



ENERGY
WEBINAR

Managing Customer Expectations in the Face of Rising Bills

Adrian Chung, Director, Utilities Intelligence, J.D. Power
Jim Malcom, Chief Operating Officer, Apogee Interactive, Inc.

July 21, 2022



Adrian Chung, Director, Utilities Intelligence, J.D. Power

Adrian is responsible for the delivery of client service and advisory, along with business development, for the Utilities industry in parts of the U.S. and Canada.

Adrian works closely with electric, gas and water utility clients to provide analytics and develop strategies to improve customer satisfaction performance, ultimately impacting customer advocacy, brand strength and ROI / ROE.

Since joining J.D. Power, Adrian has operated in various roles and held responsibilities across several verticals including Automotive, Telecom, Financial Services and Insurance.

Adrian holds an Honours Bachelor of Mathematics degree from the University of Waterloo (Canada) and has more than fifteen years of market research experience.



Jim Malcom, COO, Apogee Interactive, Inc.

Jim Malcom is Chief Operating Officer of Apogee Interactive, Inc., providing oversight business and financial operations of the company. His senior management experience in the telecommunications and management consulting industries is providing strategic direction for Apogee's continued growth and success.

Malcom brings more than 20 years in corporate finance and accounting to Apogee, which began with the firms KPMG and Ernst & Young in Atlanta. His career steadily expanded to include senior posts as chief financial officer, corporate controller, vice president and treasurer for such area companies as Heidelberg USA, LecStar Telecom and Powertel.

He is a graduate of the University of Georgia with a bachelor's and master's degree in business administration, a certified public accountant, and a chartered global management accountant.

Today's Agenda



1
High energy
costs and impact
on customer
satisfaction



2
Effective
communication
strategies



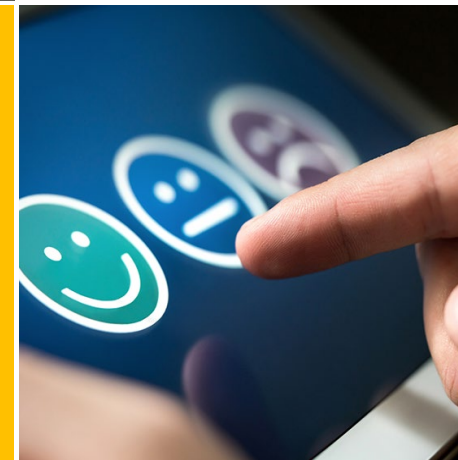
3
Customer
engagement
methods



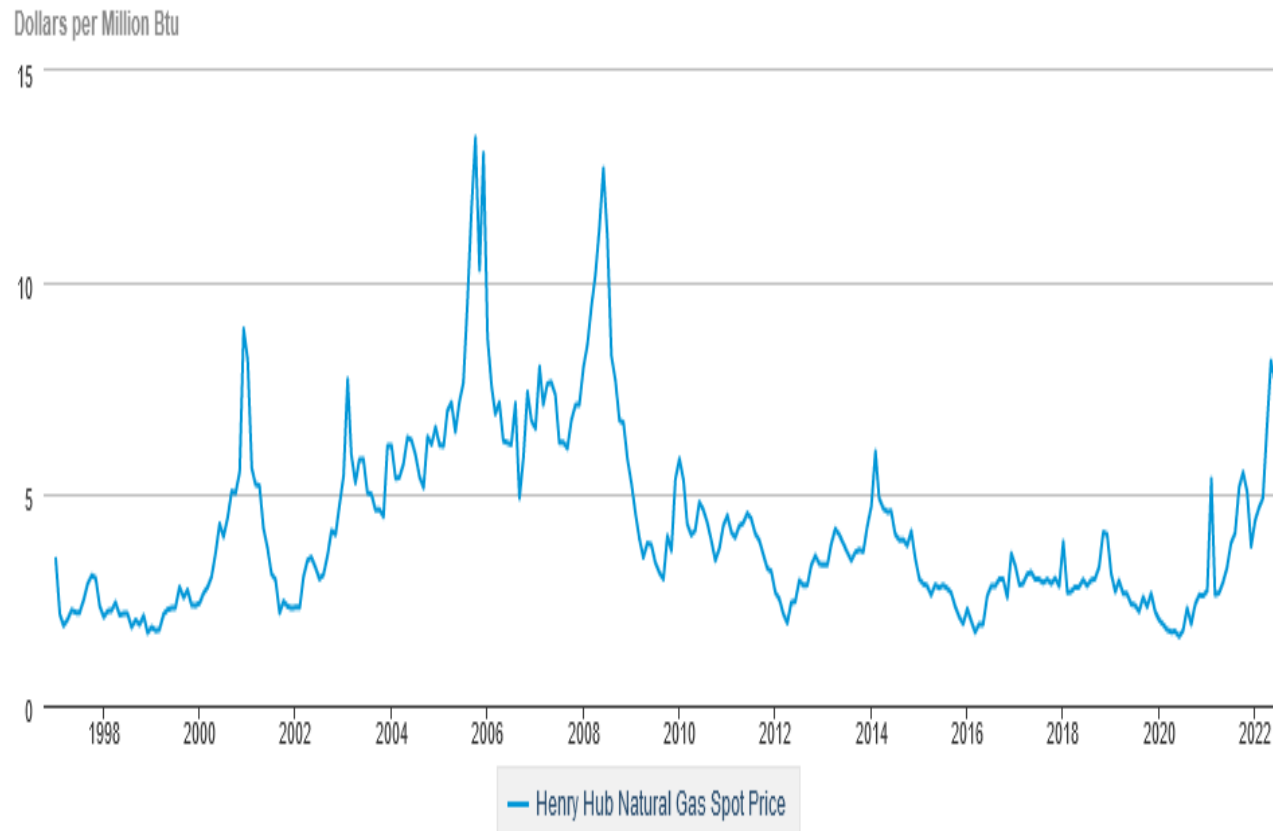
4
Proven methods
for improving
customer
satisfaction



5
Q&A



Natural Gas Impacts



Source: U.S. EIA, 2022 Data

U.S. utility-scale electricity generation by source, amount, and share of total in 2021¹
Preliminary data as of February 2022

Energy source	Billion kWh	Share of total
Total - all sources	4,116	
Fossil fuels (total)	2,504	60.8%
Natural gas	1,575	38.3%
Coal	899	21.8%
Petroleum (total)	19	0.5%
Petroleum liquids	11	0.3%
Petroleum coke	7	0.2%
Other gases ³	11	0.3%
Nuclear	778	18.9%
Renewables (total)	826	20.1%
Wind	380	9.2%
Hydropower	260	6.3%
Solar (total)	115	2.8%
Photovoltaic	112	2.8%
Solar thermal	3	0.1%
Biomass (total)	55	1.3%
Wood	37	0.9%
Landfill gas	10	0.2%
Municipal solid waste (biogenic)	6	0.2%
Other biomass waste	2	0.1%
Geothermal	16	0.4%
Pumped storage hydropower ⁴	-5	-0.1%
Other sources ⁵	12	0.3%

J.D. Power and Apogee

J.D. POWERS CRITERIA					
Power Quality/Safety & Reliability	Billing & Payment	Price	Corporate Citizenship	Communications	Customer Service

J.D. POWER

Managing Customer Expectations in the Face of Rising Bills

Adrian Chung – Director, Utilities Intelligence

July 21st,
2022

Who we are

Discussion Points:

- *Managing rising rates*
- *Leveraging utility communications*
- *Increasing customer engagement*

Wrap Up



J.D. Power – the trusted name in Customer Experience



J.D. Power is the most trusted source for recognizing top-performing brands and helping clients drive results.



