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BEFORE THE
ILLINOIS COMMERCE COMMISSION
CUSTOMER SERVICE & NEW TECHNOLOGY
POLICY SESSION AGENDA
Tuesday, July 19, 2016
Chicago, Illinois

Met, pursuant to notice, at 1 P.M.,
at 160 North La Salle Street, Chicago, Illinois.

- PRESENT:
- BRIEN J. SHEAHAN, Chairman
 - ANN MCCABE, Commissioner
 - SHERINA E. MAYE EDWARDS, Commissioner
 - MIGUEL DEL VALLE, Commissioner
 - JOHN R. ROSALES, Commissioner

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AGENDA

PRESENTER:

MR. JEFF F. CONKLIN, Vice President of the
Technology, Media & Telecommunications Practice; and
the Utility & Infrastructure Practice, J. D. Power.

PANEL 2

MODERATOR:

MS. ANASTASIA PALIVOS, Legal and Policy Advisor to
Chairman Sheahan, ICC.

PANELISTS:

MR. MATHIAS BELL, Manager, Regulatory Affairs and
Market Development, OPower.

MR. PETER CAVAN, Regulatory Strategy Manager,
EnerNOC.

MR. BRIAN HURST, Director, Business Data Analysis,
Customer Operations, ComEd.

MR. ROB RAFFAELE, Manager, IT Architecture, American
Water.

MR. LEWIS BINSWANGER, Vice President Regulatory
Affairs, AGL Resources.

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PANEL 3

MODERATOR:

MS. ELIZABETH McERLEAN, Legal and Policy Advisor to
Chairman Sheahan, ICC.

PANELISTS:

MR. KEVIN BROOKINS, SVP Strategy and Administration,
ComEd.

MR. BRIAN BOWEN, Regulatory Affairs Manager, Midwest
FirstFuel.

MR. DAVE KOLATA, Executive Director, Citizens
Utility Board.

MR. JOSEPH OLIKER, Sr., Regulatory Counsel, IGS
Energy.

MR. SAMEER DOSHI, Assistant Attorney General, Public
Utilities, Attorney General's Office.

1 CHAIRMAN SHEAHAN: Good afternoon.

2 COMMISSIONER ROSALES: Good afternoon.

3 CHAIRMAN SHEAHAN: Good afternoon and welcome to
4 the Illinois Commerce Commission's Policy Session on
5 Customer Service and New Technology.

6 This session is convened pursuant to
7 the Open Meetings Act, and our guests and panelists
8 should be aware that a court reporter is present.
9 The transcript of this session will be posted to the
10 Commission's website.

11 With us are Commissioners McCabe,
12 del Valle, Edwards, and Rosales. We have a quorum.

13 I would like to thank today's
14 panelists for the efforts they have made in their
15 presentations and for all of you for attending.

16 The traditional role of the utility
17 has been to deliver a single product safely and
18 reliably with customer service largely focused on
19 connection and billing.

20 Increasingly regulatory and political
21 pressure is driving utilities to implement cleaner
22 energy solutions, conservation, and grid

1 modernization. These changes and advances in
2 technology will require more service-oriented
3 business models in the future for utilities. These
4 services include managing the two-way flow of
5 distributed energy resources, supporting electric
6 vehicles, storage, home area networks, and, finally,
7 a better way to engage customers.

8 As a result, regulated utilities must
9 now refocus on their customers at a much more
10 intimate level and define and build authentic
11 trusted customer relationships. The historical
12 approach to managing customer relationships in the
13 utility business will simply not survive; instead,
14 utilities must evolve with the changing landscape of
15 energy delivery.

16 The smart grid's profound
17 technological changes will be followed by profound
18 business model changes, and, as the technology of
19 the grid changes, utilities must be prepared to
20 serve as the bridge between policy and political
21 mandates and increasingly sophisticated customer
22 needs.

1 Today's session intends to address the
2 coming resolution in customer engagement,
3 specifically the emergence of innovative
4 technologies, evolving services, and increasing
5 customer awareness.

6 Participants will offer their
7 perspectives on where new technology can improve
8 customer service and pinpoint how to overcome some
9 of the existing barriers deploying customer enabling
10 technologies.

11 We will begin with a presentation on
12 utility customer satisfaction and hear from the
13 panel on new technology and wrap up with a
14 roundtable discussion on the current state of
15 customer service. These sessions will be separated
16 by two short breaks.

17 Our first presentation is from Jeff
18 Conklin, Vice President of the Technology, Media and
19 Telecommunications Practice and the Utility and
20 Infrastructure Practice at J. D. Power. He's
21 responsible for the company's utility infrastructure
22 customer satisfaction studies and for studies across

1 all stages of the consumer digital life cycle.

2 Jeff has more than 30 years of
3 experience in the energy utility industry. Please
4 welcome -- please join me in welcoming Jeff.

5 (Applause.)

6 PRESENTATION

7 BY

8 MR. CONKLIN:

9 Thank you, Mr. Chairman. I'm
10 delighted to be here today representing the voice of
11 the customers. What is fun for us is serving
12 consumers of all different types and all different
13 sorts of industries and then making sure there's a
14 lot of interesting questions we ask to find out what
15 the stories are, not just how they are today but
16 what the trends have been over time and where
17 they're likely to go next.

18 What I will talk about today is a
19 little bit of the trends we are seeing in the
20 utility industry over time. We will talk about
21 where your drivers of customer satisfaction are
22 overall with your utilities. We will get into some

1 of the mechanics of what it takes to transact with
2 consumer service overall, and I'll show you some
3 examples perhaps from other industry segments, too,
4 for lessons learned.

5 I'm happy to take questions as we go
6 along as well, so I'm sure you won't be shocked.

7 (Slide presentation.)

8 So the first chart I am going to put
9 up is one we start with a lot where we show some of
10 the overall impacts, essentially financially, as to
11 why it's important to focus on customer satisfaction
12 overall, and the chart on the left -- the bar chart
13 on the left is a representation of an analysis which
14 we completed the end of last year.

15 We looked at more than ten years'
16 worth of histories of rate cases among utilities --
17 electric utilities in the U.S., and we looked at
18 what was the level of satisfaction one year prior to
19 asking for a rate increase, so we grouped it by four
20 panels, top four panels from national, bottom four
21 from national, overall customer satisfaction, and
22 then, of course, we looked at what was the outcome

1 of the rate case event itself in the bottom line of
2 what we did allow rate of return, given that rate
3 case, and you can see by the steepness of those bars
4 there's a very clear signal here that says utilities
5 that come through the Commission for a ratemaking
6 process with elevated levels of satisfaction
7 ultimately are allowed a higher rate of return, so
8 it's a very clear driver to utility management to
9 find out why it's important to get it right.

10 Obviously, there's operational cost
11 savings as well when you are doing well by your
12 customers, making sure you avoid problems, and if
13 there are problems, you handle them very efficiently
14 and operational cost savings, also driver utility
15 management things as well.

16 The chart to the right is one that
17 Price Warehouse Coopers developed late last year as
18 well on the natural gas side of the business. They
19 looked at something very similar, what percent of
20 the rate asked was granted in terms of rate case
21 histories over the past ten years, again looking at
22 what was the overall level of satisfaction of those

1 natural gas utilities coming into a rate case
2 process, and clearly the curve slopes from the lower
3 side left to the higher side right, meaning
4 utilities that came into the ratemaking process at
5 the higher level of satisfaction were granted much
6 closer to their total asking amount. So I think
7 good evidence that may be even more than just
8 correlated, it looks like it's a bit more causal as
9 well.

10 This chart is simply the trend over
11 time of overall residential customer satisfaction
12 with their utilities. The top bar and lines
13 represent electric utilities nationally. We measure
14 every quarter every year, so it's four ways per
15 year. In fact, our study just came out. We
16 released it in July. It just came out in the last
17 two weeks, so it's very fresh data, not only today's
18 presentation but in the last week or so what overall
19 satisfaction measures ought to be among electric
20 utilities.

21 The height of the blue bar is what we
22 saw in the national average, and you can see it has

1 a very, very solid slope up. The utilities are
2 doing a much better job today than four or five
3 years ago in terms of overall satisfaction of
4 customers.

5 We'll talk about the drivers of
6 satisfaction in a bit, but clearly the fundamentals
7 apply: reliable service, good prices, consumers are
8 happy, overlay that with lots of other ways that
9 utilities are now more engaged with customers than
10 ever, create citizenship profiles, doing a better
11 job at customer service, brings elevated scores, as
12 you can see from left to right.

13 The wiggly yellow line is the scores
14 that we measure among electric utilities here in
15 Illinois, and the two large ones in place here in
16 order to measure our study are Commonwealth Edison
17 and Ameren Illinois, and you can see that that
18 grouping actually has improved at a faster rate, so
19 Illinois has actually closed the gap to the national
20 average over the last five years. Clearly pricing
21 is a part of that.

22 I think you overlay a bit of retail

1 experience, consumers feel a lot better about what
2 they paid for their electricity in the State of
3 Illinois over the past five years, and you're always
4 fortunate in a way, based on geography, but we
5 haven't had any super major events, storm-related,
6 for example, citizen-wide sort of events principally
7 across this time frame, so the longer we can deliver
8 very reliable power to consumers the more satisfied
9 we would be.

10 The bottom bar chart has the same
11 thing but for the natural gas industry, so the
12 height of the light blue bar is the national average
13 we measure in the natural gas marketplace among
14 residential customers, and the yellow line is the
15 Illinois metrics that we measure here in this state
16 as well.

17 Clearly, again, I think we see the
18 same profile five years ago, a bit of a gap in the
19 national average close to today. We are just about
20 hitting the natural average, so a lot of improvement
21 really on both sides of the equation for both
22 natural gas providers in the state as well as

1 electric.

2 You can see on the bottom light blue
3 chart at the very end there's three bars that took a
4 big jump up. We have updated our model in the
5 natural gas marketplace, which I will explain in a
6 couple of slides. We added more of the dimension of
7 the delivery of natural gas for reliability and
8 safety.

9 Obviously, safety's been a bit more of
10 an issue with new stories in the natural gas
11 marketplace nationally for a number of years and
12 many of the utilities we work with have asked us to
13 represent a better voice to the customers in that
14 aspect, so it turns out customers are very satisfied
15 with the reliability of natural gas.

16 Number one, a lot of the efforts the
17 utilities are going to improve safety, including
18 reinvestment in the infrastructure, so that's why
19 you are seeing a little bit of a lift on those last
20 three bars that are at the bottom right-hand corner,
21 and, again, I will show the drivers of satisfaction
22 in a few charts.

1 Just to go over some of the overall
2 rankings, we asked dozens and dozens of questions of
3 consumers taking them through their experiences with
4 their energy utilities. A lot of questions are
5 diagnostic: How many times have you had a service
6 interruption? For how long ago? Did you call your
7 utility? How did they answer the phone? How long
8 were you on hold? How do you typically pay your
9 bills? Those kind of questions are asked
10 diagnostically, and then we ask them to rate certain
11 attributes of elements of reliability, elements of
12 the bill and paying the bill, elements of customer
13 service. For example, those questions are always
14 asked on a scale of one to ten. Ten is outstanding,
15 five is average, and one is unacceptable.

16 So the scores that you see on the bars
17 here are weighted averages across all the questions
18 we ask, and we do a mathematical approach to finding
19 out which of the questions truly drives
20 satisfaction, and I'll look at those in a bit, so
21 it's a weighted average.

22 So we just actually essentially erased

1 the decimal point just to make it earlier to read,
2 so it's now a thousand point scale, so when you see
3 a score of 7.23, that's an average of 73 on a
4 10 point scale and we look at that.

5 So these are the brands we measure on
6 large utilities in the Midwest, electric utilities,
7 from top to bottom. Obviously, a couple of brands
8 we measure here in Illinois include Commonwealth
9 Edison and Ameren Illinois.

10 I want to commend Commonwealth Edison
11 obviously is not even an average here, but this is a
12 new spot for ComEd. They're usually maybe not last
13 but could be last at times.

