



Review of Utility Billing and Customer Care: Current Issues and Future Directions

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Presentation outline

- Indiana Utility Regulatory Commission's (IURC) *Indiana Billing Symposium*
- Research methods for NRRI Research Report
- Findings
- Ideas for future research



IURC Billing Symposium

- IURC convened a day-long *Indiana Billing Symposium* in November 2015 (see NRRI Report No. 16-02)
- The purpose was to bring together utility billing stakeholders, to allow for a deeper understanding of billing practices across the utility industry, and provide for open discourse
- About 75 participants attended the *Symposium*, representing 25 organizations
- The *Symposium* consisted of four panels, each included three or more 10-minute presentations followed by a Q&A session and open discussion
- Panel subjects were:
 - (1) consumer research
 - (2) paper billing
 - (3) eBilling
 - (4) comprehensive customer engagement on billing

- *IURC Symposium* as a launching pad
- Initial, brief questionnaire sent to state commissions:
 - ① Best contact person
 - ② Links to Commission billing rules and regulations
 - ③ Lists of important dockets with related issues
 - ④ Agency data about complaints by industry and topic
- Billing rules content review and summary
- Review of state utility commission complaints data
- Literature review, including sample utility bills, and utility and commission consumer information (e.g., press releases, brochures, web pages)

Literature review

- Review goals and objectives for billing and related communications rules, for commissions, utilities, consumers of different stripes, and society as a whole
- Historical trends in literature:
 - piecemeal progression over time
 - energy efficiency and content-labeling thrust in 80s-90s
 - competitive supplier billing since mid-90s
 - NRRI Report No. 12-07, *Finding the Right Words When Times Get Rough: How Commissions Can Address Difficult Communications* by Tom Stanton, July 2012



Literature review (continued)

- Recent and emerging trends:
 - Integrating communications channels and content
 - Enhancing customer segmentation
 - Increasing customer engagement
 - Using social media
 - Improving emergency communications
 - Finding opportunities for two-way communications resulting from grid modernization

Billing rules categories

| Rule | # of States that include this topic |
|--------------------|--|
| Minimum contents | 46 |
| Service deposits | 47 |
| Estimated bills | 48 |
| Master metering | 39 |
| Historical usage | 26 |
| Dispute resolution | 43 |
| Third-party agents | 30 |
| Levelized billing | 33 |

| Rule | # of States that include this topic |
|-------------------------|--|
| Payment methods | 13 |
| Payment assistance | 30 |
| Partial payments | 20 |
| Special payment plans | 40 |
| Denial, disconnection | 46 |
| Weather-related shutoff | 42 |
| Electronic billing | 15 |
| Customer data privacy | 18 |

- Several other nearly-universal categories are not included (e.g., meter errors, accuracy and testing; unauthorized use; late payments and returned checks; and disconnections in cases of emergency or to protect health & safety)
- Industry types covered by rules varies by state



Billing topics related to low-income assistance and affordability

- Service deposits (included in 47 states' rules)
- Payment methods (13)
- Payment assistance (30)
- Partial payments (20)
- Special payment plans (40)
- Denial, disconnection (46)
- Weather-related shutoff (42)
- And, to a lesser extent:
 - Minimum contents (46)
 - Master metering (39)
 - Dispute resolution (43)
 - Third-party agents (30)
 - Levelized billing (33)

