



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.

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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



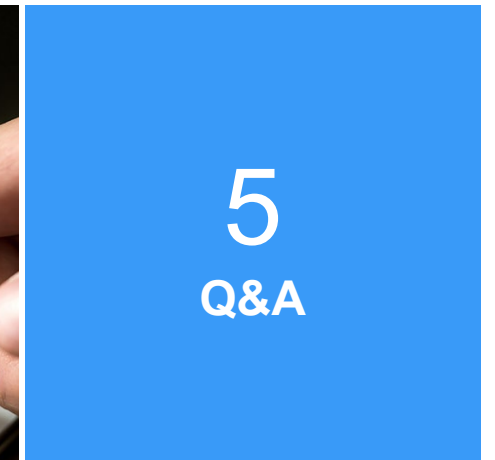
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Proven methods  
for improving  
customer  
satisfaction

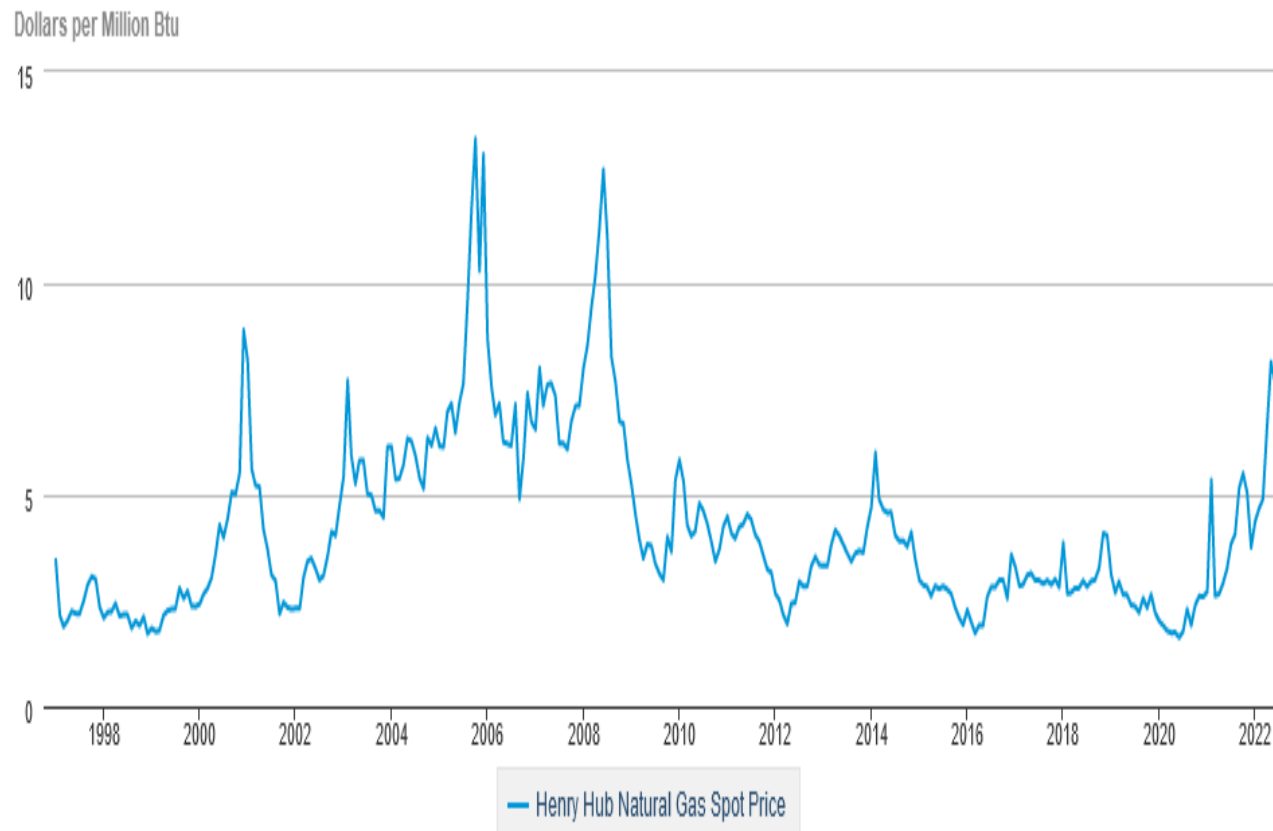


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Q&A



# Natural Gas Impacts



Source: U.S. EIA, 2022 Data

U.S. utility-scale electricity generation by source, amount, and share of total in 2021<sup>1</sup>  
Preliminary data as of February 2022

Energy source	Billion kWh	Share of total
Total - all sources	4,116	
<b>Fossil fuels (total)</b>	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 <sup>3</sup>	11	0.3%
<b>Nuclear</b>	778	18.9%
<b>Renewables (total)</b>	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 <sup>4</sup>	-5	-0.1%
Other sources <sup>5</sup>	12	0.3%