14 Over the past five years, nationally
15 we measured 58 large utilities in the U.S.
16 Commonwealth Edison had the biggest improvement
17 across these most recent five years of any other
18 utility measured, so it's actually a great
19 accomplishment I think for ComEd. It moved up a lot
20 this year, nearly a hundred point climb in the last
21 five years, and the story behind the story really is
22 even more impressive in the sense that it wasn't a

1 rebound from some sort of artificially lower score,
2 like a big natural disaster or a substantial rate
3 increase, that really drove their score lower.

4 Some of the other most improved larger
5 utilities really got down to the bottom where they
6 didn't handle the major storms really well, for
7 example, or had a very large rate increase, so they
8 recovered a lot as well, but not even as much as
9 ComEd.

10 We have, obviously, watched
11 Commonwealth Edison over the past five years really
12 put a very concerted effort towards focusing on the
13 customer experience, and I've got folks from ComEd
14 who work on these teams and they have these
15 cross-functioning teams that every day look at all
16 the touch points of the consumer and what can we do
17 to improve it takes a higher level of service, so a
18 lot of opportunities, yet, for ComEd to get even
19 better, but so far great efforts most recently from
20 a brand like ComEd and a good case study for public
21 utilities to look at how to reposition yourself not
22 being on the bottom any more but getting up much

1 higher than the overall range.

2 Do you have any questions?

3 COMMISSIONER McCABE: Yes. Jeff, MidAmerican has
4 the Quad Cities region in Illinois and seems to
5 consistently rank at the top or very high. Any
6 particular reason?

7 MR. CONKLIN: So most of their scores come out of
8 their Iowa territory, of course. Virtually no rate
9 case in MidAmerican's history in the last 25 years.
10 They had one two years ago or so I think was their
11 first one like in 18 years.

12 So when you have flat rates, you are
13 not going to have a rate case for a long, long time,
14 customers put a lot of value on the price they pay.
15 They have a very reliable infrastructure and they
16 also do an excellent job at customer service,
17 albeit, I have to say, they do it in a very
18 traditional old fashion way. They literally still
19 answer the phone. They don't really have much in
20 the way of an automatic system at the front end of
21 it, and so a relatively more expensive process, but
22 it's clear that's one way to serve customers, and we

1 appreciate it.

2 COMMISSIONER MAYE EDWARDS: What did you say --
3 what did you say was the average, meaning that ComEd
4 ranked higher and higher and sometimes they're still
5 not meeting the average? What was that?

6 MR. CONKLIN: The gray bar there you see the one
7 below the one involving an average.

8 COMMISSIONER MAYE EDWARDS: I see. Thank you.

9 MR. CONKLIN: So that's the electric study, and
10 this just was released one week ago today, and this
11 is the set of scores measured across the four
12 quarters leading up to the mid-point this year.

13 Natural gas is another study we
14 measured. In September we released the final result
15 of the 2016 Residential Natural Gas Customer
16 Satisfaction Study, so this is an up-to-date set of
17 scores through three of the four quarters we measure
18 for natural gas.

19 I think we are clearly seeing
20 something of the Illinois brands that are measured
21 here as well. MidAmerican again repeats at the top
22 of this one as well. Some other entities like DTE

1 Energy, Detroit Edison, are knocking on the door,
2 got J. D. Power trophies in the last year or two in
3 the natural gas side of the business, and that's
4 another great case study. Commonwealth Edison
5 really improved their position. They used to score
6 at or below average for years and years. It's
7 really taken a great effort at focusing on the
8 customer experience and it shows through how they
9 serve their communities and how well they're doing
10 in the J. D. Power scores now.

11 I just want to briefly touch on the
12 third utility grouping that we are now measuring,
13 water utilities. We have never measured water
14 utilities up until this year, so we took very much
15 the same approach and talked to consumers taking
16 water service from the largest -- I think it's 84
17 water systems across the U. S, so this is a set of
18 water systems we measure each year in the Midwest.

19 Of course, we can find that Illinois
20 and American Water ends up with the highest overall
21 score in the Midwest region for this year's new
22 water customer satisfaction study. Those were

1 released just back in May, so these are relatively
2 fresh metrics on the water industry as well.

3 So we are seeing an improvement in the
4 utility spaces we saw in the first trend charts, but
5 when we compare utilities to the other service
6 industries, you can see that we are still sort of
7 trailing other service segments.

8 I don't show this to shame utilities
9 into not doing a good job, but what it can
10 represent, obviously, is this notion that consumers
11 react to service providers that provide a level of
12 engagement, positive engagement, and where customers
13 have a choice.

14 So, if you look from the bottom of the
15 segments here, electric and gas utilities, and move
16 up the rank a bit to water utilities, or to
17 airlines, or to internet service providers, or to
18 cable TV companies, and all the way up to your local
19 retail bank-sort-of providers, the level of
20 engagement with those sorts of providers probably
21 gets deeper and deeper and more frequent as
22 consumers, and you have choices. You can go around

1 the corner to different banks, for example, so
2 that's what we read into this is a lot about
3 engagement and choice, so the opportunity for
4 utilities how do we figure out to engage more with
5 their customers going forward in the future.
6 There's a level of obviously intangibility to
7 utility services.

8 In electricity, none of your senses
9 are involved. They shouldn't be involved. If you
10 can see it, touch it, hear it, feel it, and taste
11 it, you're in trouble, so those other services, even
12 water, you are getting a bit more level sense of
13 engagement as consumers.

14 So here's the drivers of overall
15 satisfaction, and I realize these are sort of small
16 charts, so we asked -- in the case of the electric
17 utility industry, more than a hundred thousand
18 customers nationally we interview every year and do
19 60 or 70,000 natural gas and we do 40 or 50,000
20 surveys on the water side of the business, and once
21 we ask all these questions of consumers and
22 mathematically look at the shape and how they answer

1 all the questions around a variety of factors and
2 how they experience their utility service providers,
3 whether it's reliability of service, price of
4 service, getting a bill, paying a bill, customer
5 service, and then there's a couple of factors that
6 I'll call them sort of the "softer side of the
7 business," almost the brand of the image of the
8 business, how service providers communicate to
9 consumers and how consumers see their providers as
10 good citizens, meaning engagement in the communities
11 that they serve.

12 So if you look, there's a lot of
13 similarities across the three utility segments.
14 They all are principally driven from the view of the
15 consumer by reliable service and value of service,
16 so it's about delivery of power, delivery of natural
17 gas, safe delivery of natural gas, and delivery of
18 water, and then a bit about the price they pay.
19 Sometimes price is the second most impactful or
20 differentiating factor involved. Sometimes bill
21 payment is there, but mostly it's about reliable
22 service and value of cost.

1 Lots of other things have an influence
2 on them, as we talked a moment ago, how we
3 communicate, how often utilities communicate about
4 things that are available, options, choices,
5 services, programs, features that are available to
6 the consumers. The more consumers hear from their
7 providers, the more satisfied they are likely to be,
8 and I will show some of that in a bit.

9 Utilities are also I think in
10 somewhat of a unique position where consumers sort
11 of expect them to be part of the fabric of the
12 communities that they serve. We sort of take
13 customers through questions centered around the
14 citizenship aspect and it involves several
15 dimensions. Some of it has to do with the
16 environment and energy efficiency, some of it has to
17 do with the citizenship of the charity, and
18 volunteerism by the employees, and some it has to do
19 with being a good corporate partner, meaning you are
20 out there creating jobs.

21 You have got an environment with a
22 great supply of energy at a reasonable price. You

1 are^ you're ^ your helping drive the economy and
2 create jobs to the local economy as well, so those
3 sort of aspects go into the citizenship category.

4 At the bottom we see some notes I made
5 here. Those pie shapes represent 100 percent of all
6 the consumers we look at, and today's session is all
7 about customer service. You can see this is sort of
8 a very tiny slice of the customer call service, and
9 it looks like 5 or 6 percent. A lot of people go,
10 "Why is that really even important? Why should I go
11 to customer service who don't have a big influence
12 on customers?"

13 About one out of five customers -- it
14 varies by service, type or service material -- has a
15 customer service transaction experience or recent
16 experience that they can evaluate when you ask them
17 to take you through the survey.

18 So you see at the bottom is when I
19 consider only customers -- one of five customers
20 have had an experience actually puts a substantial
21 impact on their overall satisfaction, when you go
22 from 20 to almost 25 percent of overall satisfaction

1 is described by the experience they just had
2 interacting with their utilities.

3 In almost every case that's the second
4 most rated factor behind sort of the delivery of
5 reliability and the safety of the service itself,
6 and in most cases is only the community equal in
7 some cases, so it's a really important moment in the
8 life cycle of the consumer to get it right, because
9 we don't get many chances of getting it right.

10 This is one of those factors that is
11 very easy to go through. If we do an okay job with
12 the consumers, when they contact us, we may not even
13 quite recognize their dissatisfaction with it. You
14 can do a really excellent job to win them over.

15 There is an opportunity to take
16 customer service and make it sort of a proactive
17 engagement and even bring them to a level of
18 satisfaction higher than they might otherwise have
19 been. That is possible with customer service. It
20 has to be a top-tier performance in customer service
21 elevated at that level.

22 If we just do a good job, an average

1 job, we actually can slide down a hill for the
2 consumers. When they have got trouble, they expect
3 us to be prompt in our answers and be accurate in
4 our answers.

5 So if you look at these various
6 utility types, principally more on the energy side
7 than electricity and natural gas, you sort of see it
8 falling into these four sort of categories of what
9 customers expect of their utilities: comfort, cost,
10 choice, and control.

11 We talked about comfort. We,
12 obviously, rely on those services in their
13 households to be comfortable, to be safe, meaning
14 it's got to be reliable from a safety
15 infrastructure, but the differentiating we are
16 seeing today if there's trouble, keep me informed,
17 because -- and, in fact, proactively keep me
18 informed, because we're the one that's extending
19 performance among utilities, and we'll talk more
20 about that.

21 Obviously, reasonable price has
22 various dimensions to it, not having continual rate

1 increases certainly is part of the equation, so the
2 longer consumers perceive to have been absent, and
3 rate changes time over time, the more likely they'll
4 rate the value for what they get for what they pay,
5 but the utilities can do a good job to offer up ways
6 that they can help customers save.

7 So information about their particular
8 usage and then suggestions on how they can go about
9 saving even more also goes into the equation of how
10 consumers think about the value of what I get from
11 what I pay.

12 We will show a chart later that shows
13 the lift of what you can get from customers just
14 knowing about the kinds of programs that are
15 available. Even if they choose not to participate,
16 consumer satisfaction is a lot.

17 Today's consumers are mobile. They're
18 24 by 7, of course, and, frankly, that's beginning
19 to span most of the age generation as well so they
20 expect to be able -- any service provider getting
21 contact with you, when they want, and how they want
22 sort of where they want.

1 So when a utility might ask, well,
2 gee, do I need this or that in terms of customer
3 service, the answer is yes. You don't need that.
4 You also need the other six or seven channels,
5 because it's their choice. Sometimes they might
6 want to get into their mobile device. Sometimes
7 they might want it on an e-mail use. Sometimes they
8 go on the website. Sometimes they may want to pick
9 up the phone and talk to somebody. You've got to be
10 ready to serve any of those channels at any point in
11 time for consumers and you have to be consistent
12 across the channels.

13 You can't get really great phone
14 service and have the customer look at your website
15 or mobile device and have those really bad. That's
16 going to rub them the wrong way. It's got to be
17 very consistent in levels across all the channels of
18 interaction, and then one of the big differentiators
19 we are finding in utility segments today is
20 proactive communication. So when you turn and can
21 anticipate that, gee, maybe this kind of program
22 fits your household really well, let us tell you

1 more about a better option, that's the product of
2 communication.

3 When there is an emergency event,
4 when there's a power outage, if you can proactively
5 connect with that consumer and say we know the power
6 is out in your area and here are the five things we
7 know about it, the cause of the event, the extent of
8 the event, here's the status of one of the work
9 crews, and the equipment, and when they're coming
10 on, here's the estimated time of restoration, think
11 of a story that you can tell the customers about,
12 these kinds of things and proactively communicates,
13 the higher their satisfaction goes.