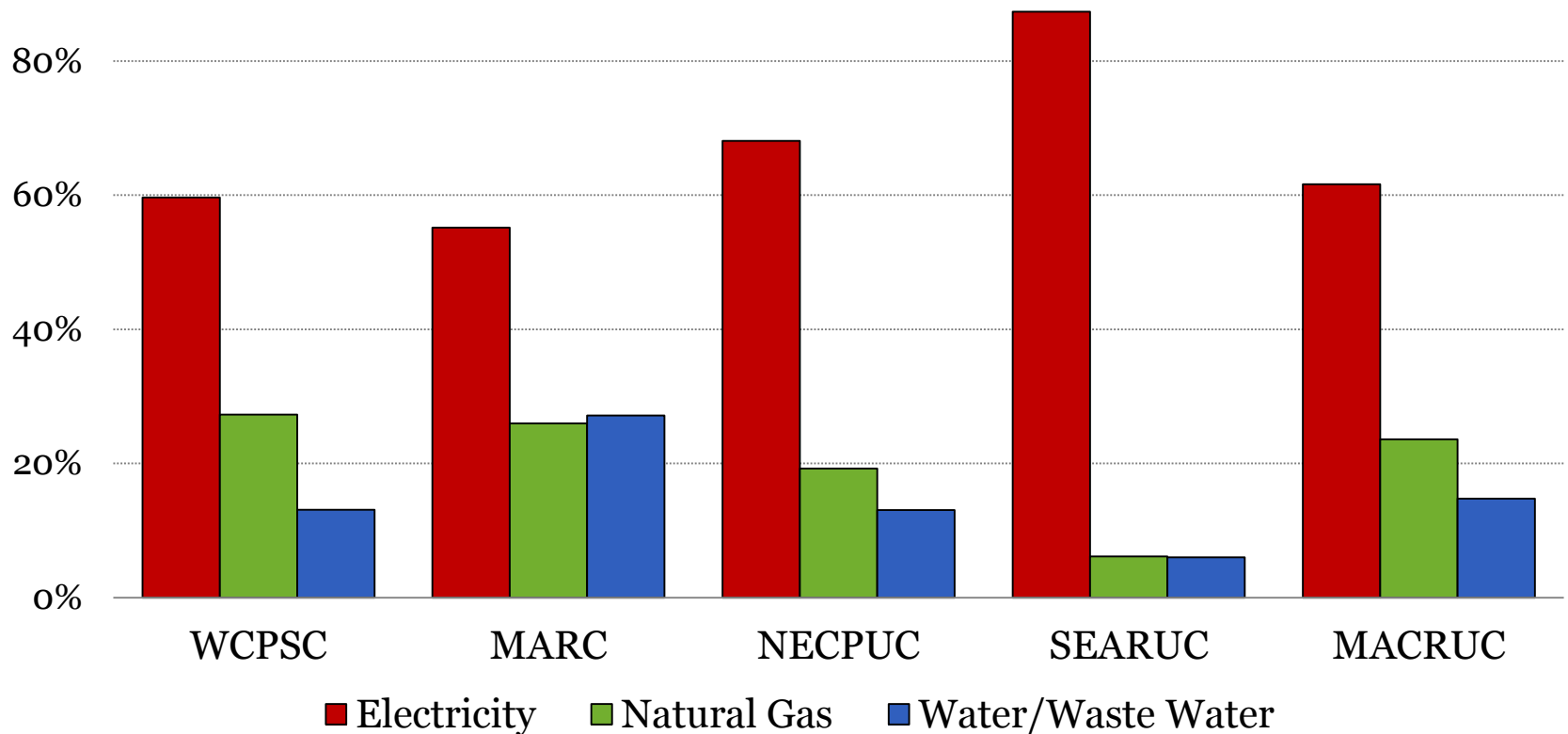


Complaints data overview

- Complaints data analysis of responses from 17 states
 - 23 states provided data on complaints by industry type
 - 13 states provided data on complaints by topics/issues
 - 6 additional states ran complaints database queries
- Timelines are not uniform
 - Length of time information collected varies
 - Year of data reporting varies
 - 2012 is earliest data used
- Complaints data varies widely, so only percentages are reported