50 Years
of Experience &
Brand Recognition
Consumer Trust



Featured in
HUNDREDS
of commercials receiving
BILLIONS
of impressions



More Than
5,000,000
Consumers Surveyed
Annually



75%
More likely to consider
buying a brand recognized
by J.D. Power



175
Annual Benchmark
Studies

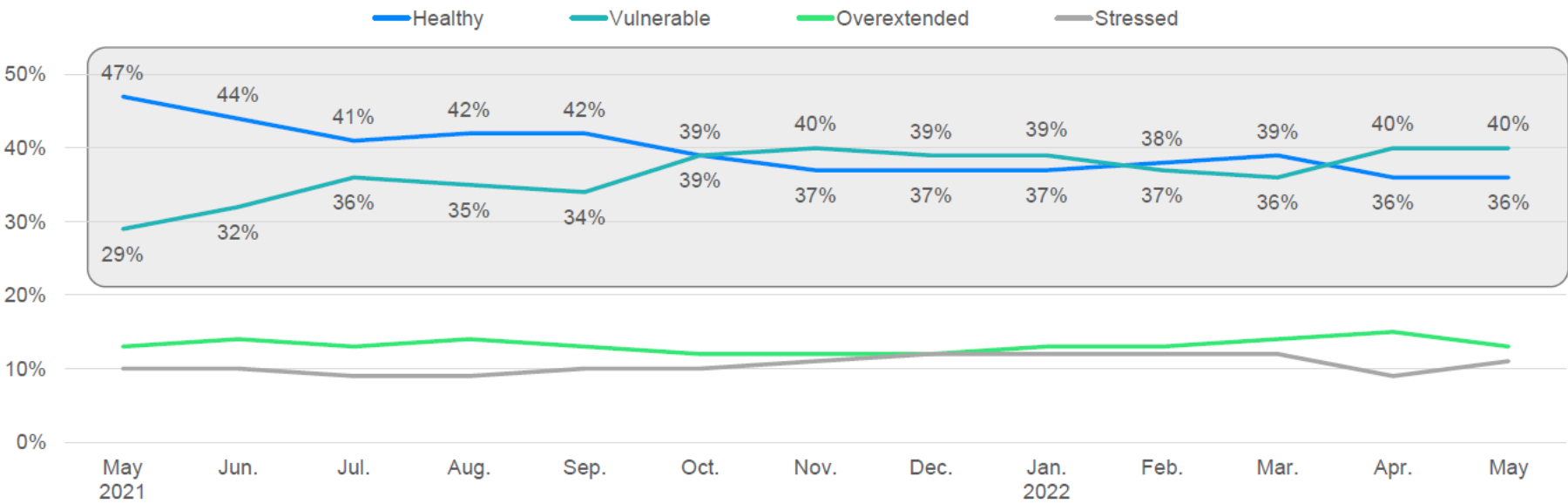


Studies Fielded & Awards
Coveted in
19 Countries

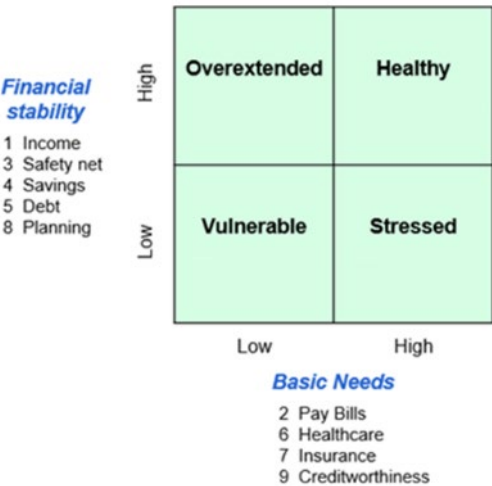
Understanding the Population's Financial Health Status

In one year, the proportion of financially healthy customers nationwide declines by 11 percentage points – 64% of consumers are considered financially unhealthy today.

Total All Banks
13 Month Trend

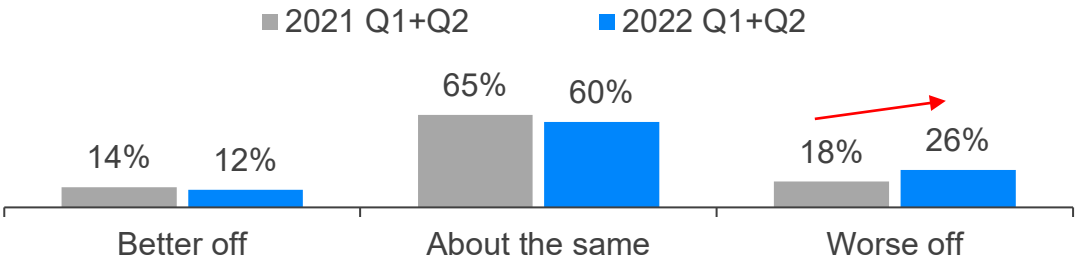


Financial Health Segmentation
Results in U.S.