14 So talk about some things that we see.
15 So we move into the direct channels to solve from
16 other utilities across utilities, and this notion
17 that I looked at earlier about how utilities compare
18 to other service industries, one solution is to
19 figure out ways you can continue to engage more with
20 the customers we serve. So this will put some
21 strain on my eyesight. I'll have to make some of
22 these up, because I can't quite see.

1 So when we look at customers, I'll
2 call them typical customers, that's the orange bar
3 on the left, they sort of pay their bills by writing
4 out a check and mailing it in every month. They
5 probably haven't had maybe one brief service
6 interruption in the past few months as an
7 experience. They never had to contact the
8 utilities, so they're just easy, no real issues, but
9 they don't score all that well, but if you look at
10 those blue bars to the right, there's all kinds of
11 engagement options. Some of them are customer
12 service lines, some of them are energy
13 efficiency-oriented or things like that where any
14 one of those options a customer has a choice and
15 does an enormous job of lifting overall customer
16 satisfaction.

17 When we are moving satisfaction a
18 hundred points in most of these cases, if not more,
19 that opens our eyes a bit. This kind of scale -- we
20 use this one thousand point scale and the statistic
21 differentiation is three or four points different
22 than we anticipate as different.

1 So when you are getting things that
2 are 30, to 40, to 50 point differential, you are
3 moving the needle to a higher point that's assuming
4 and can really change rather gradually eventually,
5 so there's all kinds of options.

6 If I could -- if I had great eyesight,
7 I should be able to breeze through it, but budget
8 billing, for example, does lead to overall customer
9 satisfaction, providing energy efficiency programs
10 and choice, doing in-home energy audits is one of
11 the ones on the very right-hand side.

12 Engagement also includes, for example,
13 when consumers recognize that they see employees of
14 the utilities out charitably giving, donating their
15 time, sharing their time, that's a major difference
16 to the consumer. They understand at that point you
17 guys are really in it with me. They're helping my
18 neighbors. They're helping my community. That's
19 one of the things we actually see in our study that
20 helps lift overall satisfaction quite substantially
21 is how much the consumers view their providers being
22 engaged in the communities that they serve, so a

1 huge variety of things come through in terms of
2 lifting satisfaction, so there's no one magic thing
3 that happens but any one of these things can move
4 satisfaction.

5 So, again, what we find is the more
6 often utilities can bring to any given customer, the
7 higher or likely to find their satisfaction gone.

8 This is sort of a similar view and it
9 is just more quantifying. Again, on the left are
10 consumers who are sort of ignorant that their
11 utilities offer any sort of options or choices for
12 the future. Satisfaction is very low. They really
13 don't know other than sending the check every month.
14 They're not aware that there's a budget billing time
15 available, for example, so their scores are rather
16 low.

17 The light blue color bar represents
18 households who have heard from their utilities or
19 are aware of and familiar with the kind of alternate
20 programs, optional programs. There could be a rate
21 program, like time-of-use program, or here in
22 Illinois maybe even a real-time pricing program. It

1 could be energy efficiency offerings. It could be
2 some customer service offerings like signing up to
3 get text messages from the utility when there's a
4 storm, for example.

5 When they're aware that those choices
6 exist but have not chosen to use them, you can see
7 how much their satisfaction gets lifted just by
8 knowing they're available to them at some point if
9 they need them, but then as you continue to the
10 right, you can see that they partake, they sign up
11 for one program, their satisfaction is even higher.
12 They sign up for two programs, it goes up even
13 higher. They sign up for three programs, it goes
14 even higher, so the more engaged a provider is with
15 their customer, the more satisfaction they have.

16 Clearly there are other service
17 providers setting the standards now that all
18 consumers expect, so when a customer fires up their
19 mobile device and they want to find out, for
20 example, how big is my bill, when is it due, or
21 there's a power outage in the area, where are they,
22 these kind of enterprises are setting the standard.

1 So, obviously, Uber is the one now
2 bigger. We talk about it, because just how
3 graphically easy it is to go or how fast is that.
4 The vehicle can be right next to me to pick me up.

5 American Airlines and other
6 travel-related industries are getting very efficient
7 with connecting consumers, particularly mobile. If
8 you fire up your American Airlines App and it's the
9 day of your flight, it's likely to even tell you if
10 you leave right now, it will take you 45 minutes to
11 get from here to Terminal 3 at O'Hare.

12 So the more information provided, the
13 higher the satisfaction goes, even the lower \$9.99
14 pizza will tell you your order is in, it's being
15 made, it's in the oven, it's in the car and on the
16 way to your house, so those kind of experiences are
17 clearly setting the standard for all consumers now
18 to expect.

19 COMMISSIONER MAYE EDWARDS: Jeff, can I ask a
20 quick question. I know you talked about Uber
21 setting the standard. I think one thing that really
22 sets Uber apart is they have eliminated essentially

1 all of their call centers, so if you have an issue,
2 if your driver gets lost or it takes two hours to
3 cancel, you just go right on. You say -- it gives
4 you like six choices, this is my problem and it's
5 very simple and then it credits you.

6 So at first, you know, I'm kind of
7 like I don't like the idea of not speaking to
8 someone, but then it's easier. I don't have to wait
9 on the phone for 30 minutes. Have you seen that,
10 you know, in any of the responses?

11 MR. CONKLIN: The self-service mechanisms are
12 definitely delaying customers, and not every
13 customer chooses to do it that way, but when that
14 channel's open and available, it works very well.

15 COMMISSIONER MAYE EDWARDS: I don't think you
16 have the option to call.

17 MR. CONKLIN: I don't know either.

18 So we talked earlier about proactive
19 communications and setting the standard. Consumers
20 today frankly they have a long time -- no disrespect
21 if you think about the power companies -- they
22 expect you to know that their power is out and they

1 immediately expect you to know the whole story, what
2 happened, and when will it get back on, and so
3 that's what we are seeing is a really big
4 differentiation across the U. S., because today is
5 those that are getting up front and proactively
6 solicit permission to say I'm actually going to
7 connect with you and channel on your choice. I'll
8 call you. I'll e-mail you. I'll text you, whatever
9 device you want us to find you with information
10 should there be an event.

11 So you can see that when customers
12 have had a power outage and we ask them, well, gee,
13 where did you find out the information about that
14 event, the proactive channels and additional
15 channels are the most tested, so the utilities'
16 direct e-mail, or call, or text messaging is very
17 high on satisfaction.

18 Other digital channels, maybe the
19 consumer e-mailed me to get information, or went to
20 the website to see an app, or those kinds of things,
21 you see much higher those levels of satisfaction
22 other than that lower yellow bar. I didn't get

1 information about this. So, again, this notion of
2 being proactive and providing a comprehensive story
3 really will win customers.

4 We talk about communications. We have
5 factored in our model that gets to communication.
6 We ask customers have they heard communication
7 directly from the utility in the past few months?
8 Have they seen, read or heard anything about
9 advertisements, or promotions, or public
10 announcements from the utilities?

11 What we find is that many customers
12 who have heard from their utilities have a higher
13 level of satisfaction than other customers, and
14 customers who've heard and were called more from
15 communication from the utilities are, in fact, the
16 highest satisfied customers.

17 For example, a study released last
18 week in the south region had the highest overall
19 satisfaction scores for the first time in their
20 history, and they're the most communicative utility
21 we have seen in the largest segments of most of the
22 world in terms of frequency and communication.

1 We find that a fairly common attribute
2 of a high-performing utility. They do a great job
3 of continuing to communicate with the consumers. We
4 are not lacking in any utility space to talk about.
5 We're doing system improvement and maintenance.
6 There are outages, and we have got all kinds of
7 programs, both customer service and energy
8 efficiency programs, and we are doing good things as
9 corporate citizens, so there's a lot of ways that we
10 win customers over by communicating who we are, what
11 we can offer you, and what we are about.

12 Getting mobile is clearly a trend we
13 see in every service segment today. This is
14 probably about nine-months old, but it's not far off
15 from a computer study which could be two-thirds
16 essentially of what American adults have.

17 Smart phones now clearly has a
18 generational value to it. Younger generations still
19 may value smart phones and seniors may not quite
20 step up, but certainly not absent by any means, so
21 they expect all their providers to be more and more
22 connectible but being mobile.

1 This chart comes from our electric
2 utility study quarter after quarter after quarter,
3 and across the past five years you can see there is
4 a vamp up of customers who said they went on-line to
5 their utility. We asked them, well, what device did
6 you use to get there, and the blue bar is a smart
7 phone device and the orange bar is a tablet device,
8 or a camera, and you see a drop in level of
9 10 percent of all transactions on-line that were
10 through mobile camera devices upwards of now 20
11 percent. This is a relatively short period, a
12 four-year time frame.

13 This is for utilities. You can
14 imagine in other industry segments, such as banking
15 or telecom, some of these transactions are even
16 deeper than that, but those enterprises are out
17 there in a mobile fashion with more transactions.

18 We talk about customer service, and
19 what I want to highlight here is putting a variety
20 of channels in front of customers is important
21 because there's going to be times when they want to
22 approach you one way. There might be times when

1 they will actually pick up the phone and call you.

2 So we find the utilities industry --
3 if you look at the top chart over on the left, calls
4 that are completely handled into the phone system
5 actually score highest among all customer contacts,
6 because I think as an industry a lot of very routine
7 easy stuff to do is now automated in the phone
8 system: checking the status of your bill, when the
9 next payment is due, even getting outage information
10 promptly. That does very, very well to satisfy
11 customers.

12 Yes, they are emerging. Customers
13 now expect that they post something in social media
14 on Facebook or Twitter, but they will get a
15 response, and they're not expecting a response three
16 days from now. They come to expect a response in a
17 handful of hours, so that's clearly a capability
18 that any provider's got to be more ready to do today
19 than they were a few years ago.

20 Chatting on-line is also an emerging
21 capability that most service providers have but now
22 it's beginning to come to play somewhat of a role in

1 the utility space, too.

2 The bottom chart looks at those calls
3 handled in the phone system. This is where I think
4 there is going to be a lot of drama coming up in the
5 next few years, so we've asked customers who have
6 called completely handled the automatic phone system
7 what type of system they want. It's clearly getting
8 somewhat differentiated. Those smart phone systems
9 now just tell me what you want and you can speak in
10 your own natural language and they will interpret
11 it. I want the one getting the best marks. This
12 notion of running through a multi-menu that can say
13 "press" or say "one" is a bit going into the
14 wayside, because it's not quite as satisfying.

15 You have probably all experienced some
16 of these really new innovative systems. This
17 activity carries out a handsome and very, very keen
18 natural language system.

19 If you have a chance to spend more
20 quality time, the company utility in Texas gives you
21 the retailer. Centerpoint, the local electric
22 utility in Houston, has an outstanding experience

1 with automatic systems. They have got the data and
2 the background to actually 80 percent plus the time
3 they predict why you're calling.

4 So if it's three days after your bill
5 is due, that phone system will answer the phone
6 saying, "Mr. Jones, thank you for calling. We see
7 your bill is overdue. Would you like to pay that
8 now? Well, yes, I would," so they can get to that
9 level of intelligence.

10 One of the top performing utilities in
11 the U.S. is a software project in Phoenix. They
12 discovered a very capable natural language system
13 back in March and it's already gotten two marriage
14 proposals. Customers sometimes don't even know
15 they're talking to a system. It's that good these
16 days.

17 The technology segment got totally
18 surprised late last year when Amazon launched the
19 Echo, didn't know it was coming. It had that level
20 of interaction with SIRI and like Alexa.

21 You have probably seen SIRI, and
22 Amazon has somewhere around 40 million prime

1 customers and they sold more than 4 million of those
2 units in the first six months, so 10 percent of
3 their customers took up that device right away.

4 My family and I haven't installed it
5 yet. Amazon Prime advised me that I got an e-mail,
6 so I haven't tested it yet, but I think that sort of
7 capability is what we are all going to have the
8 opportunity to interact with as consumers going
9 forward. It is this massive set of intelligence
10 that's sort of behind everything.

11 Jeff Bezos has a thousand people
12 working around the clock just on Alexa herself as
13 part of Amazon, so the capabilities to that are
14 going to where she can tell your emotions, if you
15 are frustrated, or if you are happy or sad. She
16 will anticipate the deadlock, what's your emotion.

