVs but anticipating growth in next three years; many said they were thinking about it in next three years.
- Alectra does not have a no long-term business model in place for EV adoption; many customers have not fully internalized the costs; need to figure out where EVs fit in the overall Biz Strategy
- First Energy is putting together an EV strategy; they are not looking at the number of customers with EVs, rather they are looking at growth in targeted areas and trying to determine where and how they fit in the overall picture (i.e., with charging stations, EVSE, rates, etc.). Customers are not coming to utility for information, they are going to car dealerships who really don't know. First Energy needs to figure out how to train employees to better manage customer questions and where the archive of information for EVs resides.
- Duke reported that their survey (see above) indicates that customers want information on EVs from utilities – they trust utilities on this subject.
- In California, they are experiencing a lot of adoption (likely from the cost of gasoline); putting cell data loggers on 300 customers to help better understand issues with transformer load during summer peaks. Also exploring rebates for business customers to install chargers; offer \$50 bill credit for residential customers to join EV community (helps find out who has EV) for research purposes; new home construction companies that are looking for a competitive edge to sell homes are using EV chargers (free option with homes).
- OPPD questioned council members on how EV s affect transformers and cost associated with it. The group felt like research indicates that there is little to no effect on transformer longevity and the ability to ride out peaks.

EMERGING PAYMENT CHANNELS

- The average utility offers eight payment channels, according to Chartwell data.
- Alectra is developing a business case to waive card fees. JEA questions if the fees should they be borne by shareholder or socialized.
 - Con Ed reported they are waiving fees and it is justified by growth in digital channels but Commercial still pays fees
- Black Hills reported Colorado commission eliminated all card fees, but Colorado governor disagrees. As a result, Black Hills will charge a fee but credit the fee back to a customers account if they meet income qualifications.
 - Black Hills reports that waving card fees can help with arrears
- Con Edison suggested you have to be careful with Venmo, Zelle, etc. because it is a slippery slope with having to absorb those fees as well
- (utility) added Apple pay recently but being new they don't have feedback on engagement (4 weeks); business case was based on customer engagement; charge fee for cards but don't charge fees if customer is on autopay
- JEA reported that some, not allot of customers asking for new channels
- Con Edison reported that surveys indicate there is some customer interest in Apple pay but it's not substantial; Con Edison is currently looking into Apple pay though
 - Biggest thing customers want is auto pay with cards.
 - Going to target customers paying with cards to get a lower fee (budget driven vs. total waiver)
- First Energy reported seeing trends for cash only use by customers?

DISCUSSION WITH BANK OF AMERICA – JEFF LOJKO, SR VP – CX TRANSFORMATION

- Customers are not happy in this industry.
 - How to improve sat (build brand equity) includes finding a way to get customers to think about you in positive ways. The days of customers not thinking about you are gone. Customers are starting to realize they need to know who their utility is and how to engage with them to bring value to their lives. Utilities need to:
 - Get their attention with monthly alerts
 - Make customers aware that their utility is a huge a part of their lives.