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



**J.D. POWER**

# Managing Customer Expectations in the Face of Rising Bills

Adrian Chung – Director, Utilities Intelligence

July 21<sup>st</sup>,  
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



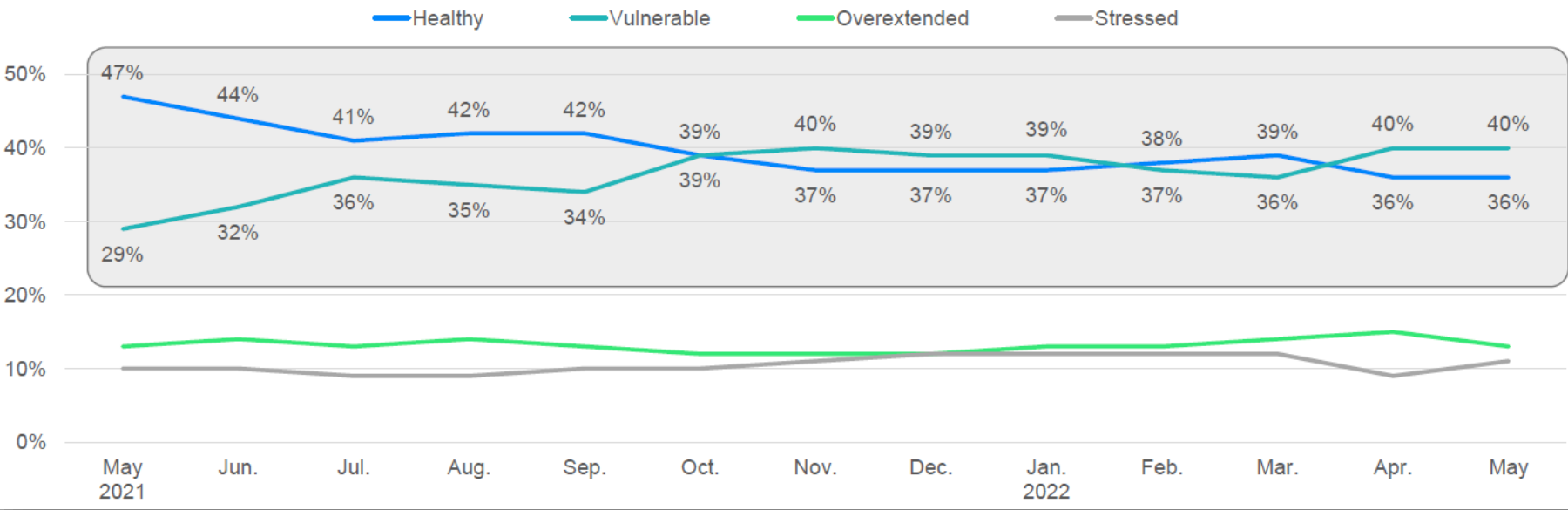
Studies Fielded & Awards  
Coveted in  
**19 Countries**



# 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

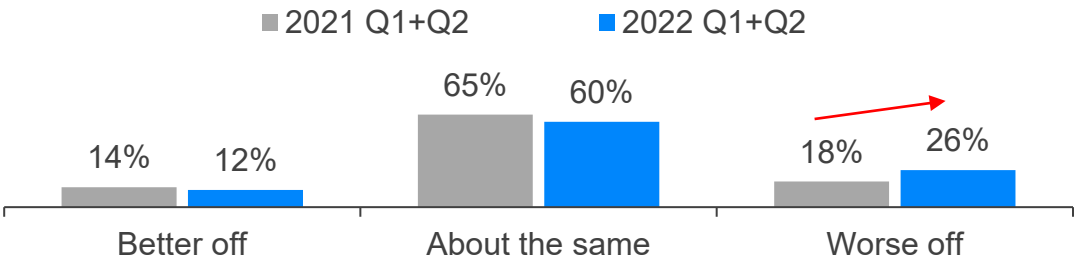


Financial Health Segmentation  
Results in U.S.

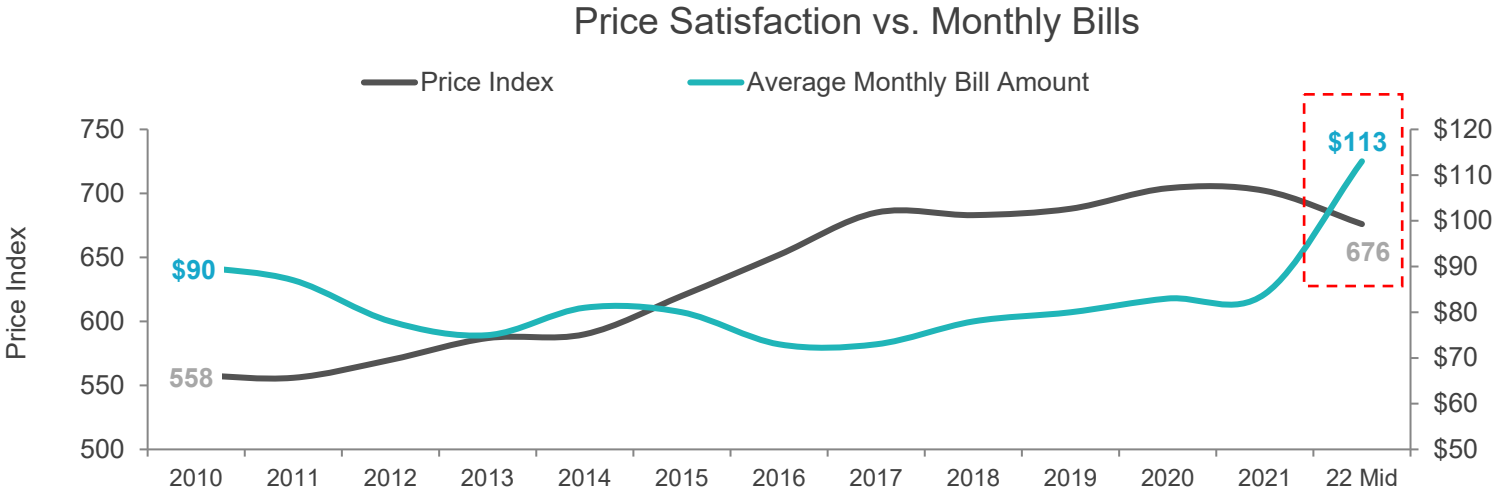
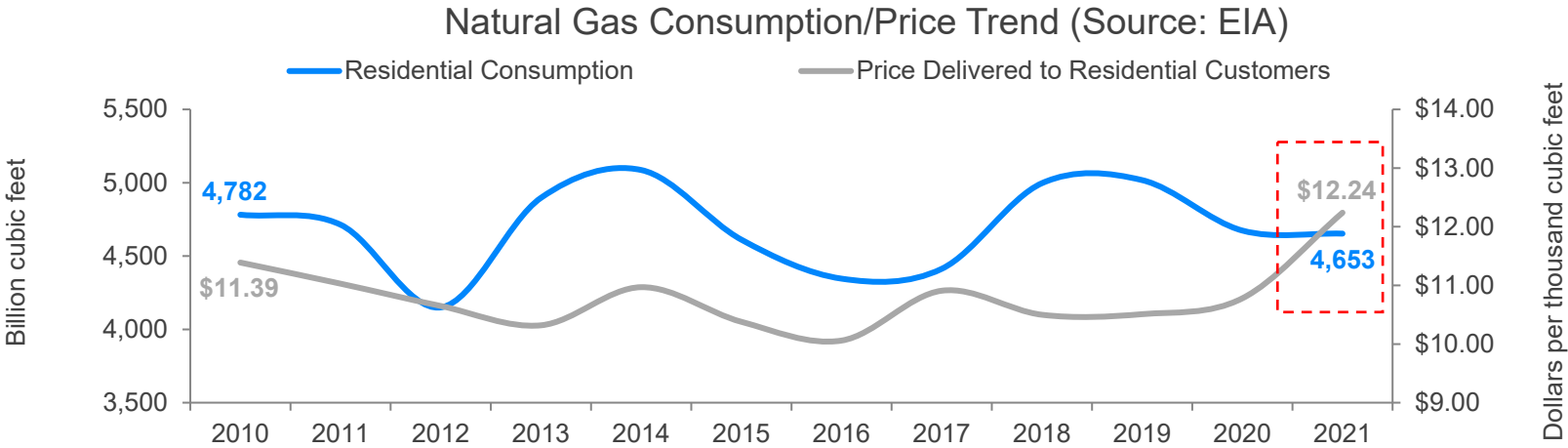