17 The next question will be where you
18 are in terms of talking, so those kinds of
19 interactions I think we are going to end up assuming
20 in a pretty short order.

21 Many other major platform providers,
22 such as Google and Facebook, now also have these

1 astounding sets of technologies and capabilities
2 behind the curtain so to speak.

3 So the mere typing of something as a
4 text message or Facebook post, it may anticipate
5 what you are saying, and say, gee, it looks like you
6 are trying to sell a car. Can I help you set up an
7 app for that car, or if you're looking at a friend's
8 picture of a dog and you automatically say that's a
9 really nice looking -- I forget the name of this
10 dog, but it will automatically tell you the breed of
11 the dog and you can say "send it," and it will
12 automate your response throughout the question.
13 That's where we are going as consumers in pretty
14 short order interacting with service providers going
15 forward.

16 We see this other industry segment in
17 our banking -- retail banking study. We ask
18 customers how they view their banking and are they
19 technology proficient without the new technologies,
20 and you see on the left-hand side of this the level
21 of satisfaction you get from the consumer who
22 recognizes that their bank is to the cutting edge of

1 adopting technology, that's a delightful level of
2 satisfaction; whereas, if you appear to be slow to
3 adopt, you can be right on the satisfaction curve.

4 Again, Frost Bank, which is in Texas,
5 and the computer Woodwinds, the Goffies (phonetic)
6 and the J. D. Power, and retail banking, it's not
7 one secret channel. You have to make the customers
8 happy. The point is you have got to be good at all
9 these channels because all your customers at various
10 levels are going to come to you in ways that they
11 need to at the time they need to.

12 The other dimension we are starting to
13 see is evidence of other segments. Taking away the
14 middleman source, customers are willing to be part
15 of the process, so you have all seen the Allstate
16 commercial where the teenage son wrecks the back
17 bumper of the car and the mom's taking photos of it.
18 Well, she's now the Allstate agent. Well, really
19 it's the consumer who's fighting the transaction,
20 because we believe it might get done faster and
21 better if you take the role, especially if it gives
22 us the tool to do it ourselves. The same thing the

1 day of the Super Bowl ads this year with Quicken
2 Loans and Launchpad, that's the consumer taking over
3 the role of a mortgagee, so you are submitting for
4 and driving the process to get your own mortgage.

5 So, again, we do see evidence that
6 consumers are going to take up a role they might not
7 have had in the past if they perceive it's easy to
8 do and that it's a process they might get done
9 faster and better if they do it themselves,
10 otherwise, we're trying to see the other end of the
11 perspective come to life.

12 If we make it kind of hard to transact
13 with, if we make it difficult to contact us, there's
14 now services popping up that will do that job for
15 you as a consumer, so these are enterprises on the
16 web now that will advertise. If you are having
17 trouble with your cable company, or your power
18 utility, let us take care of it.

19 Another thing you will see from many
20 other service segments is personalizing the
21 offerings and the interactions so that we're not
22 just sending out these massive campaigns that we

1 hope will win and catch somebody's attention.
2 Providers are getting better at making sure that if
3 you participate with us, you are going to get your
4 very personalized set of information back.

5 So whether you are a Progressive Auto
6 Insurance driver and you plugged that into your car,
7 you now get a much cheaper rate because you are
8 driving safe for 30 days, and, oh, by the way, you
9 continue to get reports about how well you are
10 driving.

11 Obviously, we are all used to wearing
12 some fitness device, and things like that, and those
13 give us very personal feedback, not that we can't
14 look at feedback over time, and clearly energy
15 segments definitely -- you have got energy efficient
16 thermostats that send you these really impressive
17 and informative market updates of where you have
18 been compared to last month creating an interesting
19 opportunity or challenge for utilities because
20 partnering with technology let's us compete.

21 As an owner of NIST feels like you
22 have just as much an energy-related relationship

1 with NIST as you might do with the electric
2 utilities, so who do you turn to for advice in the
3 future, so interesting dynamics happening in that
4 space as well.

5 Clearly a personal e-mail on the good
6 old fashioned monthly bill statement creates
7 examples for both Commonwealth Edison and Ameren
8 Missouri, but then you get a much more modernized
9 bill statement and much more informative, so you get
10 a monthly platform as well as showing trends.

11 Many utilities are clearly getting
12 into the act while sending out periodic reports on
13 the usage of your household, maybe it's monthly,
14 maybe it's annually, but just keeping the customer
15 more informed. Clearly some of this is being done
16 as paper mail. A lot of times you can also get the
17 same, if not more, information about your account
18 on-line.

19 Getting very personal, some of the
20 things we have seen in the industry that really lit
21 up the charts a bit is imagine talking to a customer
22 service representative of a utility and a couple of

1 days later getting a handwritten note from that rep
2 saying "Thanks for calling. Glad I could help you
3 with your problem. Hope your mother-in-law is
4 okay," whatever the story was going on there.

5 So we are starting to see and really
6 understand what it takes to engage on a personal
7 level the customer service with their customers. We
8 periodically ask consumers more about what they
9 think they might want next for energy-related items
10 and services.

11 So this is a chart that sort of goes
12 through the idea of from your retail electric study
13 but kind of consumer households overall, what are
14 certain things you'd like to be interested in
15 getting next from a trusted energy provider. It's
16 obviously ranging from things like more modern and
17 energy efficiency LED bulbs down to solar is
18 certainly some level of interest, and you go all the
19 way down to the bottom, maybe a small set of
20 customers interested in getting electric vehicles
21 and plugging them in as well.

22 Again, this isn't just one particular

1 thing. As a consumer, there is a whole variety of
2 ways that we need to be out there creating many
3 offerings that customers can choose to partake from.
4 You are not wrapping together looking for
5 limitations for the utilities. There's a lot of
6 drama going on out there right now.

7 As you look at a consumer at home, the
8 things that they face in energy-related services,
9 clearly you have got the traditional role of the
10 utilities, electric utilities and natural gas
11 utilities, and how they interact with their
12 customers.

13 You have got both the security alarm
14 network enterprises and the telecommunications
15 companies. Almost all of them offer some sort of
16 home security system and in nearly every case
17 there's always an offer in that that has an element
18 of energy management controlling your lights,
19 controlling your heating and air conditioning, and,
20 so, again, we have got other brands, other services
21 getting in front of consumers developing more
22 expanded relationships that are related to energy.

1 So, as we go forward, a few consumers
2 may be starting to look to who might they trust when
3 it comes to questions about energy usage, or
4 management usage, management of their costs. You
5 have got all kinds of other players that have an
6 interest in it as well.

7 The big box stores are trying to sell
8 you a do-it-yourself system and devices for a
9 lighting system, and energy control systems are
10 clearly an application making sure this is all --
11 you look at an app like this. Strategically for
12 utilities there's an opportunity to partner and it
13 can also be used as a very competitive opportunity.
14 We have to figure out if we are going to do it or we
15 let those guys do it.

16 So a lot of drama is converging on the
17 home today, presumably some of the technology is now
18 at the point where we can make it easy for customers
19 to install devices, and have devices in their homes,
20 and keeping them informed about what's happening,
21 and helping them manage their household usage cost.

22 So we look at what separates out

1 really good providers in this industry segment,
2 we'll take lessons learned, and certainly we are
3 beginning to see some very top-tier providers in the
4 utility space, but it starts with a brand having a
5 promise that they know what they stand for and every
6 part of that organization marches forward delivering
7 whatever that promise is.

8 It really takes a culture that really
9 does put employees and customers first, because at
10 some point that engagement has to come across as
11 being personalized to me as a consumer, easy to do
12 business with, interacting with anybody, better be
13 very friendly and responsive, and so you have got
14 customers here which takes putting the customer
15 first and really hiring and training great
16 employees.

17 So once you have got your vision and
18 your culture together, what it takes is making sure
19 that you have thoroughly mapped out a plan what that
20 company is going to look like, and there are many
21 enterprises. Like Enterprise Rent-A-Car five years
22 ago -- four, five years ago -- bought National and

1 Alamo. When Enterprise bought them, they were
2 taking home the J. D. Power trophy as National and
3 Alamo. Last year that's true of one, two, three,
4 Enterprise, Alamo, and National, so they took this
5 thoroughly mapped-out experience and applied it to
6 another brand and quickly brought up both brands to
7 their level on their system.

8 The problem is one of the most
9 distinguishing features that we see, as much as the
10 utility space and others, is Enterprise has a
11 mindset for continuing improvements, because what we
12 learn today may be okay for today, but in 90 days or
13 nine months when they no longer apply, so it's
14 really hard, but what matters a lot is making sure
15 we are always out there talking to customers,
16 understanding what's going to move the dialogue.

17 The mindset continues involvement and
18 a giant leap forward as we go along, and so it's
19 taking a lot of things forward an inch-and-a-half at
20 a time and pretty soon -- and you have got yourself
21 engaged with customers in ways you hadn't considered
22 a few years before that.

1 So that's sort of an overall view of
2 where we see the customer today. Great improvements
3 for the energy of the utility space over the past
4 few years, great opportunities to continue to figure
5 out how we engage more with customers. It's very
6 clear from our results the more often we communicate
7 what's available, the more satisfied the customer is
8 with the service, the more satisfied they're going
9 to be.

10 CHAIRMAN SHEAHAN: Jeff, ten years from now in
11 the utility space, what do you think your survey
12 will look like?

13 MR. CONKLIN: I think it's going to have lots of
14 the same dimensions.

15 CHAIRMAN SHEAHAN: How would it be different?

16 MR. CONKLIN: That's a great question.

17 So I think back when we started the
18 study in 1999 and, practically speaking, the drivers
19 of satisfaction haven't really changed a lot for the
20 power industry in particular. It's still about
21 pushing the electronics down the pipe, making it
22 reliable, making it safe, making it a value price.

1 That's still job one and two.

2 I don't see that going away any time
3 the first few quarters or years. Clearly we'll be
4 probably a lot more on the cutting edge of the day,
5 more real-time information to providing the
6 consumer, shaping that consumer and informative, so
7 it's something that they can take action on, so it's
8 important to get more usage in the kind of
9 information we bring to consumers that will probably
10 reshape a lot of what we do as providers going
11 forward and making sure we keep real-time, keep
12 customer information up to date on what's important
13 to them, and give them options on how to take
14 action; otherwise, again, people will be out talking
15 to customers.

16 I don't know if we will be out there
17 with one particular contact channel. We'll soon be
18 answering phones, all those phones maybe with fully
19 automated systems, and, if needed, there certainly
20 will be people who will talk to you at some point in
21 a fairly complicated situation. Those won't go
22 away. They'll still be there at some level.

1 So I think a lot of this will be a lot
2 the same about reliability, delivery of energy
3 savings at a good price, and all those other factors
4 that help shape satisfaction today will probably
5 evolve in a certain way from here in terms of
6 communications, involvement in the communities we
7 serve.

8 CHAIRMAN SHEAHAN: Any other questions?

9 COMMISSIONER ROSALES: Sure. What's surprised
10 you in the last ten years in celebration of what's
11 going on? What's the one thing that you found
12 surprising?

13 MR. CONKLIN: So I think a couple of things that
14 come on the radar. For the utilities industry, the
15 surprise we are seeing the light among customers who
16 are getting pride in communicating. That's such a
17 game changer.

18 It's always great to tell customers
19 the story here's the outage as we know about it, but
20 they have to reach out to you and hear that story.
21 Now that's getting turned around where utilities can
22 address them proactively about it. That's a

1 different level of satisfaction we haven't seen
2 before, so enough to say surprised, but it's really
3 a different way of engaging customer relationships
4 that we didn't see in this space before, so that
5 was -- that's a big one. That's big what we are
6 seeing.

7 This isn't new, but the surprise is
8 why there aren't more utilities offering more ways
9 that they can interact, because the math is really
10 clear, the more kind of programs and services that
11 you can shape and put in front of customers, the
12 more satisfied they're going to be, certainly
13 more aware, so I'm surprised we don't have more
14 movement to expand the portfolio of things that they
15 can push to consumers.