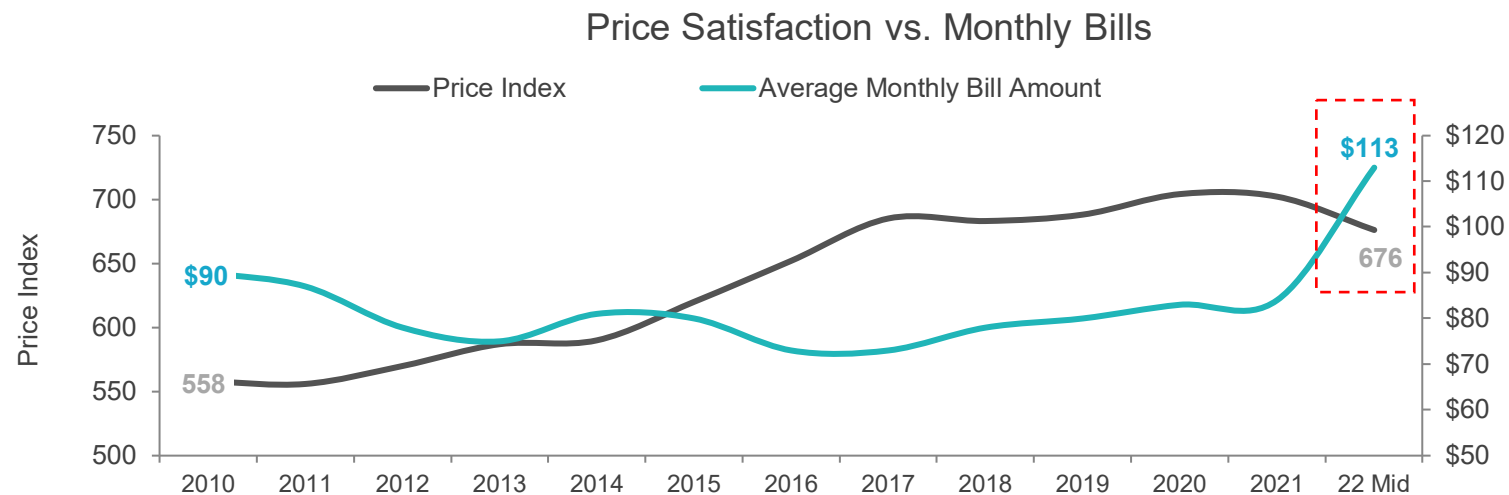
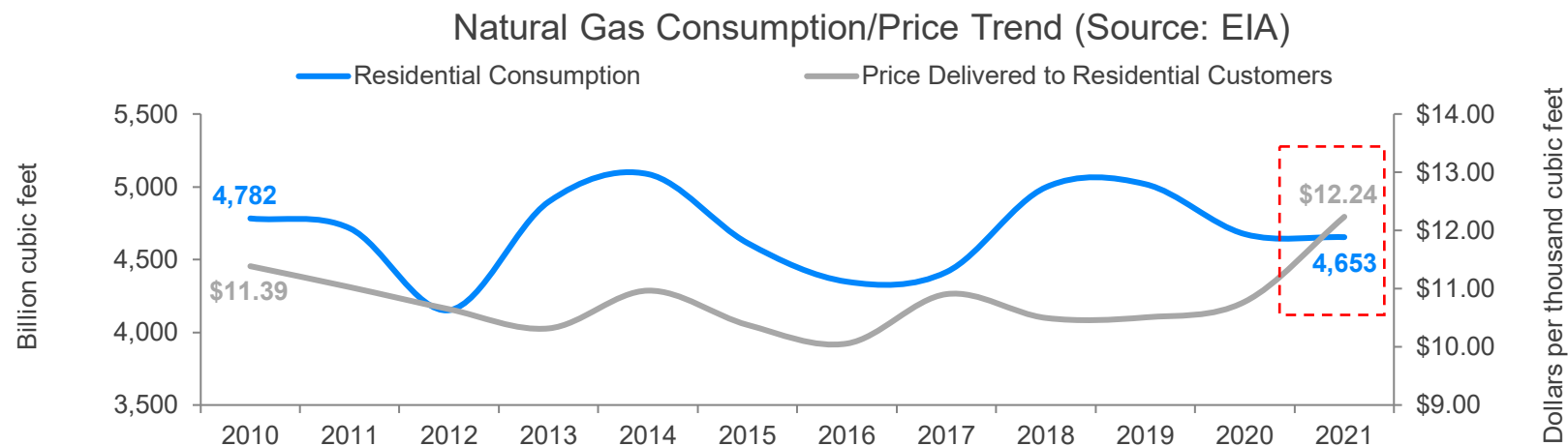


Source: J.D. Power U.S. Polaris Survey May 12-22, 2022 Flash Report.

Financial status compared to a year ago
– Residential Gas Customers –



Natural Gas Prices are on the Rise



Source: J.D. Power Residential Gas Utility Customer Satisfaction Study

2022 Customer Verbatim Comments related to Price

Work towards helping their community
lower prices with helpful tips.

LOWER THE PRICE. Some of us don't make big bucks each month. Let us see how you live on \$1000.00 a month.

Their **prices!** My payment plan more than doubled from a month ago

We are on fixed income to
reduce price could only help, we try to
hold usage down.

Transparency when it comes to the **cost of natural gas**

Stop raising prices

Prices, help with
lowering usage

Prices for the
most part.
These prices are
outrageous.

Prices are awful as a whole in the whole country. People
can barely afford to live at this rate. Have programs to
assist with this as people **can't pay these prices.** As a
company I would rather have some one pay something
they can afford rather than nothing at all.

They need to help customers lower their **price**

Prices are ridiculous. They shouldn't be allowed to
have a monopoly and earn record profits at the
expense of regular people who have no alternatives

Well, everyone likes to save money, especially retired folks like
our household. Everything they can do to keep **prices** (and
executive-level compensation) lower is appreciated.



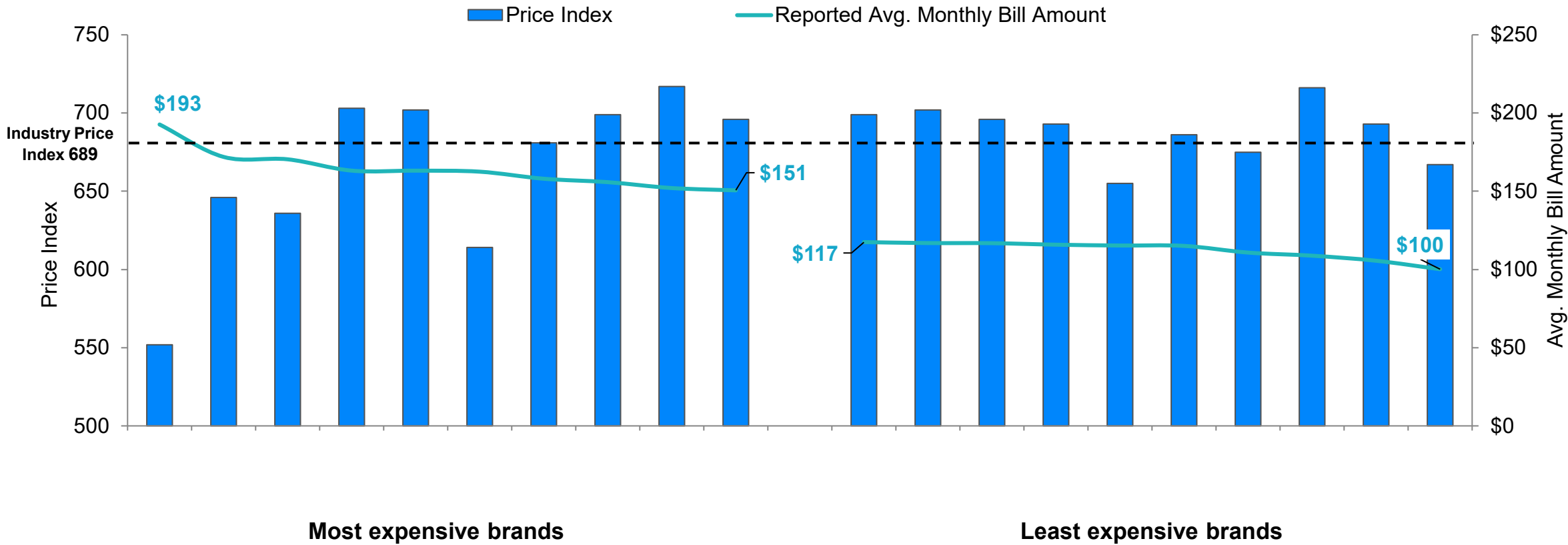
To keep me
informed of
any **price** changes