Source: J.D. Power U.S. Polaris Survey May 12-22, 2022 Flash Report.

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.*

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

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

*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.*



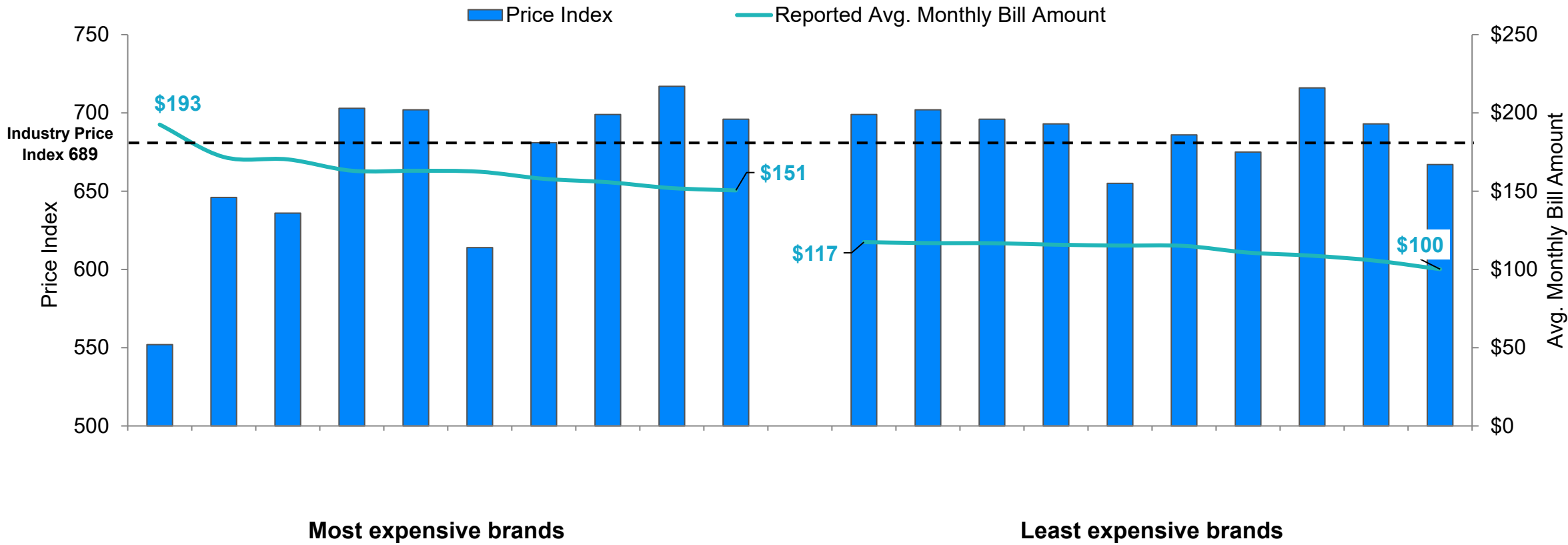
*To keep me  
informed of  
any **price** changes*