16 COMMISSIONER ROSALES: Did you find that there's
17 a saturation point -- excuse me -- on more programs
18 they have that have become more overbearing, or
19 there's so many programs, or no? You mentioned
20 four.

21 MR. CONKLIN: We sort of keep track. There's a
22 list of probably about 30 kinds of programs and

1 services that most utilities are offering today, and
2 there's obviously some variation of those in other
3 markets being tested, so it's about two-and-a-half
4 dozen.

5 I don't think it's saturated by any
6 means, because the success you find is you win over
7 one percent of your customers with this particular
8 offering and then you win over a different set of
9 one percent with that offering, and then another
10 slice of that offering, so what the provider needs
11 to do is to have 30, 40, 50, 60, 70 of these, and
12 then as you solve and delight one percent of your
13 customers at a time, pretty soon you have got
14 70 percent of your customers who love you, because
15 you brought one thing that's important to them.

16 So I don't think it's so much in terms
17 of saturating one customer over two to think about.
18 It's understanding your customer and your customer
19 segments and offering programs of what they need.

20 COMMISSIONER ROSALES: Last question would be the
21 cost involved in those programs. Do you find that,
22 from a business standpoint, you have to spend

1 programs but you are only -- but you are only
2 hitting one percent of the population that you
3 wanted to hit at some point become
4 cost-prohibitive?

5 MR. CONKLIN: Well, from a business case, it
6 certainly has to be made in every case. We don't
7 often see what the metrics are behind the curtain as
8 to what the costs of the programs are as we do an
9 evaluation like that, but almost every case we see
10 in these typical kind of programs there's a very
11 linear relationship between avoiding other costs
12 that would otherwise come to you if you offer this
13 program and ask questions later, so I think in most
14 cases you will find there's a payoff, too, because
15 you are avoiding other problems in the future.

16 COMMISSIONER MAYE EDWARDS: Thank you again for
17 being here today. I know we talked a lot about
18 engagement, engagement, engagement and how that is
19 related to a higher score on behalf of the
20 consumers, but to me it seems intuitive. It's
21 really not that surprising that a higher -- if
22 there's a rate increase or if there's any type of

1 situation where rates or a huge outage, that would
2 lead to kind of a negative score.

3 I wonder if -- are you asking about
4 how informed and educated these consumers actually
5 are? For example, if there was a significant rate
6 increase the prior year, however, that led to a
7 significant infrastructure improvement or over the
8 long-term the employment of smart meters and those
9 types of things that bring benefits into the
10 household and there's a relationship between that,
11 yes, there's a significant rate increase, but I'm
12 getting significant benefit, but, then I'll give a
13 higher score or it's just if there's rate
14 increase?

15 MR. CONKLIN: That's a great question. You
16 definitely see the data dealing with storage, so
17 when we look at these price scores and we look at
18 customers who say I had a price increase, I also
19 heard May 30th that you're investing in maintenance
20 or infrastructure investments, so those scores are
21 highest we find in price.

22 COMMISSIONER MAYE EDWARDS: Oh, really.

1 MR. CONKLIN: Yes. So when customers hear that
2 story on investing in infrastructure, regardless of
3 whether there's a risk or not, that's a winner.
4 That's one of the top two or three things that we
5 can communicate as a utility. There was invoicing
6 from infrastructure. That goes over very well with
7 consumers these days, and when there is a rate case
8 involved, there's a very step-wise function. If
9 they have heard about a rate case, satisfaction is
10 low, lower than average, but if they heard about a
11 rate case and they know what it's all about, their
12 satisfaction is --

13 COMMISSIONER MAYE EDWARDS: So are we to
14 assume -- should we kind of look at the survey and
15 say, oh, wow, in instances where we are seeing some
16 of these utilities with various scores and whether
17 there was a rate increase, does that automatically
18 assume that they did not communicate effectively to
19 those consumers what was going on? Is that fair to
20 say?

21 MR. CONKLIN: It's a mix of things. Customers
22 don't forget, and it takes a long time to overcome

1 either some really bad event or just a long history
2 of performance, so it takes time to move the
3 customer set collectively to improve overall
4 satisfaction, so sometimes it might be that we had a
5 rate increase, and we keep telling our story, and no
6 one's listening to us because they don't trust us
7 any more, but most oftentimes it goes across very
8 well.

9 COMMISSIONER MAYE EDWARDS: Thank you. This is
10 actually very helpful.

11 MR. CONKLIN: Thank you.

12 CHAIRMAN SHEAHAN: Any other questions from the
13 Commissioners?

14 (No response.)

15 We have just a couple of minutes. Any
16 questions from the audience?

17 (No response.)

18 Okay. Well, join me in thanking Jeff.

19 (Applause.)

20 We will take a short break and come
21 back and get ready to get started with the next
22 panel at 2:20.

1 (Whereupon, a break was
2 taken.)

3 Okay. We will go ahead and get
4 started. This is our second panel New Technologies
5 that Can Improve Customer Service and the Customer
6 Experience.

7 To commence our discussion, we will
8 begin the conversation focusing on new technologies
9 that can improve customer service and customer
10 experience. To lead our discussion, I would like to
11 introduce our moderator of Panel 2, Anastasia
12 Palivos. Anastasia is one of my legal and policy
13 advisors. Please join me in welcoming Anastasia to
14 the panel.

15 (Applause.)

16 MS. PALIVOS: Thank you, Chairman.

17 As the Chairman said, my name is
18 Anastasia and I will be your moderator for Panel 2.
19 Panel 2 is designed to hear from relevant
20 stakeholders on how emergency technology can improve
21 the customer experience.

22 As the Chairman prefaced, the utility

1 business is fundamentally changing. The model of
2 generating power, delivering it via poles and wires
3 and communicating with customers once a month
4 through a billing statement is not sustainable.

5 Changes in environmental regulations,
6 customer interests, and renewable energy, and the
7 need to take advantage of technological developments
8 are requiring utilities to rethink not only how they
9 create and ensure power but also to the effect that
10 a dual relationship with the customers.

11 Historically, utilities have had
12 limited communications with their customers and
13 customers have thought about their utility provider
14 only in the event of an outage or when their bill
15 arrived; however, with influx of technology and a
16 greater customer awareness, a more personalized
17 approach is necessary.

18 Several external factors create
19 opportunities for utilities to personalize their
20 communications with customers, such as the
21 availability of individual communications and
22 interaction preferences upon energy usage

1 information via smart grid technology.

2 Our panelists will explain in greater
3 detail just how these new technologies can foster
4 cooperation and energy solutions.

5 The format of the panel will consist
6 of questions presented by myself with the
7 opportunity to hear from each of our panelists. If
8 time remains at the end, we will take questions of
9 the audience.

10 Before we begin our discussion, allow
11 me to introduce our panelists. You will be hearing
12 from Mathias Bell, Regulatory Affairs and Market
13 Development Manager at OPower; Peter Cavan,
14 Regulatory Strategy Manager at EnerNOC; Brian Hurst,
15 Director of Business Data Analysis and Customer
16 Operations at ComEd; Rob Raffaele, Manager of IT
17 Architecture at American Water, and Lewis
18 Binswanger, Vice President of Regulatory Affairs at
19 AGL Resources.

20 Please join me in welcoming our
21 panelists.

22 (Applause.)

1 Starting off with our first question,
2 as the demand of utility customers continue to
3 evolve, understanding their experience is critical
4 to maintaining an increasing customer satisfaction
5 within utilities. Customers continue to expect
6 reliable power, fair rates, ease-to-use payment
7 options, excellent customer service, and utilities
8 involved in the community.

9 How will the emergence of new
10 technology change these expectations?

11 We will take anyone.

12 MR. BINSWANGER: I'll start.

13 First of all, Chairman and
14 Commissioners, thank you for having us for this, and
15 I look forward to the dialogue.

16 One thing I want to start out with is
17 an interesting comment made by Jeff talking about
18 customer satisfaction, and when I look at customer
19 satisfaction, I also think of maybe something more
20 important, at least to me, is customer loyalty, and
21 when I talk about customer loyalty versus customer
22 satisfaction, I look at, say, for instance, Nicor is

1 out installing a main and a person comes home and
2 finds that their yard is still kind of torn up,
3 because we haven't done the restoration. You can
4 bet that that customer's not satisfied at that whole
5 time, especially if they call in and make a comment
6 to us, and so from that point on, it is incumbent
7 upon us to make that dissatisfied customer a loyal
8 customer.

9 So, to the question of how will
10 technology change these expectations, you know, we
11 have customers now that find it just as easy to go
12 out there and take a picture of their yard and post
13 it on Twitter or Facebook, and so the technology --
14 these expectations of these customers are now that
15 we need to know what's going on and we need to
16 monitor that so that we actually proactively reach
17 out to those customers.

18 Some of our technology -- some of our
19 folks have terminals to do that, so they monitor
20 Twitter feeds to Facebook feeds to be able to say
21 what's going on in our community. We try to react
22 more so for those customers than we have in the past

1 where we wait for customers to call, so I think
2 that's part of the technology changes. Some of
3 these customers they want that instant feedback.

4 MR HURST: First of all, I thank you, Chairman,
5 Commissioners, for allowing us to do this.

6 As for myself personally, I share some
7 -- as those that came before me, my whole journey
8 and my career has been around customer service. I
9 started as a customer service rep and went on to
10 help many utilities, such as Duke Energy,
11 MidAmerican Energy, E.On US, and a variety of
12 others, how to improve the customer experience and
13 along the way it's really kind of helped me in
14 technology.

15 I mean, to this point, I mean, we
16 think about how technology changes experiences, and
17 I think it's just part of what the customers expect.
18 I didn't want to bring up the Pokemon. I almost
19 felt the need, but it was tempting. I think about
20 how quickly over night automatic reality, which I
21 had kind of a list of emerging technologies, really
22 in the next three to ten years, has suddenly become

1 embraced, and I think that's enigmatic of our
2 customers.

3 We talk about sense of smell and to
4 give up your technology to a mobile phone, and we
5 have seen this not only in the utility industry, but
6 even on the streets, but a lot at ComEd, thanks to
7 efforts by Jennifer Montague and her technology team
8 to look at how we derive this experience.

9 I remember, you know, thinking about
10 what it means to a customer. I remember one flight
11 back home from Charlotte and I was sitting next to a
12 gentleman that was from Chicago and he brought up
13 the ComEd App and said, you know, "This is great,"
14 and I had done some work for ComEd in the past, and
15 I had to pass that along. I just want to let you
16 know I know what's going on.

17 I know now that my family's safe,
18 because they have power and I can see that I have
19 power on. By the way, if there's an issue, I can
20 report it in advance, so I think the main point here
21 as the technology and customer expectations occur
22 that's going to change.

1 Every day I see updates from my
2 iPhone. It's just natural to adopt that and accept
3 it, so I think staying ahead of the curb not only
4 makes good sense I think just recognizing this is
5 going to change and trying to keep up.

6 MR. RAFFAELE: I agree. I thank you, Anastasia
7 and Chairman.

8 As a water utility, we are the utility
9 you ingest, right? I wouldn't advise you to ingest
10 electricity or natural gas, because it would be
11 inherently bad for you, so for us it's about water
12 quality and about the customer experience and don't
13 give you a sense of smell because for us smell in
14 the gas industry is extremely important, and so we
15 sensor and we monitor water, but it's really people
16 are our sensors, too, and so if there's a water
17 quality issue that we are not already tracking on,
18 we need that information back so the customer
19 experience for us has to be about high quality of
20 clean water, but also the right vehicles for folks
21 to report issues, and in our contact centers we are
22 advancing that.

1 We are continually looking at voice
2 technology to give the customers all the -- Jeff
3 talked about channels, right, give them all the
4 channels, whether it's a social media feed or a chat
5 feed but continue to advance technology so that we
6 can engage with all of our customers and make sure
7 that we put out quality products, and the same thing
8 about outage notification.

9 Some people want to proactively know
10 if there's an outage. For us, we also want to
11 inform you if we're doing stuff like flushing
12 hydrants, doing maintenance. We will come around
13 telling you don't turn on your washing machine while
14 we're flushing hydrants or there will be a brown
15 shirt that was a white shirt before. So is that
16 proactive customer from notification?