- Utilities have ability to make people extremely satisfied and are in a great position to do so.
- The old way of building a plan was based on volume of feedback. Today with AI, we can understand key drivers. Don't ignore the small numbers, do the analysis to determine if there is a ripple effect.
- Crypto is coming. It's easy for some executive to get wound up with excitement but utilities need to do analysis to determine if it makes sense to deliver to a small group that will lead to a larger group. Maybe that small group is the squeaky wheel that lights a fire.
- The concept of value creation is important to customers. Some power-manager programs are mind blowing because they let the utility in their home to control equipment. Customers trust utilities and want to engage with utilities. This builds a level of cooperation that is needed in the utility industry.
- All of the things utilities do for customers build their awareness; utilities need to be ready because customer awareness is coming.
- Customers are informed on how the world is evolving and it's getting more intense.
- Where are utilities missing the boat:
 - Very limited research: sophistication is wildly different and inconsistent but should be widely consistent in the industry. If you're not sending notifications about things before and after they happen, then you're behind.
- Questions/comments:
 - Alectra: What are your thoughts on data security?
 - Utilities need to keep customer data safe. It needs to be priority one. Anything short open Pandora's box.
 - Con Edison: Discuss Zelle, please.
 - Zelle is a B-to-B product, not C-to-C. Still a lot to be learned about risk with these products and customers don't understand that once they click the money is gone and cannot be reversed. A bank cannot help getting money back. There is a lot of consumer momentum but control by consumer is not being considered.
 - Errors with paying utility bills with Zelle and Venmo and others can be very difficult for a customer to resolve; customers can see service cut off by the utility and they cannot help the customer at all with the payment issue.
 - The risk is all on the consumer.
 - PSEG: Utilities are trying not to focus on technologies that will be outdated. How can we pick safe avenues to deliver convenience to customers?
 - You need to determine how important the avenue is to the customer. Need to get data to see if it's really important because it's not just about convenience, it's about cash back, points to travel, etc. It's about wanting something for free.
 - Is 1% back on an Apple card more valuable than helping customers adjust a thermostat? Think about what really builds and creates value for customers.
 - Be careful about connecting pay programs to vendors with low flexibility and low longevity.
 - Can they change to accept any new directions in which you head? (crypto)

VULNERABLE CUSTOMERS – PAT RICKS

- Energy burdens are the percentage of income paid for utilities. When burdens exceed 4.6%, policy makers report that a customer's ability to pay becomes significantly compromised and the customer's vulnerability becomes imminent if the ratio does not improve.
- Energy burdens affect vulnerable customers at a greater rate than non-vulnerable in a much more significant way.
- The COVID lockdowns exacerbated an already difficult situation for utilities (and vulnerable customers). The current and future economic environment is tilting the scale even more. Over 20 million US households now have past due accounts
- As of June, due to inflation of energy prices, household energy costs are almost 14% higher this year vs. last year at the same time.

- Overdue accounts stand at \$16 billion for the utility industry: an all time high that has remained near that level since December 2020
- More than half of vulnerable utility customers say they are not aware of available assistance.
 - Key opportunities from Chartwell Utility research reveal the following:
 - Collaboration is essential to solve problems, innovate and share successes.
 - Expand and create opportunities for utilities to build vulnerable customer networks.
 - The industry needs a working group framework to enable utilities to work together to develop new ideas and take those ideas to implementation.
 - Customer/community advocates are an integral player in innovation, implementation and outreach efforts – any solution development should include advocacy partners to help define and execute solutions that work.

PROBLEM SOLVING ISSUES:

- First Energy: How do we ensure that we can take customer credit card payments who want to pay with a CSR or bail on the IVR due to difficulties when making a payment? We are currently using Citibank but will no longer use them as they will stop Sykes/Sitel CSR support of function.
- SRP: What type of internal resources are dedicated for RPA? Is this an informal department or formal
- Consumers: Are there any utilities deploying strategies to help the “working poor” or customers that may not qualify for assistance (outside of payment arrangements)?
- No name on card: Attracting great talent. Are there any strategies being used to retain or attract stellar talent in this work force challenged time? Work from home option full time isn’t allow and it hinders attracting good applicants.

Upcoming Leadership Council Events

- Next call: Tuesday, Nov. 8 – Credit Card Fees

Meeting Attendees

- Sue Gilley, Arizona Public Service
- Brandon Rozema, Black Hills Energy
- Allen Caldwell, Con Edison
- Raymond Joseph, Con Edison
- Jonathan Feld, Con Edison
- Jacqueline Knight, Consumers Energy
- Jeanne Showalter, Consumers Energy
- Dina Shearouse, Consumers Energy
- Addie Bausch, Duke Energy
- Joann Toth, FirstEnergy
- Seb Oran, Hydro Ottawa
- Gerald Butler, JEA
- Arju Saiyid, Manitoba Hydro
- Anthony Murdock, National Grid
- Michael Trautman, Omaha Public Power District
- Michael Sedlak, PSEG Long Island
- Kim Soreil, PSEG Long Island
- Scott Scharli, Salt River Project

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