***Prices** and things  
renters can do to  
reduce cost*

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

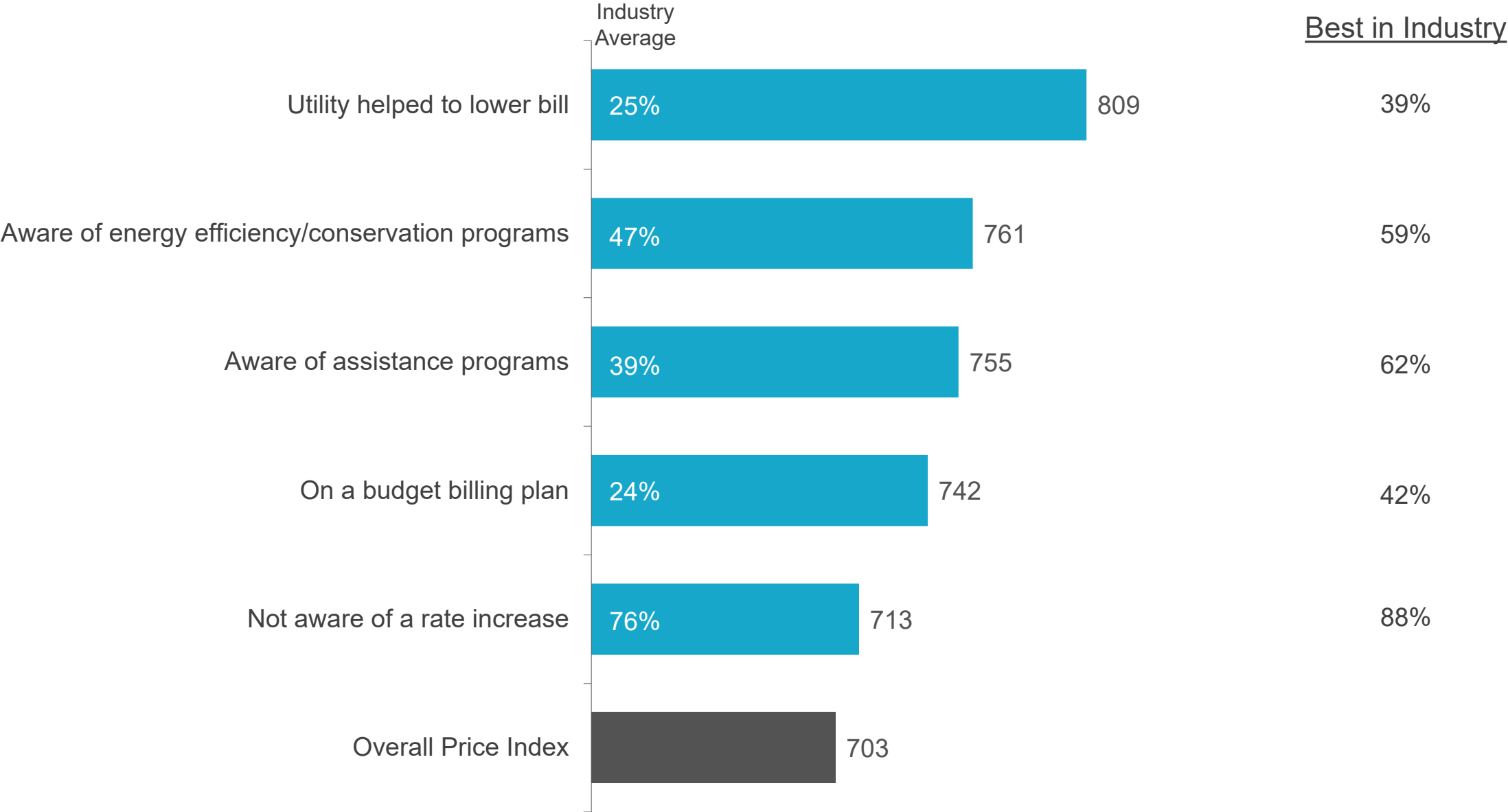
Top performers are able to add value for customers

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





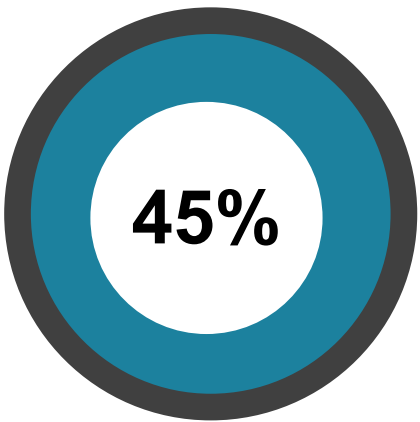
# Price: Value-Add Opportunities



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

# Communicate, Communicate, Communicate...

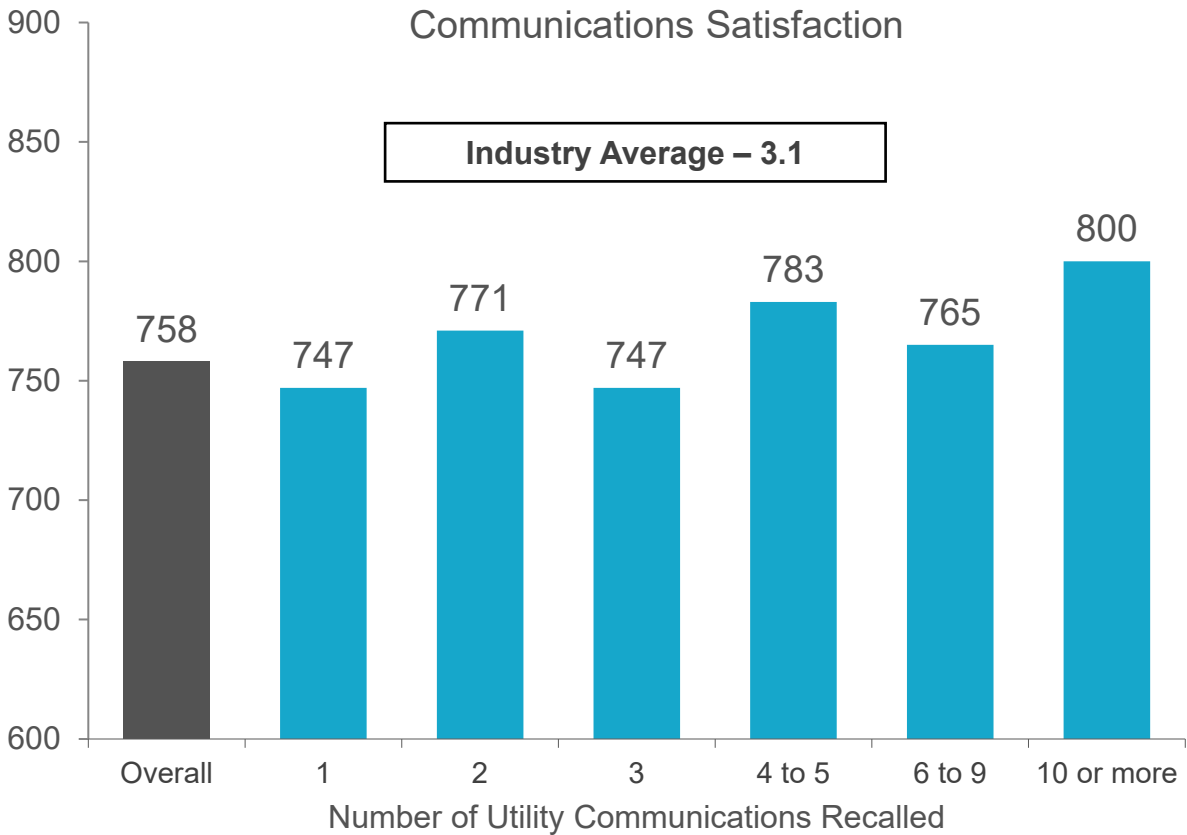
*Overcommunicating does not lead to dissatisfaction*