17 There's multiple channels of
18 connectivity to our contact center that really
19 blends that technology together, and we are trying
20 to advance that.

21 MR. BELL: I want to express my gratitude as well
22 for everyone's time and attention today, because I'm

1 the first person who is not from a utility to speak,
2 I want to just quickly mention I'm with OPower. We
3 are a software company that works with utilities to
4 help customers save on their energy bills and
5 improve the overall cost of the experience. I think
6 in relation to all this, Jeff did a fantastic job
7 kicking off this conversation.

8 For people who are already -- there's
9 a lot of distractions that people already have. We
10 often run into the energy study. Five years ago the
11 average electric utility customer spent about six
12 minutes of the year thinking about their energy
13 consumption, five years later that study was
14 outdated.

15 Utility customers are now spending
16 nine minutes a year, and if you're an optimist,
17 anyone thinking about this stuff 50 percent more,
18 but this is ten minutes in relation to over 500,000
19 minutes over the course of a year, so it's right now
20 taking up a very small piece of people's time, and I
21 think Jeff did a great job.

22 Often when we think about utility

1 customers, we think of them in silos and in truth
2 10 years they're being bombarded by a lot of things
3 and changing their customer expectations based on
4 what other industries are doing.

5 I think a lot about service rules, and
6 Jeff didn't mention much about banking, but even a
7 check for depositing, quite frankly, that's amazing.
8 He talked about simplicity and convenience and how
9 we're doing a fantastic job there, exploring
10 companies and what they can do, making interactions
11 with utilities at some point convenient as possible.

12 I think about big data and customer
13 analytics, and this continues to get better. If you
14 look at what Amazon and Netflix are doing and how
15 precise that is, the opportunity we have with
16 customers where today we are checking from an
17 alternative perspective about say smart meter
18 thermostats, but once that customer gets the smart
19 thermostat, do they still need to get marketing
20 about it or should we be trying to encourage them to
21 participate in other programs.

22 When we think about those nine or ten

1 minutes, those are very valuable to think about, and
2 sure we can go ahead and increase that, but how do
3 you make those ten minutes of experience positive as
4 possible, and you can map these out.

5 Jeff talked about outages and how
6 critical that is to inform people about outages.
7 What do people think about? Perhaps they get a huge
8 unexpected high bill. That's going to have them
9 thinking about their utility bill, when utilities
10 implementing a new rate structure, time-of-season
11 change, and if we work with the utility, and we have
12 served all five of the major investments in gas and
13 electric utilities in Illinois.

14 We think a lot about how to really
15 make those experiences as positive as possible, and
16 our theory here is around providing personalized
17 information and relevant information to the right
18 times. So when that customer is thinking about the
19 utility, that's when they're getting the information
20 about their energy consumption.

21 MR. CAVAN: Last, but not least, I thank the
22 Commission for inviting us and Anastasia for looking

1 after us.

2 I think just -- first off, I'm with
3 EnerNoc and we deliver energy software to commercial
4 and industrial customers around the world for
5 utilities. So when General Motors or Comcast wants
6 to know more about energy, they turn to EnterNOC.

7 I think, to answer the question,
8 frankly, Jeff covered a great deal of the answers
9 that I would give, so I won't go over them again. I
10 just want to add another datapoint from EnterNOC,
11 therefore, from the business perspective.

12 Specifically, we did a survey with a
13 company called Andesire (phonetic) to ask
14 potentially specifically the question of what
15 customers in the future are looking for. I just
16 discovered just nine of the large utilities, but I
17 think it's just three of the things I will highlight
18 from that survey, and, frankly, they concur what
19 Jeff said earlier, one was around personalization as
20 a word we have heard a bit today, but customers are
21 demanding to a much greater degree that you cannot
22 simply send something, whatever you say it is, by

1 sending someone 30 year T-bonds (phonetic) instead
2 of 8, how do you explain that?

3 So what I find was that customers feel
4 like they're getting personalized responses from
5 their utility or energy provider around 42 percent
6 trust in their utility. The second thing is
7 providing them recommendation services.

8 I think what Jeff talked to was, at
9 least compared to companies in other industries,
10 utilities might not consider themselves always the
11 most respected by the customers.

12 We asked specific questions about
13 energy to customers, whether these are businesses or
14 residential, who do you trust to provide your
15 energy? Who do you want to hear from in order to
16 learn what services or what products you want to do
17 with energy? Time and time again they say they want
18 to hear from the utilities, so what we find is that
19 the more services a utility is offering to their
20 customers a pretty linear relationship, the
21 customers are more likely to like their utility.

22 The third thing was more specific.

1 How do you find rate options in that customers are
2 -- the customers are engaged with energy are looking
3 for other rate options, so they have different ways
4 of directing their energy and that the customers
5 that were given those rate options, the engagement
6 of those customers were significantly higher over
7 time, because they are allowed to customize their
8 energy.

9 MR. BINSWANGER: Can I add one other thing also,
10 and something just jogged my memory, because one of
11 the questions that you asked has to do with the use
12 of payment options.

13 What we are finding now is that the
14 technology is driving our customers now to seek
15 other easy-to-use payment options, such as mobile
16 pay, mobile bill paying of bills. Right now you can
17 go to Cheese Cake Factory and use In Pay and In Pay
18 at your table, so consumers now are wanting to be
19 able to use that technology to not only pay their
20 bill with a phone but also get alerts when it's due
21 or if it's getting to a certain point of the bill.

22 Now, Commissioner Rosales, you had a

1 good question earlier to Jeff and that was but at
2 what cost, and this is one of these areas, at least
3 from a utility perspective, that we have to find a
4 balance in there, because currently when we do
5 credit card payments or mobile bill pay, there's a
6 cost associated with that, and right now the
7 structure that is such that the consumer that uses
8 that technology has to pay. They don't like that,
9 so I think part of the paradigm shift that has to
10 occur as we continue to move more and leverage
11 technology, some of that is having to change some of
12 our regulatory paradigm on how we view some of these
13 costs and how can we do different things like that.

14 MR. RAFFAELE: You mentioned the cost. I think
15 there's a cost of convenience. On the back side of
16 that is all PCI compliance, too, which is not a key
17 endeavor, because as more and more credit cards are
18 being processed, the PCI compliance level goes up,
19 so it's a bit of a slippery slope as far as cost for
20 payment options.

21 MS. PALIVOS: Great. Thank you.

22 On question two the customer

1 experience is evolving across every industry.
2 Consumers are coming for actionable information. I
3 know Rob and Brian, you mentioned outage customer
4 notification.

5 So how can utilities today use
6 technology to meet these demands?

7 MR. RAFFAELE: I'll start. Absolutely. So a
8 little over a year ago we leveraged a mobile
9 product, a Cloud product, called Code Red, an
10 emergency notification system, and we have had great
11 success with that. Before that, we actually used to
12 host kind of that emergency or that work order
13 notification internally, and found we couldn't
14 scale. We couldn't grow that infrastructure if we
15 needed to make x-amounts of calls per minute. You
16 know, it was a bit of a challenge.

17 So we turned to Code Red and Code Red
18 works very well. We can make as many or as few
19 calls as rapidly as we need, and it can be whatever
20 the customer opts in for. It could be a call. It
21 could be a text. It could be e-mail.

22 I will say though that the caution is

1 that customer notification systems are only as good
2 as the data we have, so if your cell phone number
3 changes and we don't know about that, we are not
4 notifying you properly, or if your e-mail address
5 changes, so it's really -- you know, those systems
6 are very powerful, but they're only as good as what
7 we have.

8 We always want to continue to
9 encourage our customers. We always send them
10 reminders to visit our website and make sure your
11 information is up to date so we can do that, and we
12 use that for outage notification and work
13 notification.

14 I mentioned earlier doing hydrant
15 flushing or we're doing maintenance work in the
16 area, so we are trying to get away from going door
17 to door with hang tags, but the hang tags are
18 popular, but that's a microcosm of how we are
19 starting to really push out information to the
20 customers and where it's all going to go down the
21 road.

22 MR. HURST: I think, you know, it does go back to

1 Peter's question about cost. For us along the way
2 we started our customer experience journey trying to
3 balance what are the right technology benefits for
4 the right operational challenges.

5 One of the ways we kind of help
6 balance that is develop estimating tools that we
7 have had in place for quite some time. It does a
8 couple of things. One, it forces delivery of
9 culture so any time you look at a new project or
10 initiative, it will force me as a business owner to
11 say how is this going to help me move the needle
12 across these key things that are important to our
13 customers and then have a credible argument that
14 as I sit here and get challenged by one of my
15 colleagues around investments, driven a lot of focus
16 around social media, which are relatively low-cost
17 challenges, but you have the right umbrella to kind
18 of manage both from a notification standpoint, as
19 well as a customer service, and how you manage those
20 at ComEd.

21 We have had very good luck with a lot
22 of our communications capabilities, but to your

1 point, I mean, the whole point around keeping
2 information up to date, I know our team spent a lot
3 of time focusing on preference center capabilities
4 so that customers can really be really clear, not
5 unlike what I do with my bank or other industries I
6 interact with, but really don't call me between this
7 time, send a text, or if I'm at work, here's the
8 right way to get ahold of me, so we're really making
9 sure that customers have a way how they want to
10 interact from a utilities perspective.

11 Just a couple of other kind of quick
12 points on technology adoption, and I think Jeff
13 keyed up the natural language capabilities. I know
14 over the years utilities have struggled with both
15 from using that language and as technology was
16 maturing.

17 We are really on the cusp of really an
18 exciting time. We are using natural language. We
19 are using -- at ComEd some of our vendors and
20 suppliers are experimenting with natural language
21 capabilities, and it really, from an operational
22 perspective, does provide a great way to not only

1 drive up self-service, but it also allows on the
2 operation side to get a sense of what the customer
3 really calls about. That's always the challenge.

4 In the olden days I used to rate many
5 systems, press one for outage, and two for that. As
6 the call came from the call center, it was difficult
7 for me to really stand up for that call and start to
8 have a dialogue. Now you can use analytics and take
9 it inside in the natural language and say what are
10 the intentions for the call and actually start to
11 think about how can we deliver service differently
12 or, you know, potentially an app application, maybe
13 that's better suited for the call. I know it would
14 be better rationale for, you know, some of that
15 conversation of natural language theory, analytics,
16 and then really just make sure that when you look at
17 any type of web service development that's in
18 response to design, so I have a native app and
19 download it from ComEd.

20 If I'm on-line, you know, I just
21 happen to have my iPad, then I have this response
22 design to form fit to the device, and I think we

1 will see that continue to drive up adoption. I
2 think we are on the cusp of an interesting time.

3 MR. BELL: One of the pieces of market research
4 that still blows my mind is we found that the
5 average utility sends out about 40 pieces of content
6 per year, so we heard a lot from Jeff about engage,
7 engage, engage.

8 A lot of utilities are doing that, and
9 when their customers are surveyed, 74 percent of
10 them say we want to hear from our utilities more
11 often, so that's why I think again that
12 personalization is the best word here,
13 personalization, personalization, personalization in
14 reaching people at those critical moments is a key.

15 I live in Minneapolis, Minnesota, and
16 and my two utilities are at the top of J. D. Power
17 for the Midwest. I'm a new customer in their
18 territory and just bought a new home. I signed up
19 for their service and they know I'm there. I've
20 never heard anything from either of the utilities
21 about here's the options we have, here's the
22 programs you can participate in -- I'm still getting

1 marketing materials -- or how we are working with
2 both of them. I'm looking forward to the day while
3 at the new home we might get some more personal
4 information. It's not there yet.

5 I think we have talked about the
6 outage equipment. I think there's amazing
7 opportunities for outage equipment. One tool -- and
8 then, quite frankly, one by the telecom industry is
9 around higher bill alerts.

10 I'm a Verizon customer. I heard
11 earlier today that I'm at 50 percent of my data
12 usage for this month. We, and other software
13 companies that built similar tools for utilities,
14 are saying give me more communication. You are on
15 track for high bills this month. Here's a way that
16 you can reduce your energy consumption over the
17 course of the next month.