Prices and things
renters can do to
reduce cost

High bills don't guarantee low customer satisfaction...and vice versa

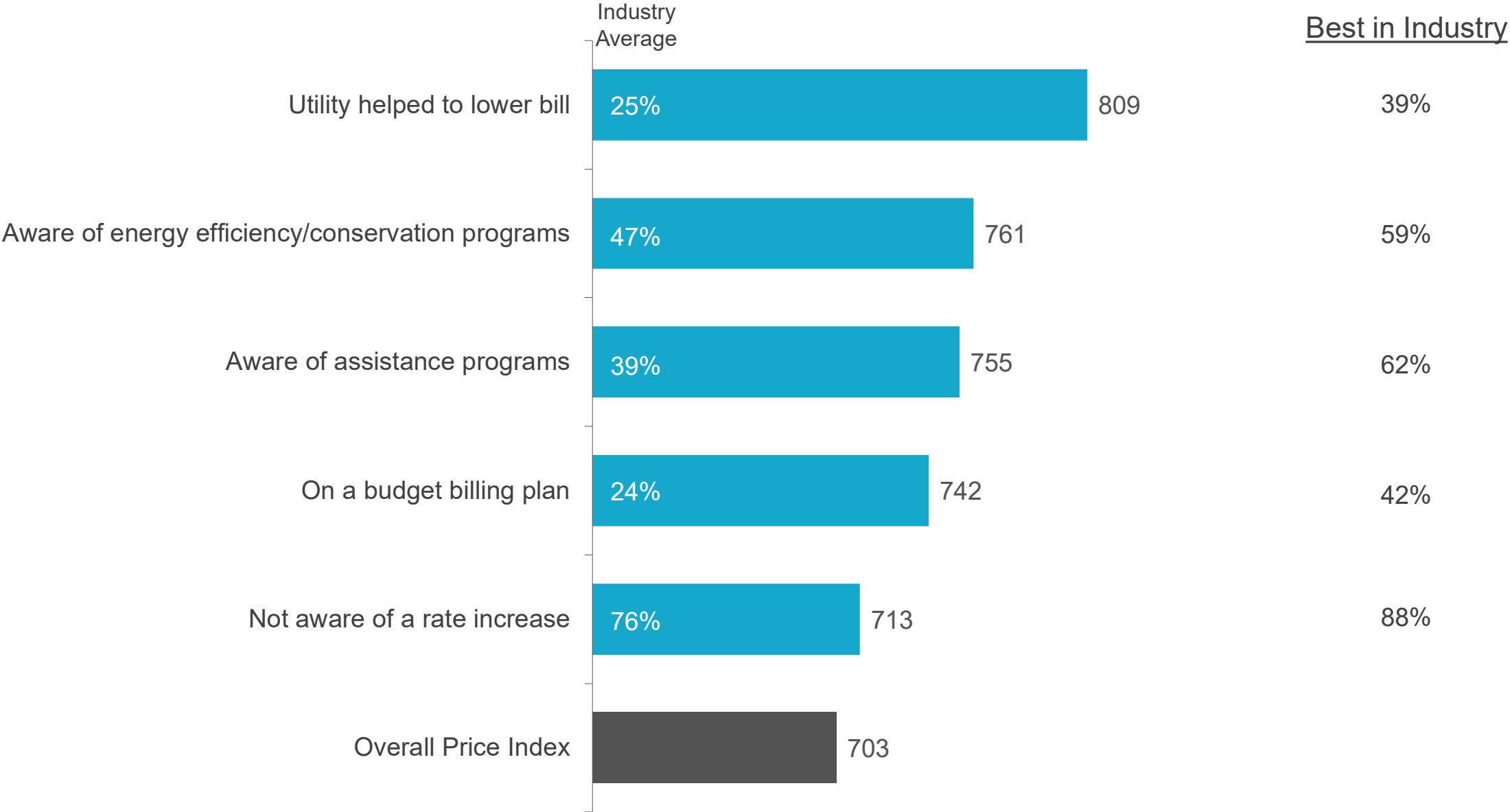
Top performers are able to add value for customers

Price Satisfaction vs. Reported Monthly Bills – IOU Residential Electric Customers



Source: J.D. Power Residential Electric Utility Customer Satisfaction Study

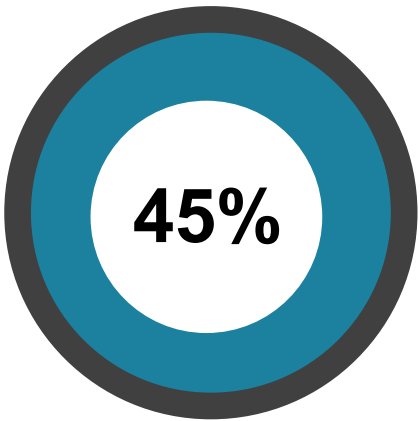
Price: Value-Add Opportunities



Source: J.D. Power Residential Gas Utility Customer Satisfaction Study

Communicate, Communicate, Communicate...