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



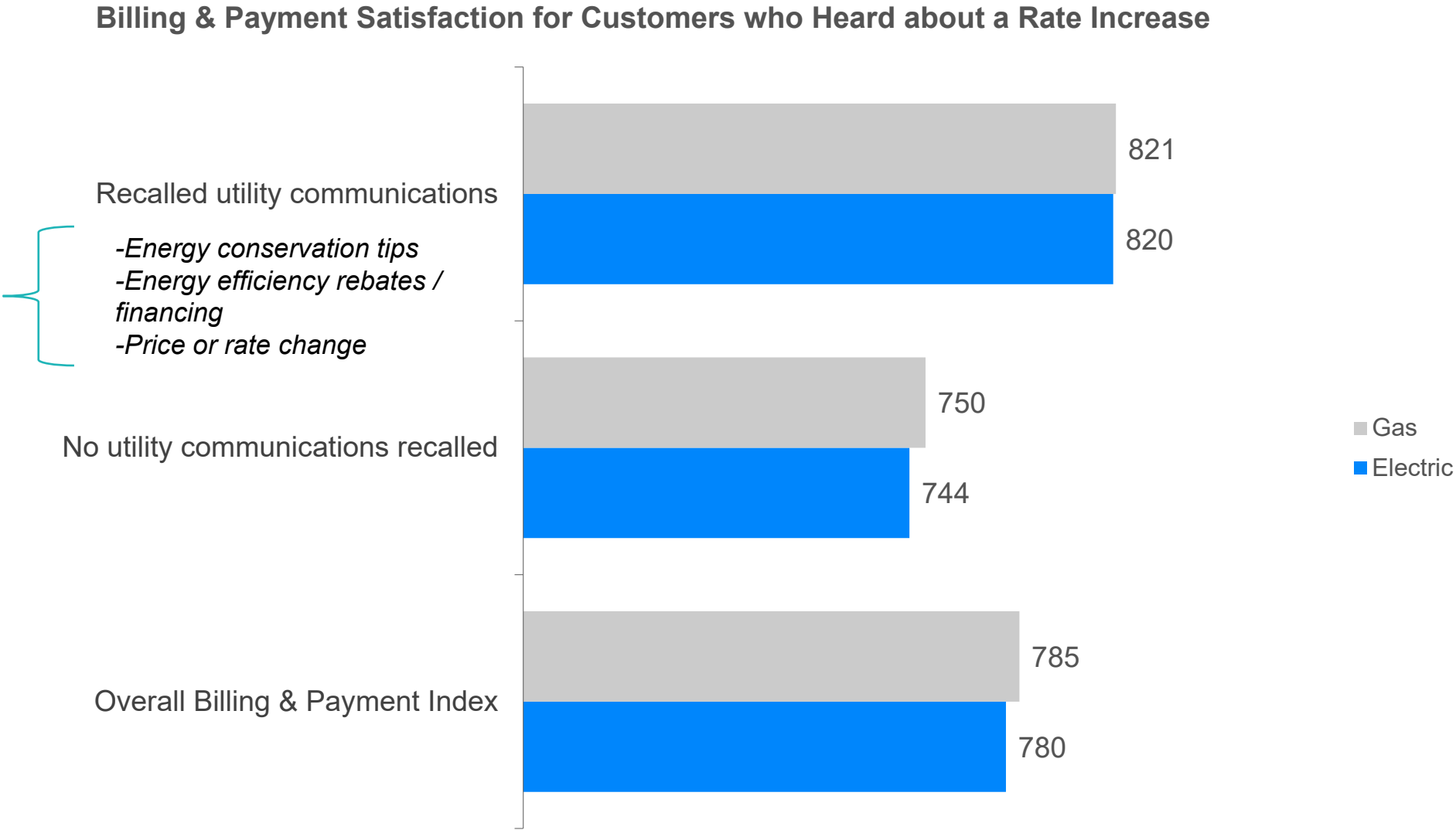
Top Large Brands	
Pacific Gas and Electric	50%
Pepco	49%
OG&E	49%
SMUD	49%
BGE	49%
Puget Sound Energy	49%
Top Midsize Brands	
Avista	57%
OUC	57%
Entergy New Orleans	56%
Imperial Irrigation District	54%
Louisville Gas & Electric	53%
Snohomish County PUD	53%