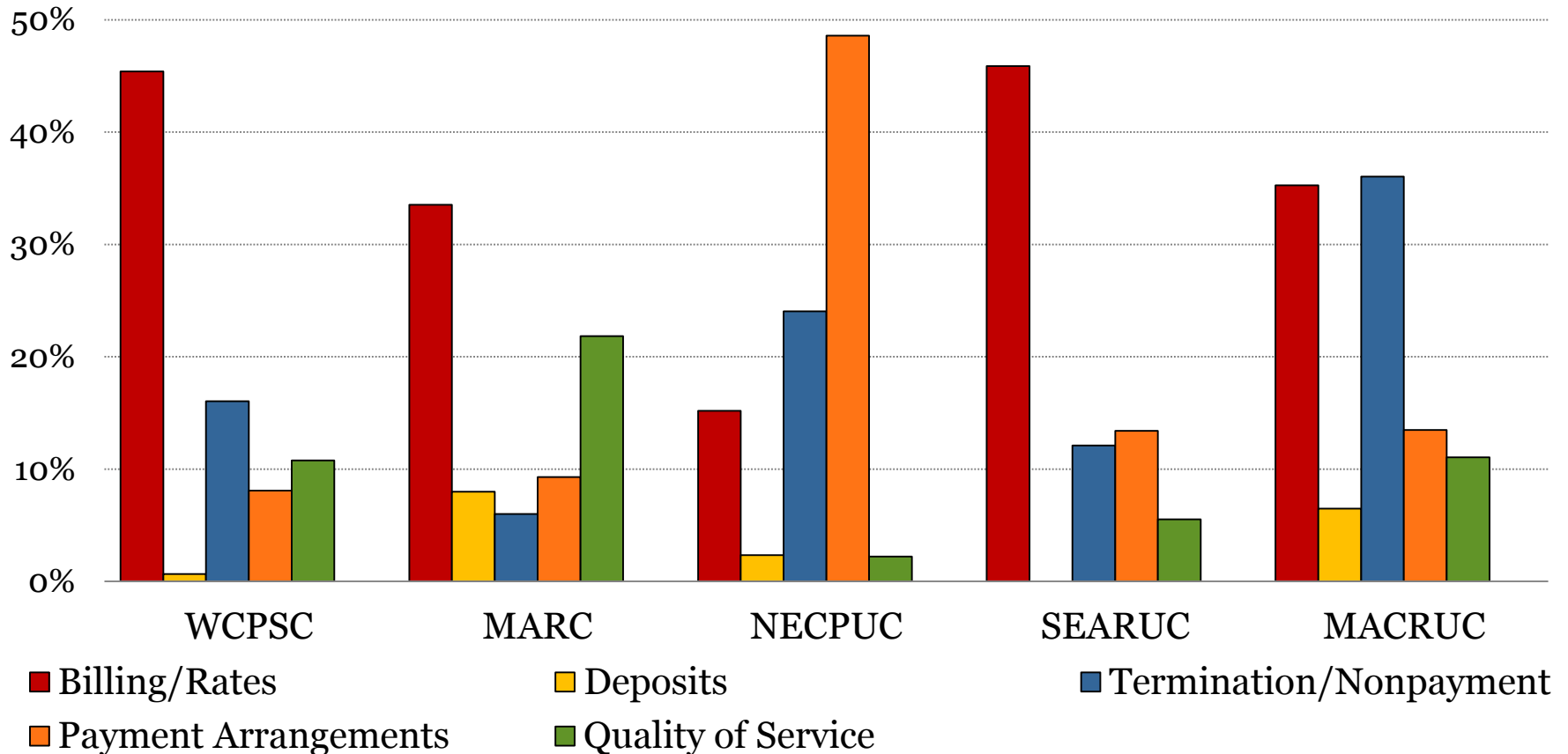
Percent of total complaints by region and industry



- WCPSC, MARC, NECPUC, SEARUC, and MACRUC are regions as defined by the National Association of Regulatory Utility Commissioners (NARUC).
- Author's construct from data provided by: Alaska, Arkansas, Arizona, Connecticut, Florida, Hawaii, Iowa, Indiana, Maine, Mississippi, New Hampshire, Nevada, Ohio, Oregon, Pennsylvania, Utah, Virginia, Washington, and West Virginia.



Percent of complaints by broad issue category



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- Authors' construct using data provided by: Alaska, California, Connecticut, Indiana, Maine, Montana, Ohio, Oklahoma, Oregon, Pennsylvania, Texas, Virginia, and West Virginia.



Complaints category names



What events stir up complaints?

- Do key events kick off numerous complaints?
 - Changes in bill format
 - Extreme weather
 - Sudden changes in rates that are large enough for customers to notice
- Could more careful observation of complaints help:
 - Identify and analyze complaints-initiating events
 - Better predict them
 - Prepare and disseminate information in advance to inoculate against large numbers of complaints

Existing issues

- Problems and shortcomings turn into informal complaints, formal complaints, and contested cases
 - 3 states have dockets involving new billing systems costs and capabilities
 - Master-metering dockets in Connecticut and Ohio
 - Michigan PSC docket about persistent problems with estimated billing practices
- Ongoing needs remain for continuous improvement in low-income protections and assistance

Emerging issues

- How is grid modernization changing the needs for billing and customer care communications
 - Electronic billing (currently in rules for 15 states)
 - Customer data privacy (currently in rules for 18 states)
 - Remote shut-off protections
 - Pre-paid services
 - Two-way communications between customers and utilities, meters and utilities, devices and utilities, & devices and devices
 - Use of social media by both utilities and commissions



Topics for further consideration

- Coordinate in-depth research about utility complaints
- Research in detail consumer needs and interests
- Identify future roles, performance metrics, and standards for utilities
- Revisit the issue of low-income protections and information available about assistance programs

Summary

- Major needs for improved communications and customer education remain:
 - Current dockets and hundreds of ongoing customer inquiries and complaints, informal and formal
 - Low-income assistance and protections
 - Call-center research and better coordination could help pinpoint needs
- Grid modernization is resulting in major opportunities at low incremental cost
 - Hundreds of companies are already developing these options, devices, and systems
 - Utility versus competitive roles remains a key issue