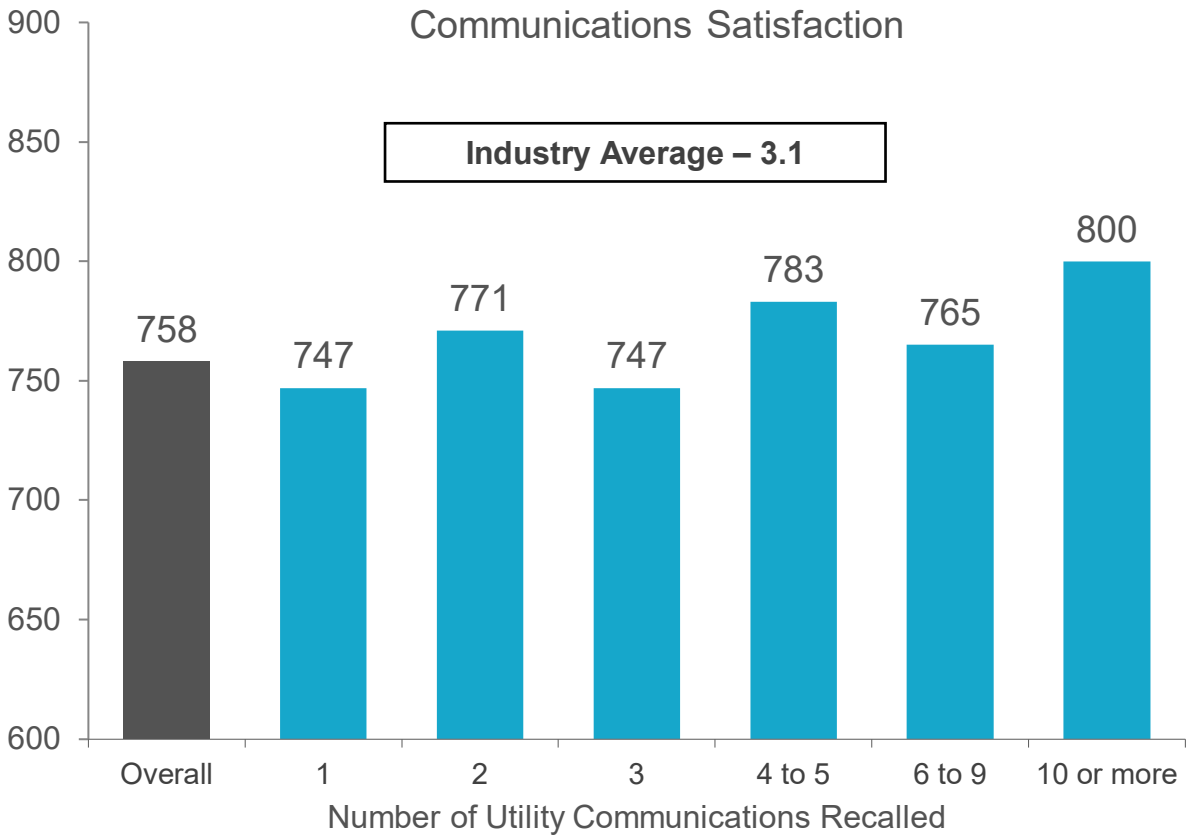
Overcommunicating does not lead to dissatisfaction



Percent of Customers that Recall 1 or more Communication from their Utility



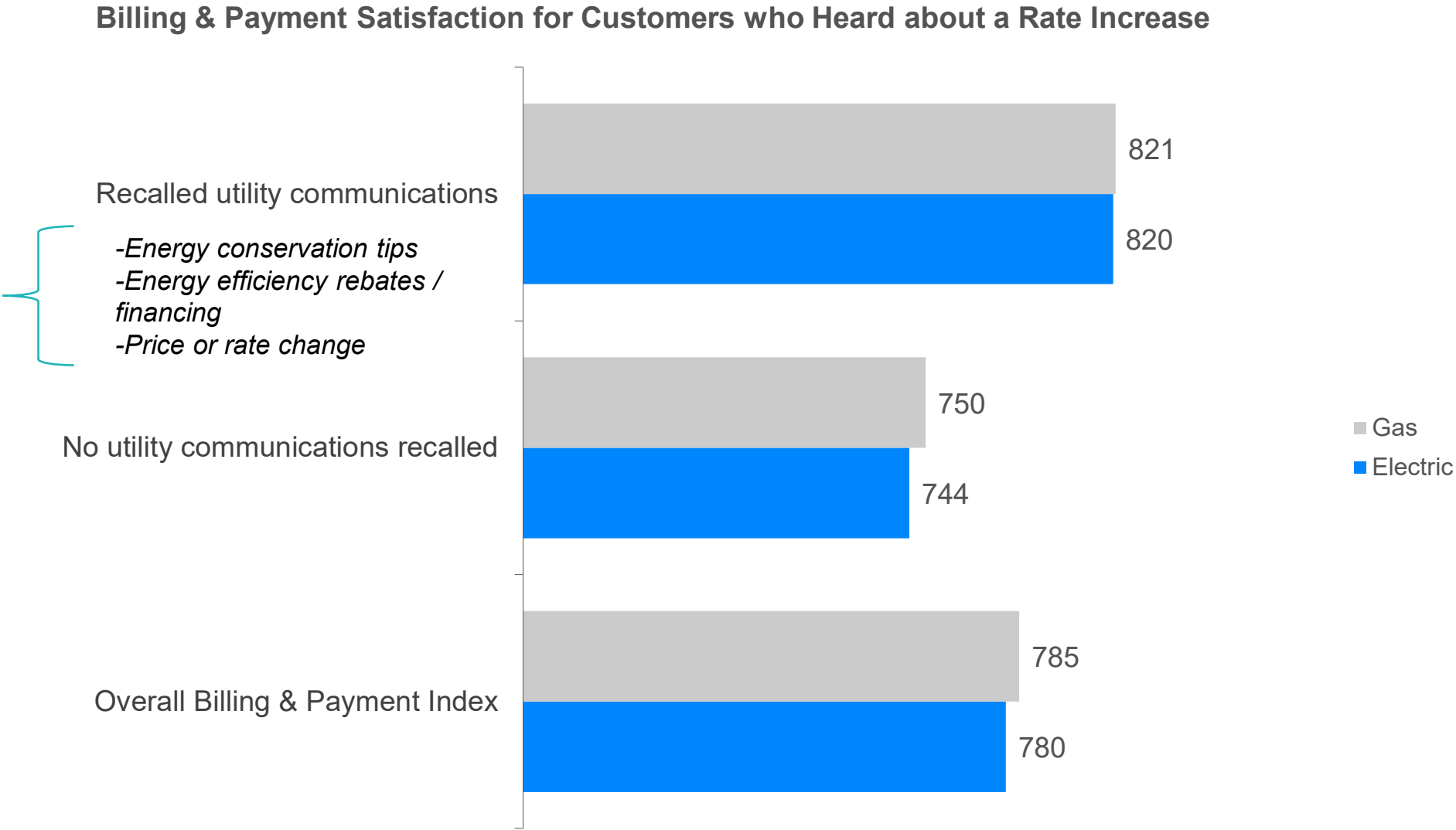
Top Large Brands	
Pacific Gas and Electric	50%
Pepco	49%
OG&E	49%
SMUD	49%
BGE	49%
Puget Sound Energy	49%
Top Midsize Brands	
Avista	57%
OUC	57%
Entergy New Orleans	56%
Imperial Irrigation District	54%
Louisville Gas & Electric	53%
Snohomish County PUD	53%