18 That information people find very
19 persuasive and powerful and puts that utility in the
20 role of a trusted advisor so people have that
21 information so they no longer are experiencing that
22 sort of anxiety that they get at the end of the

1 month when they had not expected to spend \$500 on AC
2 in this hot summer.

3 COMMISSIONER MAYE EDWARDS: Can I just quickly
4 follow from that. When you are talking about the
5 engagement piece, what are you speaking about when
6 you say engagement? I'm thinking of engagement in
7 two extremes, because I'm being inundated with
8 e-mails, that does not affect, oh, check the box,
9 oh, my computer's engaged. If we're not reading it
10 or it's not relevant to me, how is that engagement?

11 MR. BELL: Well, I think it's a tool. I think
12 most programs -- I think what's important, beyond
13 what you heard from ComEd, is through the final
14 analysis, traditional sales, how many folks are
15 actually aware of these programs, and how many folks
16 are participating, what are we doing, and we've seen
17 oftentimes a lot of people have a 13 percent
18 awareness rate, and I think about 3 percent
19 participation rate, so actually 25 percent of the
20 customers that are aware are participating. That's
21 pretty good in our industry.

22 I think the question is how do we get

1 that 13 percent to a higher number. That's why I
2 think reaching people with the stuff that's really
3 personal to them and really does matter.

4 CHAIRMAN SHEAHAN: Can I ask a question. So
5 during the break, I asked Jeff if there were ways
6 that regulators could help move the ball, and one of
7 the things he offered was to be open-minded to sort
8 of new technologies and experimentation.

9 Are there some examples of things that
10 are sort of at the experimental level that we should
11 maybe, you know, learn more about?

12 MR. HURST: I'll throw a couple out. I think
13 there are early life cycles, so in the past when I
14 look at technology, I might go look at like a
15 architect's life cycle where technology is if it was
16 for adoption.

17 You know, I think there's a couple of
18 things on the horizon that could illuminate and make
19 a big difference. Virtual reality, I know it's
20 interesting to use that term, but think about how
21 virtual reality could change the way we operate on a
22 couple different fronts.

1 One, I can certainly imagine even in
2 customer service rep training in the future where
3 virtual reality might be put down in the home and
4 what the customer is experiencing, so you think
5 about how am I training, our customer field
6 representatives using virtual app reality in a way
7 to come up with a construct of what will be
8 basically out in the field, but these are normal
9 fields in emerging technologies.

10 I think also we start to look at how
11 we can take advantage of those. I think we can
12 start to look at pilots sooner or testing them out a
13 little bit sooner in the process with good support
14 that we haven't had before in the past.

15 I think it makes a difference. You
16 look at things like even the voice scan motion that
17 Jeff mentioned earlier. We are also right on the
18 cusp of using -- customers in a way kind of
19 understand what their needs are.

20 I do think that type of technology is
21 on the cusp and, obviously, there's the analytics
22 side of this where using that data in the background

1 to fully understand how to better drive interaction
2 with customers will make a difference, just a couple
3 of examples.

4 MR. RAFFAELE: If I could add to that. You know,
5 I'm looking at this purely from an technology
6 standpoint. For me, it's like an Internet of things
7 or an industry Internet of things. I mean, that's
8 the game changer in markets. Are you talking
9 about a market that's talking about billions of
10 connecting devices like 20/20?

11 Half of this room probably has a
12 Fitbit. If you have an iPhone, you are an IT user,
13 all the little traffic patterns, Apple sends that
14 data up. That's how we know the traffic is slow or
15 not.

16 From a water usage utility standpoint,
17 for us to start taking sensors and putting them on
18 the distribution system, pressure flow or E-levels,
19 that data is -- to start bringing that data back and
20 really making decisions and water quality changes
21 about that, that's huge.

22 So folks are throwing out big data and

1 analytics, and that's really -- for us, that's when
2 we look at the Cloud as really being an enabler, so
3 you get all that sensor data, all that IT data. You
4 get all that up in some Cloud provider.

5 American Water announced not that long
6 ago partnering with GTE on an improved concept. Do
7 you massage that data and make it actionable? Do we
8 add chemicals? Do we slow down costs? Do we speed
9 up? Can we keep pressure? Can we speed down pumps
10 to save energy? It's that kind of actionable
11 intelligence and that the IOT base that we see is
12 really a technological advantage, and all that is is
13 optics. They're all operating expenses.

14 So certainly the conversation's about
15 how do we capitalize and how do you take optics, so
16 I think that those matters we need to work through,
17 but the technology is certainly is -- we are at an
18 exploring time.

19 MR. BINSWANGER: I would just add to that,
20 Chairman. I don't know that those are my focus. I
21 think that some of these technologies are
22 experimental. I think they are just -- they are

1 proven technologies. We just haven't gotten to that
2 point to implement them, because at some point is
3 there a true business case that's going to say you
4 are going to save on an expense or you truly found
5 customer service meeting customer demand.

6 I think we are more in that cap now
7 where the customers are asking for more and they
8 want more and they can benefit from it more with us
9 doing that, but from a strictly core cost benefit
10 analysis, that might be a stretch. So what can the
11 Commission do?

12 I think it is just remaining open to
13 us bringing in new technologies, and some of the
14 other items that you were looking at is how to
15 address those from a regulatory aspect and how do
16 you treat those.

17 MR. CAVAN: I'll just add a couple of things.
18 One is the Internet of things which put together a
19 quality leadership document a few months back with
20 Price Waterhouse, Coopers. I won't get into great
21 detail on it, and I have a few slides in the lobby
22 if anyone is interested. I find that this might not

1 be an estimate. It will be 55 billion
2 interconnecting devices by 2020 is something that's
3 happening.

4 Another thing I just want to touch on
5 and maybe step back for a second on Anastasia's
6 question as opposed to the specifics, obviously,
7 management is one of the things we can do with
8 technology, but what's the technological drivers for
9 why this is happening. Why it's happening now will
10 be one of the things that's critical to our business
11 when we are dealing with business customers.

12 Obviously, it's something that's been
13 mentioned a couple of times, which is value or
14 energy data that's not just moving from multi-media
15 AMR and AMI, et cetera, some of our specific
16 metering on a minute or better basis, some metering,
17 et cetera, but also depending a lot on specifically
18 they want access.

19 The business customer that we deal
20 with don't just want data to be available in some
21 generic sense. They want access to it and they want
22 to be safe and securely -- safely and securely share

1 with third parties, like ourselves, and provide
2 specific analysis on that data.

3 I think some of the questions have
4 been answered early on, you know, what will be
5 different in ten years. I think it's fair to say
6 that for most of the utilities in this country,
7 things like AMI deployment will probably be table
8 stakes. We won't be talking about it any more, but
9 light and gas now we are in utility territory and
10 not how many AMI meters do you have, but how many
11 apps do you have or how efficient the program
12 connection between two different systems. Why does
13 anyone care?

14 The Alexa device was brought up which
15 can do a wide range of things from playing music, to
16 delivering pizza, to changing the white light bulbs.
17 The point of importance is not learning how to make
18 pizza, or make light bulbs, or any of those things.
19 It's connecting to other solar systems and bringing
20 together an Echo system within the Alexa platform by
21 connecting to Spotterfly. You can almost do the
22 Phillips light bulb system, not being critical how

1 hot air servers work.

2 So we talked to some of our customers
3 on the data side. We asked them about, you know,
4 can they get started in a couple of months -- it's
5 based on sending in reports to certain
6 departments -- or can they get started in five
7 minutes, because AMI called the computer, if not a
8 matter of seconds, plus some of the items behind
9 technology is changing.

10 Just the other thing I would mention
11 in terms of you have the data, what do you do with
12 it, and clearly the resolution in what's being
13 enabled through low-price computing dealing with the
14 quality and unique properties purely as a software
15 service-based offering, and what allows us to do it
16 is a world-wide range of most of its vehicles, so
17 all of it works, but we use a wide range of what are
18 called "big data machine learning approaches" in
19 order to improve how we deliver the services.

20 These things are only possible at any
21 sort of cost-effective manner because cost computing
22 has vastly fallen over four or five years. This is

1 some of the drivers, I think some examples we see
2 for the next five or 10 years.

3 MS. PALIVOS: Great. Thank you for your
4 responses.

5 I know virtual reality was mentioned,
6 but what are the motivations that provide by the
7 customer survey and what's already working for those
8 innovative utilities?

9 MR. BINSWANGER: Let me start, because we are
10 probably not even close to being there from the
11 Nicor Gas perspective. Nicor Gas, being one of the
12 largest gas organizations in the U. S., we still
13 read our meters manually, and we do it very
14 efficiently, and we are proud of how we do that, but
15 several utilities out there are using, at least gas
16 utilities, are using what's called the "smart gas
17 grid" and it is similar to the smart electric grid.
18 It gives those gas utilities an opportunity for
19 their customers to see real-time consumption and
20 it's for safety purposes and they can determine if
21 they want to use them. If there's a leak, they can
22 give the customer the ability to adjust their usage,

1 or conserve energy, or implement energy efficiency
2 programs.

3 You know, it makes it easier to
4 address high bill complaints. That's one of the
5 issues that we have. We can go back and look at
6 what occurred on a particular day or days and what
7 the weather was like at any particular time. It
8 essentially eliminates the re-bills, because you
9 have this smart gas grid out there, also gives the
10 landlord this other tool to be able to monitor
11 what's going on in its vacant properties.

12 If there are snowbirds and you are off
13 for the winter, you can better monitor what's going
14 on in your home. From a gas safety perspective,
15 coupled with loop detection algorithms, again, we
16 are talking about outage restoration management, and
17 then it could also give some of our commercial
18 accounts visibility to monitor on a daily basis as
19 it relates to product outflow, so those are what
20 innovative utilities are doing.

21 Now I would consider those innovative
22 utilities in the gas space, because we have been

1 kind of behind because we didn't have that
2 connection, but the smart gas was there for us now
3 that we want to go ahead.

4 MR. CAVAN: I have just got a small example,
5 before I talk about high level of data, and mention
6 just a very specific example from last week. I was
7 talking to a developer of a relatively small
8 manufacturing business in I believe it was Ohio and
9 they run 12 hours a day and seven days a week.

10 The energy manager there, who's our
11 customer, he got into his car at approximately 8:15
12 p.m., and he got an e-mail from us saying that
13 something looked strange. The profile I set up
14 whereby we set up the plant to run 8 p.m. after that
15 the peak energy usage falls, but it hadn't, so we
16 get a lot of e-mails saying your electricity usage
17 looks aberrant, maybe you should look into this.

18 He wasn't particularly happy this day
19 was being elongated, but he got out of his car and
20 he went and looked. Unlike every other day for
21 three or four years, the shift workers had not
22 turned it off and most of the machinery was

1 involved.

2 It doesn't seem like a particularly
3 big deal, but he calculated on the back of an
4 envelop that the energy cost leaving it on and
5 maintenance difference, the HVAC goes on and the
6 machine runs very hot.

7 It would have cost his business, if he
8 hadn't gone back in, around a thousand or \$1200, and
9 for that kind of relatively small manufacturing
10 business that would make an credibly huge difference
11 frankly whether they were profitable in the next
12 quarter.

13 The reason why I bring that kind of
14 fairly small example is that I could tell you that
15 from talking to him for 45 minutes, any rate case,
16 any outage, perhaps an outage would be enough, but
17 in almost any case, you ask him three months, six
18 months, 12 hours later the most impactful energy
19 relationship, energy engagement, whatever you want
20 to call it, would, in terms of a marginal, basis
21 cost us absolutely nothing.

22 So it's just an example of what we

1 deal with in terms of quality and an example of how
2 technology can improve things for customers.

3 MR. HURST: Just a couple of examples I think
4 where we are at and where we are going. We have had
5 very good success in providing multiple channels for
6 our customers, not unlike other utilities that are
7 out there as well.

8 I will put a plug in for MidAmerican.
9 I did spend time with you. You were the first
10 website, so you do have technology out there. I was
11 out there, but I will say Berroca (phonetic) for us
12 she was, you know, very perceptive. It is one thing
13 to be able to go in and start a transaction, even if
14 it's natural language, but our customers are busy.