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*

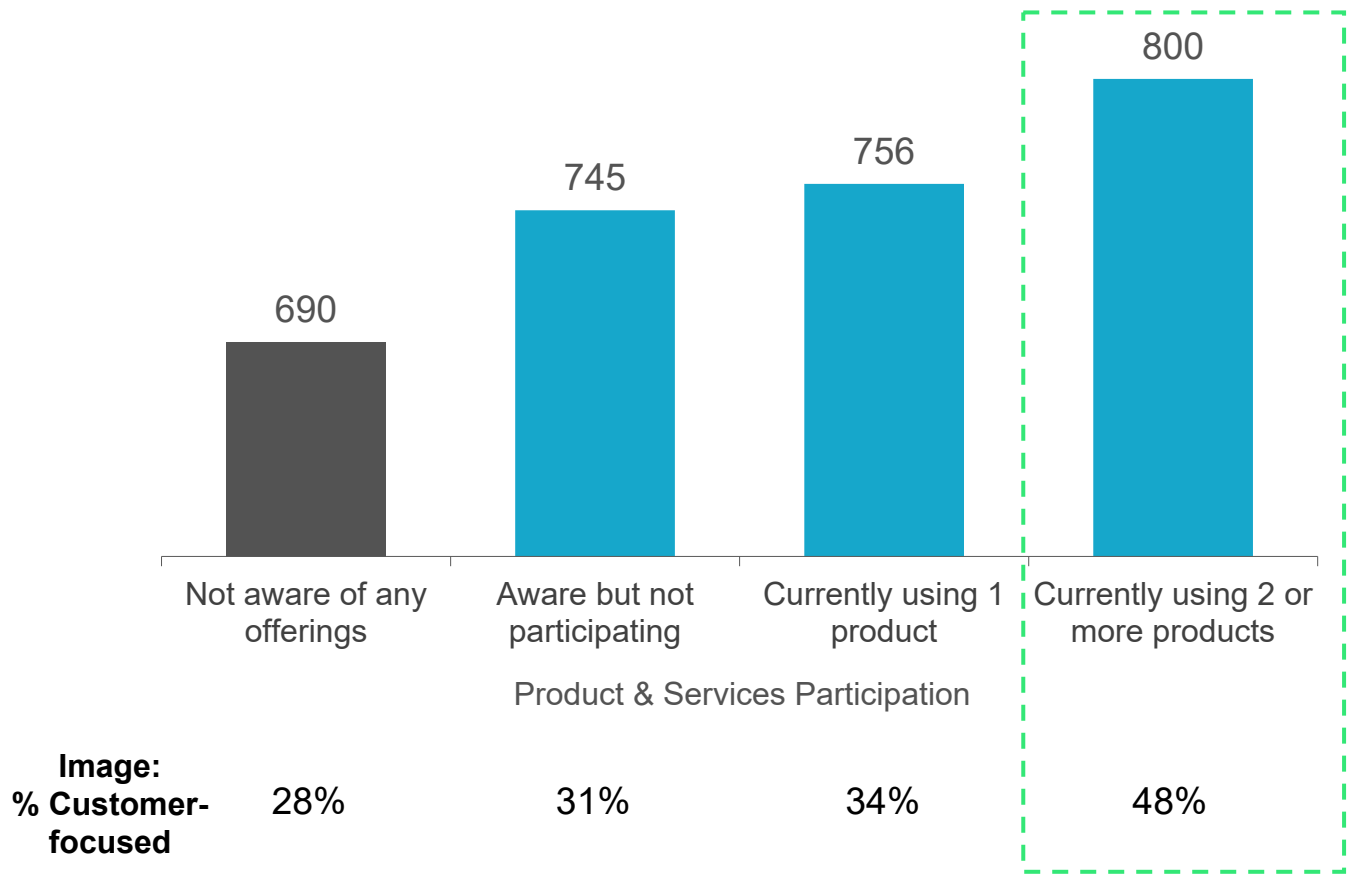


Source: J.D. Power Residential Customer Satisfaction Studies

# 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%

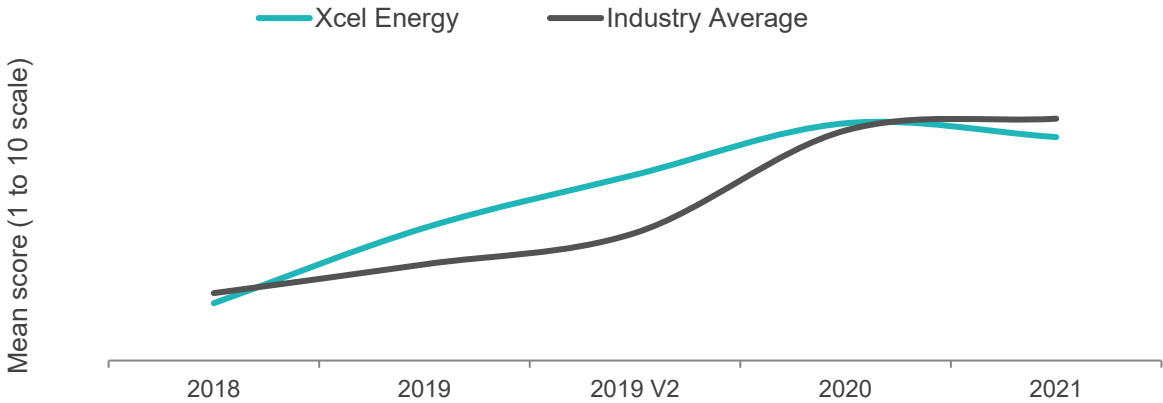
Source: J.D. Power Residential Electric Utility Customer Satisfaction Study



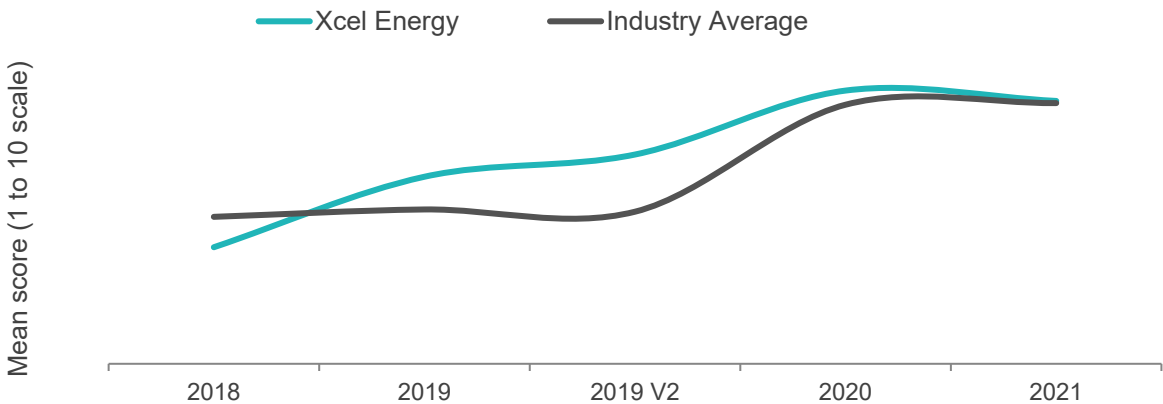
# Personalized Video Billing → Impacting Customer Satisfaction