Source: J.D. Power Residential Electric Utility Customer Satisfaction Study

Communications need to be Relevant

Transparency re: rate changes and ways to save can provide a lift in satisfaction despite increases

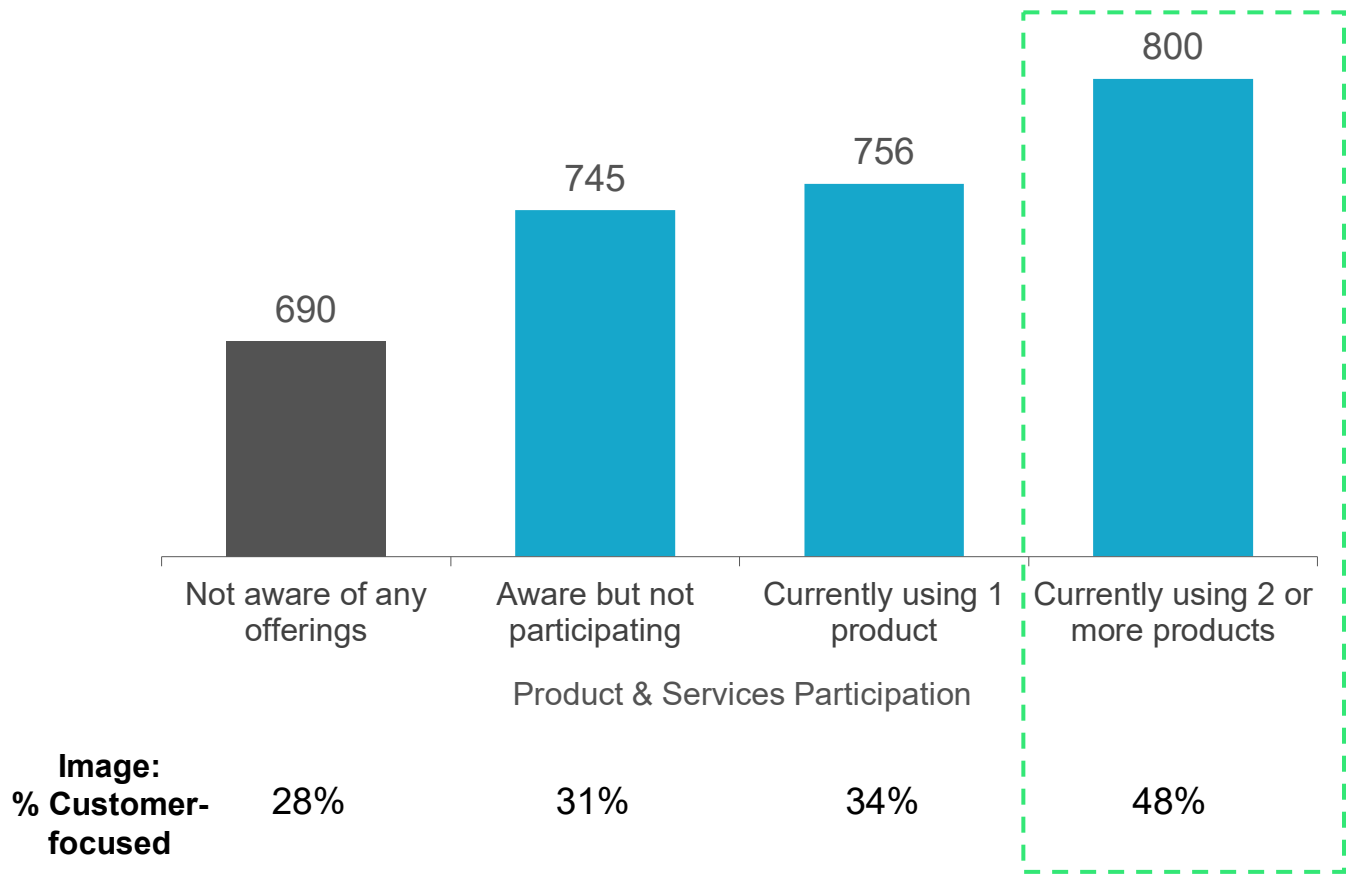


Source: J.D. Power Residential Customer Satisfaction Studies

Customer Engagement

More touchpoints can help drive higher satisfaction and change perceptions of utilities

Impact of Product & Service Offerings on Overall Satisfaction



Highest Participated Offerings

Home energy report	32%
Peak time savings	17%
Online energy calculator	15%

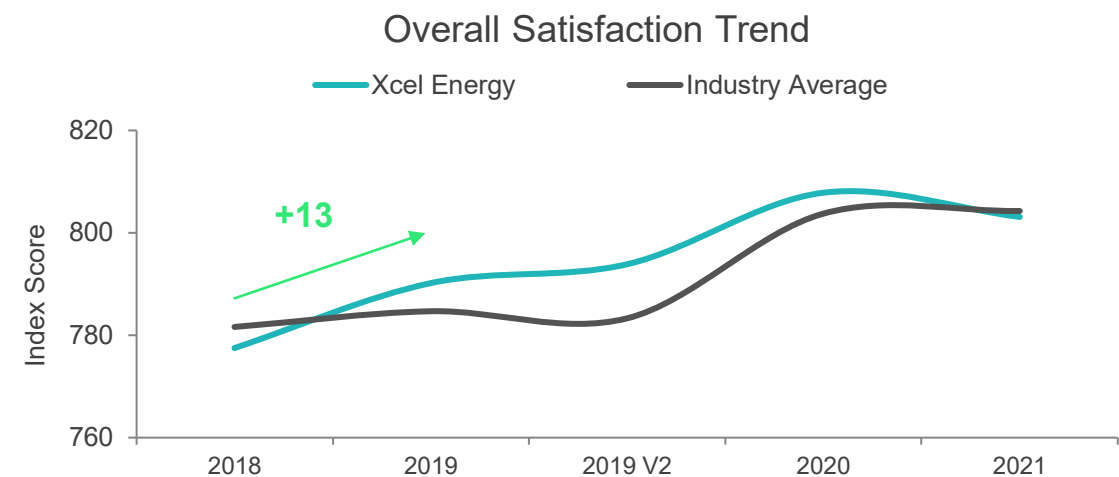
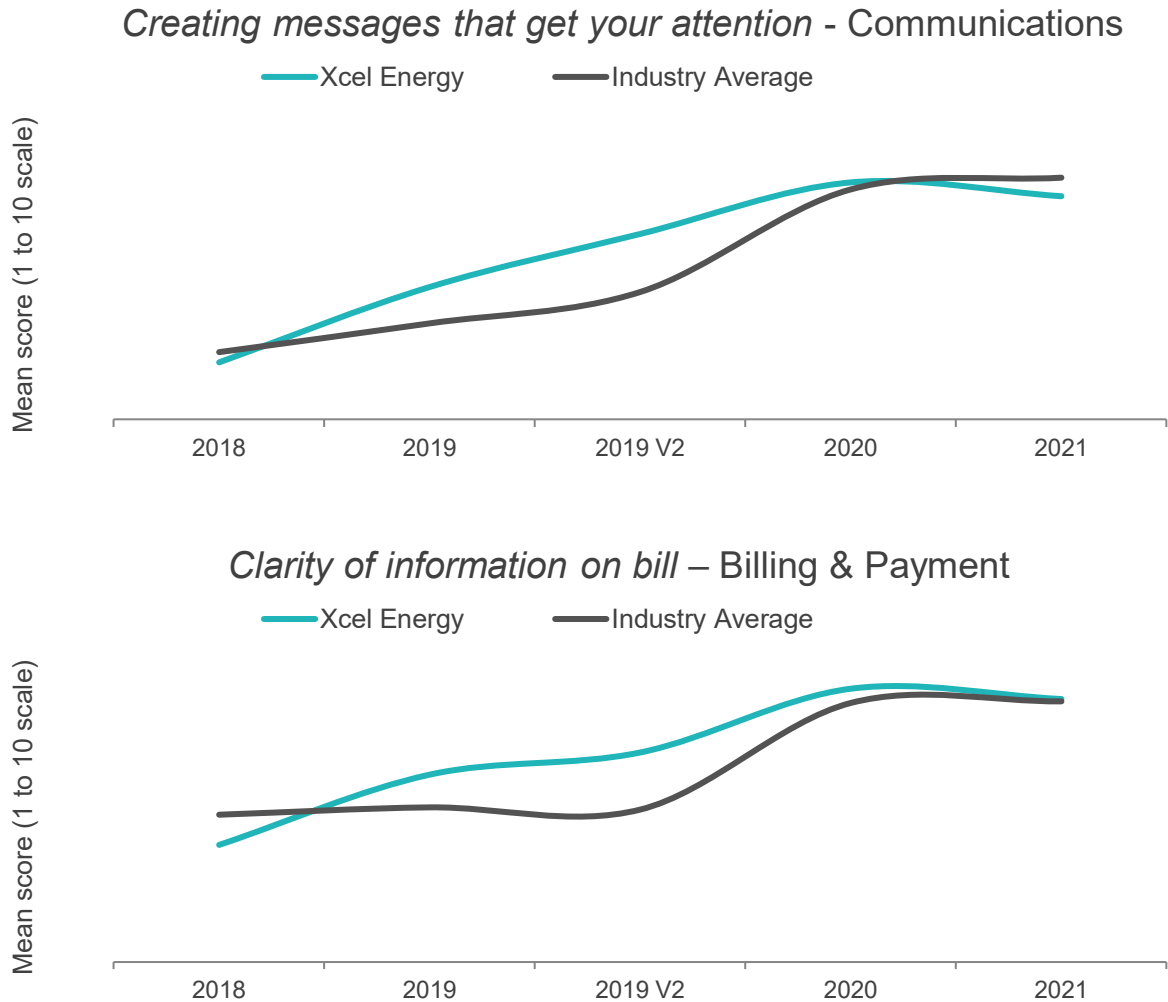
Offerings of Most Interest ('Aware' Customers)

HE lightbulb rebates	32%
Peak time savings	17%
Rebates on appliances / Home energy report	15%