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

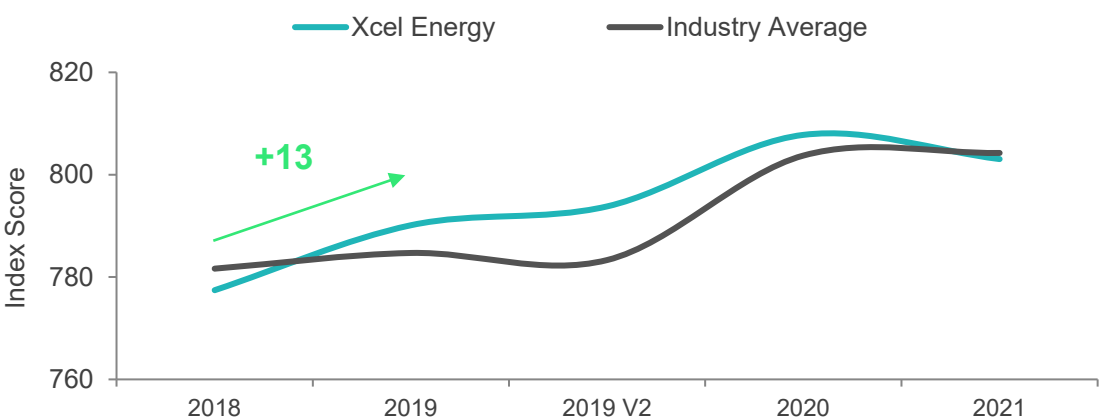
Creating messages that get your attention - Communications



Clarity of information on bill – Billing & Payment



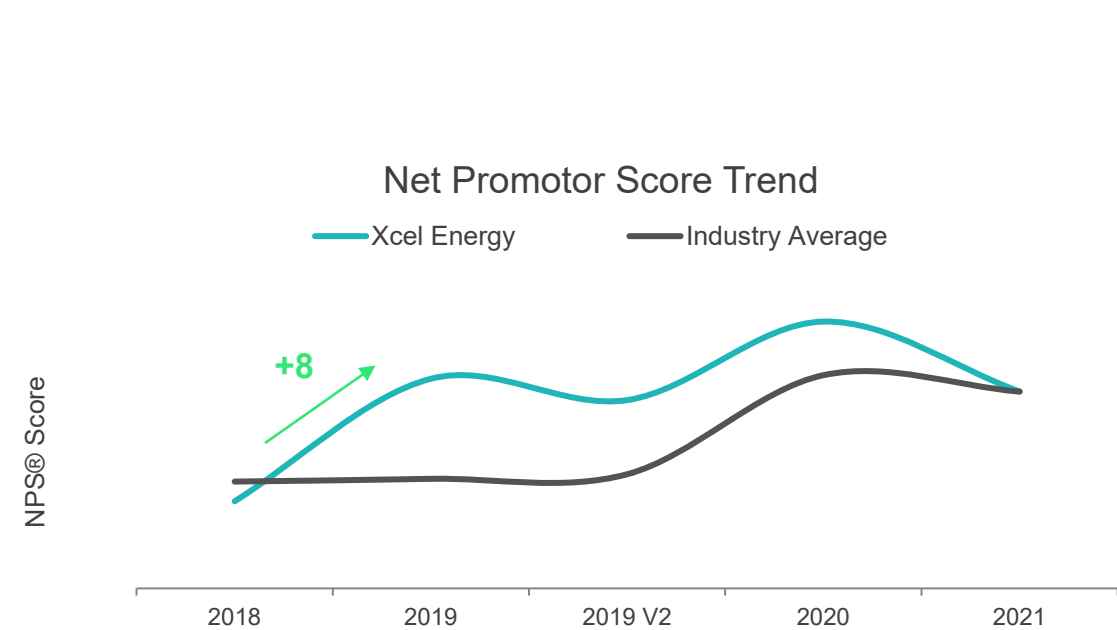
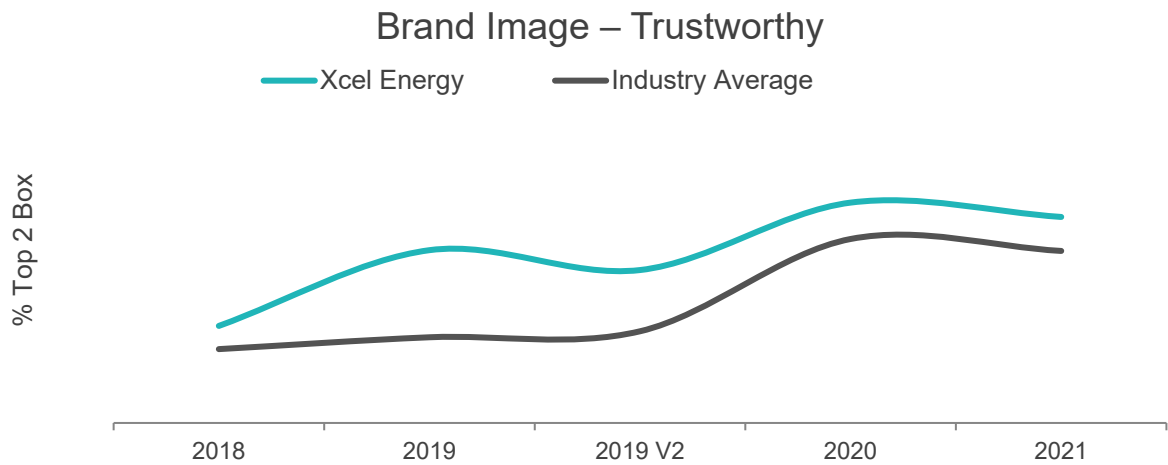
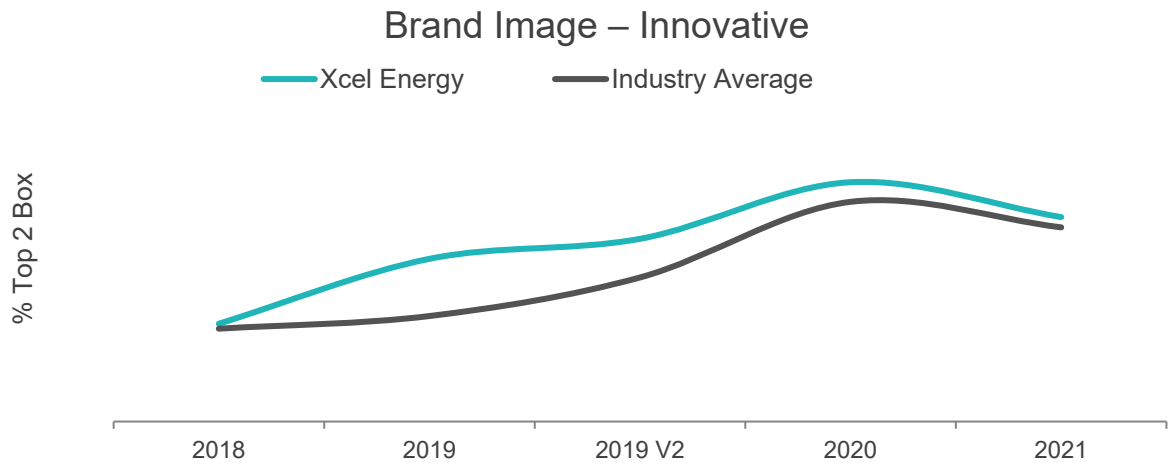
Overall Satisfaction Trend



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**

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**Thank You!**  
**Questions?**

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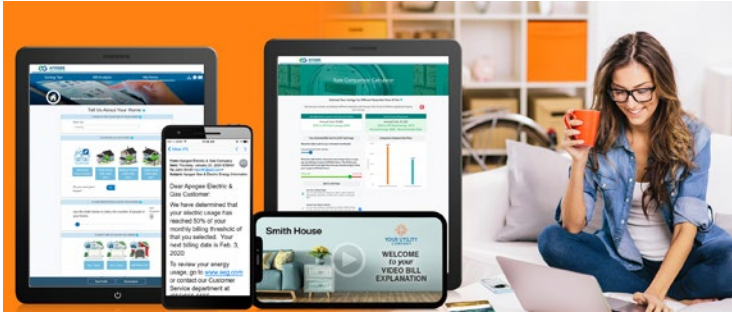
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# Preparing for Energy Increases



## Message Now for:

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



## Fall:

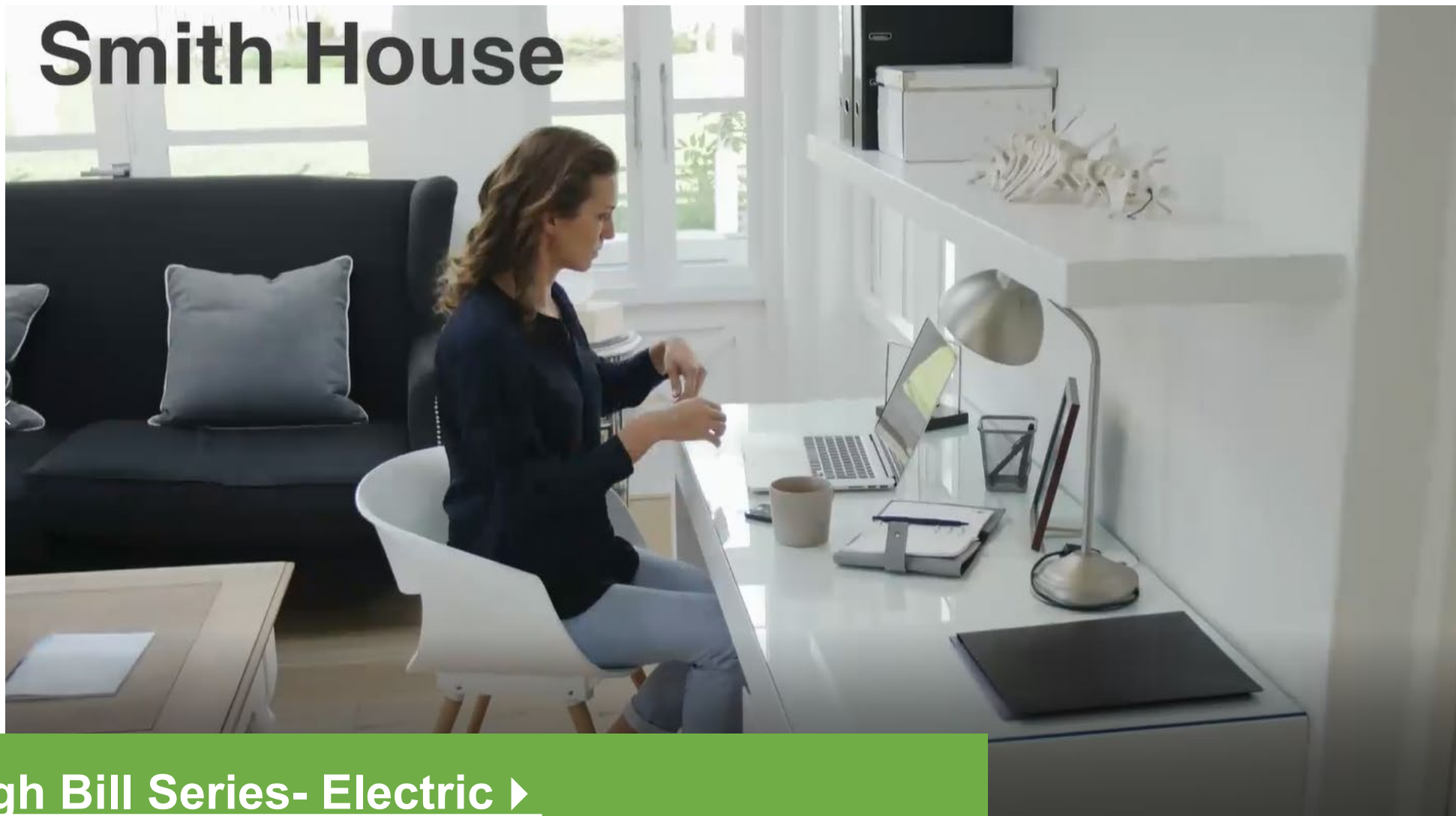
- Pre-heating video



## Peak Usage Seasons:

- Video bill explain

# Smith House



High Bill Series- Electric ▶



High Bill Series - Message 1 (Gas)

Apogee Interactive



# Gas Bill Statement



Previous Bill Information	
Previous Balance	\$0.00
Late Charge	-\$45.00
Other Adjustments	
Less Payments Received	
Total Previous Balance	\$0.00

Description	Cycle	Meter Number	Services From	Services To	Days	Previous Reading	Present Reading	Meter Mult	On Peak	Off Peak	Usage
	1				31		12512	1	54	200	254

Current Service Detail

High Bill Series- Gas ▶



# 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