Source: J.D. Power Residential Electric Utility Customer Satisfaction Study

Personalized Video Billing → Impacting Customer Satisfaction

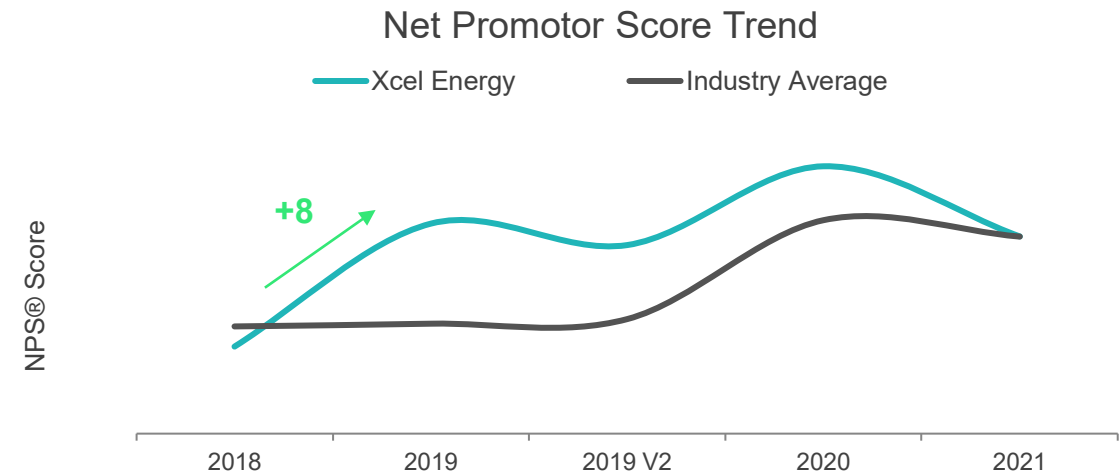
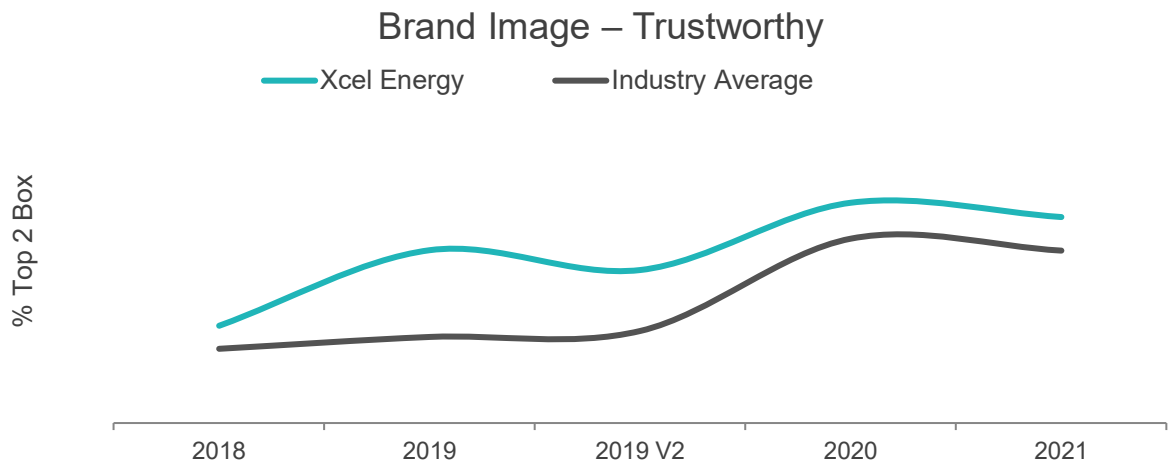
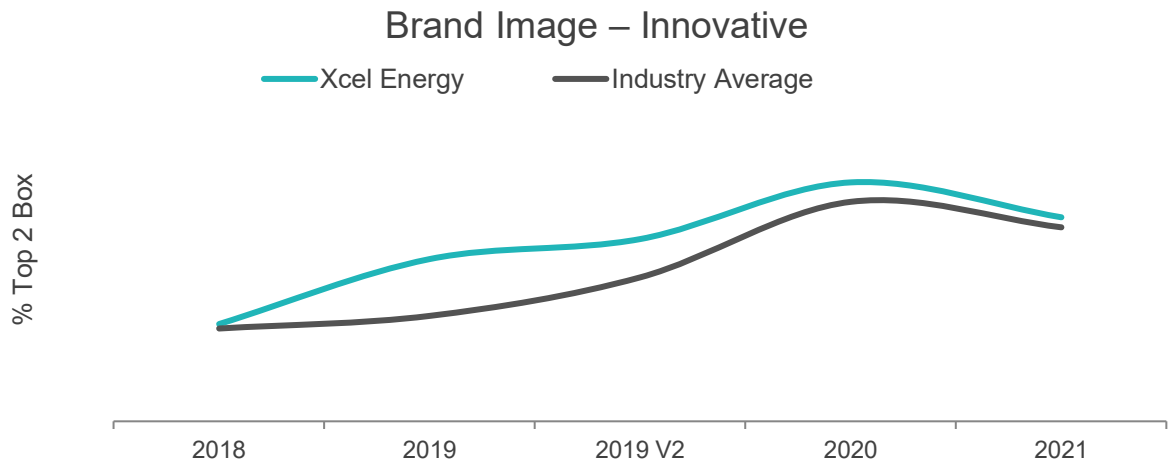
Following the implementation of Apogee video billing in 2018, Xcel Energy saw positive outcomes to various metrics including Overall Satisfaction



Source: J.D. Power Residential Electric Utility Customer Satisfaction Study

Personalized Video Billing → Impacting Brand Image and Advocacy

Strengthening of brand perceptions may also be a potential outcome



Source: J.D. Power Residential Electric Utility Customer Satisfaction Study

Wrap Up

In Summary...

- High bills don't guarantee low customer satisfaction
 - Utilities should not accept this as fate...
- Communicate, Communicate, Communicate → Tell your own story
 - Be relevant and provide support at regular intervals
- Increased customer engagement can make a significant impact
 - Be proactive (and personalized) with additional offerings / services

Going Deeper – JD Power Oversampling

From benchmarking to tactical

Get more robust data for your utility to provide analytics at the county or zip level and give your teams information that they can take action on.



BENCHMARKING RESEARCH

Informed by deep industry expertise, we distill, analyze, and translate data into actionable insights



CUSTOMER EXPERIENCE SOLUTIONS

Combine an innovative platform with data and analytics expertise

J.D. POWER

Thank You!
Questions?

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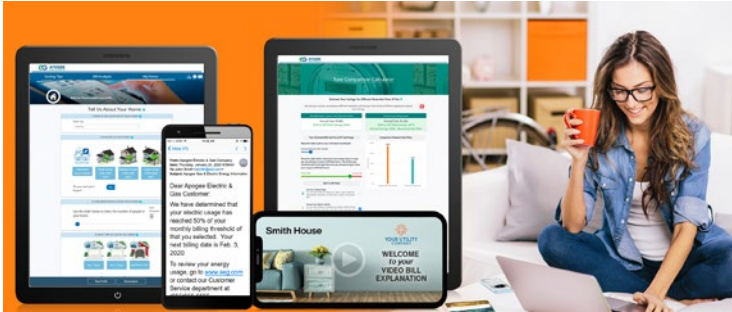


J.D. Power and Apogee

J.D. POWERS CRITERIA

Power Quality/Safety & Reliability	Billing & Payment	Price	Corporate Citizenship	Communications	Customer Service
APOGEE SOLUTIONS					
<ul style="list-style-type: none">• Reliability Report• Storm Notifications• Demand Response	<ul style="list-style-type: none">• Bill Analysis Messaging• Promote Billing and Payment Options• Mid-Cycle and Threshold Alerts• Annual Summary	<ul style="list-style-type: none">• Rate Analysis• Rate Communications• Peak Price	<ul style="list-style-type: none">• Covid Messaging• Charity Promotion• Round-Up Program• Payment Assistance	<ul style="list-style-type: none">• Personalized Messaging• Specific Usage Tools• Program Promotion• Pre-cooling Pre-heating	<ul style="list-style-type: none">• CSR Toolkits• Self-service Tools<ul style="list-style-type: none">- EA and SPCs• Field Auditor Tool• Onboarding Series• Marketplace

Preparing for Energy Increases



Message Now for:

- Education and alerts for increasing costs
- Budget billing
- Energy efficiency programs
- Payment assistance



Fall:

- Pre-heating video



Peak Usage Seasons:

- Video bill explain

Smith House



High Bill Series- Electric ▶



Key Engagement Statistics

10%

increase in
program
participation

15%

reduction
in high
bill calls

58%

had improved
brand
perception

15%

unique click-
thru rates of
more than 15%

\$239M

identified
energy savings



1.7M

metric tons of
carbon reduction



Upcoming Events

WEBINARS

J.D. Power's Andrew Heath –

Utility Return on Engagement

Utility Dive Playbook Feature –

5 Critical Elements of a Personalized
Digital Engagement Strategy for
Strengthening Customer
Relationships

CONFERENCE

Sept 13 – 16

E Source, Denver

Sept 18 – 21

APPA, Savannah

Oct. 17 – 20

EMACS, Orlando

Nov. 13 – 16

APPA Connections, Minneapolis

J.D. POWER

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678-684-6820

Thank You!

All attendees will receive a survey

Any Questions



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