15 You know, I'll talk about what's
16 driving to minimize the conversation as much as
17 possible, but she strikes me as a pessimist, so part
18 of the challenge of that is going beyond, you know,
19 ComEd's website and starting over.

20 So one of the things that I had
21 Jennifer work a little harder on what do we do to
22 provide -- you know, obviously, there are challenges

1 in how you run around big data, but what it is
2 ultimately about is how do we marry where our
3 customers are at different touch points.

4 If I start on the web and something
5 happens and I get a connection, as I call in, and
6 use the IVR or I end up talking to CSR, I'm not
7 starting over, and I think that will be the next big
8 thing for us to make sure that we are really making
9 the lives of customers that much easier by using
10 technology.

11 And then I think the other example in
12 going back to I think the Chairman, you talked about
13 connecting and how technology is integrated.

14 We continue to work with a variety of
15 solutions out there, like visually. The process is
16 really interesting, because today we have, you know,
17 home energy audits for our customers to understand
18 it all, a profile to additionally understand we are
19 not exactly in power, so not only am I providing
20 kind of today for the notification and threshold for
21 how we are using my power, but now I can kind of see
22 it as a light bulb, and just imagine down the road

1 those are simply filling out an energy audit, but
2 now we are asking about you may actually have an
3 appliance that is working harder than it should, and
4 to me I think that's really exciting. It's now
5 taking advantage of all the investments our
6 customers made. We have had support from the
7 Commission around AMI and smart grid and really take
8 advantage of the Internet over the whole level.

9 And one last comment. I'm thinking
10 about their technology that we're monitoring, you
11 know, how do we use workable technology for our
12 field operations, you know, weights and measures and
13 then pressure, heart rate. These are the indicators
14 of someone who may be working hard in the field. I
15 want to make sure we triage the work and how do we
16 bring that verbal technology home.

17 One of the things you always want to
18 make sure at the call center that the supervisor is
19 out there supervising, they're out there helping
20 agents, answering the customers' questions. The
21 more information you can bring to make available to
22 them in variable devices allows them to be out there

1 doing what they should be doing, which is helping
2 customers.

3 So just a couple of examples that I
4 think are also on the horizon.

5 MR. RAFFAELE: I would certainly echo the long
6 worker, so there's a huge -- we are continuing to
7 push at that culture of safety at American Water
8 along that vein. We may see less customers, but
9 safety.

10 I'm a customer and an employee. You
11 know, I want to go home the same way I showed up.
12 At the end of the day, we started going around to
13 our field crews and swapping out flip phones for
14 smart phones and giving them long worker apps, so
15 somebody's going down the street, we still do a
16 manual meter read or doing a turn off, and they can
17 notify ahead of time, and if they don't check in,
18 you know, here is my location and dial 9-1-1. Those
19 things they're not directly to customers but they
20 speak to the repeated theme of smart devices, Cloud
21 computing, this convergence of technology.

22 You also mentioned multi-channel, so

1 we absolutely see that, and I think there's nothing
2 more appropriate I made a call to my cable carrier
3 the other day. I spoke my account number, I spoke
4 it, and then I get the rep on the phone and he says
5 can you give me your account number. I said I just
6 told the machine that. So it is frustrating, and
7 customers don't want to deal with that.

8 So when you hear folks talk about
9 omni-channel accounts, absolutely. If I end up
10 switching from doing something on the web or
11 whatever and then switching over to a live person, I
12 want to pick up exactly where I left off. You know,
13 that's really, really important.

14 The other thing I think -- and this is
15 pure technology, and I think about conservation.
16 Now look at what happened with California and the
17 drought situation out there, and you think about the
18 kind of the problem -- some people, you must
19 conserve, you must conserve, and then you get a
20 water bill and you are like I used 2,000 gallons
21 this month. Okay. I paid the water bill. I sent
22 it out the door. Well, I don't know if my neighbor

1 used 3,000 gallons or a thousand gallons. How am I
2 measuring myself?

3 When we talk about conservation and we
4 talk about customers, this is where again that big
5 data and the analytics come into play, which is give
6 me information about my community, about the average
7 in my town or the ground in my town. If I say I
8 used 5,000 gallons and the next closest neighbor
9 uses two, I have to look at what's going on in my
10 house, right? That's a behavior change. That
11 drives behavior change in my mind.

12 That's where I think ultimately I'm
13 getting all this usage data from all the utilities,
14 getting that in and really leveraging the power of
15 analytics and getting that out to the customers,
16 really let them see, wow, I'm really off the scales
17 as far as my usage versus everybody else's or I'm
18 looking like I'm doing a pretty good job.

19 So, to me, I think that's an
20 innovation that I think needs to come faster than
21 anything.

22 MR. BELL: So we are kind of the leaders and

1 pioneers in behavior change, it's been interesting
2 to see where we have been evolving as well which is
3 we are putting more and more money into web-based
4 tools to help customers address several issues that
5 we have talked about today.

6 I think making it seamless and
7 convenient through the web is very good, making it
8 available not just on our PCs, but on our tablets,
9 or iPhones, or -- sorry -- mobiles, something
10 applicable as well, and giving people the
11 preference. Do they want to hear from a phone call
12 service? Do they want access? Do they want access
13 through social media? What was the priority? The
14 preference is, quite frankly, most people want all
15 those different media.

16 I think that another type option that
17 we want customers to take is very interesting from
18 the standpoint of a reward. So if you sign up for
19 paperless billing, you get access to any number of
20 points, that if you go to retail gift certificates,
21 like Amazon or Home Depot, or give people an
22 opportunity to donate money to charities, that's

1 been really effective for increasing an upgrade.

2 I think one of the areas where we have
3 been investing in is tools for customer service
4 reps. I think it's been getting a little bit unfair
5 critique in their presentation and market research.
6 Customers inarguably spend a reasonable amount of
7 time on the phone with them. They were friendly.
8 They had some good advice. People really feel
9 they're falling short on helping them, one,
10 understanding their bills and providing the context
11 of why things are happening to them.

12 If you look at the software, this is
13 an area that I think about quite a bit in the Cloud
14 of software. There's the old CIS systems for
15 customer care. They're operating on dark screens,
16 or orange phones, or blue phones. I don't remember
17 what phone colors they are, and, yet, customer
18 service reps, when you talk to them, they're
19 incredible. They pull up weather.com and they're
20 actually giving them all that information, giving
21 them information at the same time the supervisors
22 provide details how you can bring your energy

1 consumption down and/or when there's outage in the
2 neighborhoods.

3 Those things dramatically improve
4 customer satisfaction but reduce call center time so
5 that people don't have to wait as often and it is a
6 cost-of-service reduction opportunity as well.

7 COMMISSIONER ROSALES: One point that I want to
8 make while listening, wanting to hear, is the flip
9 side of the technology, which would be the
10 transparency, because you brought an example of I
11 guess it was a cable company.

12 I have been -- we have been at the
13 airport a number of times when the planes were late
14 and they said it was weather-related, and Louisville
15 pulled up the app and said, no, it's not, and the
16 part of transparency comes up, because just like
17 you're pulling up the other apps and different
18 customers are doing the same thing, and what we like
19 to see is the efficiency part from the Commission's
20 standpoint, because as far as customer service, if
21 the utility says we're taken care of and a customer
22 says here's a picture, tell me if this has been

1 taken care of, that wouldn't have happened ten years
2 ago. It would have been there's a miscommunication
3 here. Now it becomes very clear and the efficiency
4 part comes up, and that from our standpoint is
5 critical.

6 MR. BELL: It's an interesting point, and I think
7 more data enables us to verify this. I think about
8 an outage 15 years ago we didn't know where it was
9 and we couldn't provide information when that was
10 going to come back on-line for customers.

11 My company doesn't focus on the outage
12 but today between the AMI and the customer outage,
13 that's much more easily available, and my own
14 understanding of the market research, just being
15 able to tell people and expect a little bit of a
16 reason for why, it's a much more satisfying customer
17 experience, and my apologies about that. We are
18 going to address this as soon as we can.

19 MR. HURST: Commissioners, that's a fantastic
20 question. I look back even where we were at in
21 ComEd's customer experience four or five years ago
22 and started to introduce things like our I-5 outage

1 map. It's really created a need to drive the
2 culture understanding all the way down to operations
3 that, as a field worker, it's really important for
4 me not only to assess the situation but I have got
5 to get that data in the system pretty quickly and
6 feed that back through, so technology gets us so
7 far.

8 We have had to work, you know, across
9 the entire operation so that everybody from CSR, to
10 talking to the customer, to technology used to
11 interact, to the field worker, that I understand why
12 it's important to take that extra step moving on the
13 safety side to do the work and we have to do that
14 and it will take longer. We have made a lot of
15 strides.

16 COMMISSIONER MAYE EDWARDS: I have a follow up --
17 not necessarily a follow-up any more, because it's
18 not practical, but Pat Roberts, my new secretary, we
19 have been talking a lot lately about the conversion
20 of ITOT operations analogy at this point in time.

21 How has that significantly, if at all,
22 impacted the customer experience?

1 MR. RAFFAELE: Right. So ITOT conversion is
2 actually a topic that we are looking at in a big way
3 specifically because, one, on the operation
4 technology, on the state of technology, we have an
5 aging workforce, and so that's a concern. We want
6 to see more automation and less things kind of left
7 to chance, and so ultimately when we can get to
8 measure as far as more automation converging that
9 technology -- that traditional operational
10 technology and bringing in IT factors, so bringing
11 in data, and analytics, and Cloud power, getting all
12 that, and we can be much more efficient as far as
13 are we dosing chemicals properly? Are we running
14 pumps at the right speeds? Can we turn stuff down
15 to save energy? We see that over the next couple of
16 years being huge for us.

17 There was a lot of talk about water,
18 so we see that firmly in play there, and ultimately
19 it's about really how do we continue, how do we use
20 those operational technologies as traditionally
21 stated technologies, layer in IT, so layer in
22 read-only type devices, like stuff that we can't

1 control, and then really pull that all together and
2 give actionable intelligence, give people better
3 work quality reporting, pressure reporting, better
4 operators, better automation. We are absolutely
5 pushing, because, again, I hate to say it but the
6 aging workforce from the operator's standpoint is a
7 concern.

8 COMMISSIONER MAYE EDWARDS: Thank you. May I ask
9 one more question. I don't want to be greedy, so I
10 know there's talk a lot about the comparison, at
11 least it seems today if we are comparing utilities
12 by utilities, but, you know, particularly the ones
13 that your consumer might look at, but if I am a --
14 if I'm like a Long Island Power consumer, I'm not
15 concerned, nor do I really care, what's going on at
16 ComEd right in Chicago, or if I am an Aqua
17 complainant, I don't care what's going on in
18 Illinois American Water, because it doesn't concern
19 me.

20 What I'm going to be comparing my
21 experience to is Uber and Amazon, because those are
22 things I'm using, so we are kind of talking where we

1 are here at this point in time, and I agree I'm
2 actually a big fan of the ComEd app, and I use it.
3 I have it on my phone and I look at it all the time,
4 but the truth is I don't do as much with the ComEd
5 app than I do with the Uber app.

6 A couple of weeks ago I was traveling
7 and for some reason I had automatic payment and I am
8 having an issue. I guess I changed my card number,
9 because it's not going through. I tried to do it
10 on-line. It didn't work out. I had to call and sit
11 on the phone for 30 minutes, and it was extremely
12 frustrating, and you mentioned you had the same
13 issue with your cable.

14 Where I have a problem with Uber and
15 the driver is, you know, I am having a problem, I
16 can literally send a text from your phone and it
17 give you options and it's taken care of in like four
18 minutes while you are actually in the taxi. That's
19 what my experience.

20 My overall question is how much are
21 you all consulting or collaborating with the app,
22 perhaps is a better word, with these other, I would

1 say, more -- use the word -- more seasoned, you
2 know, organizations or companies for providing maybe
3 a better experience for their consumers?

4 MR. HURST: And I think -- again, five years ago
5 we had a lot more investment in the area of
6 utilities that we are doing a really good job in
7 customer experience, but that shifted over the past
8 few years, and even with my old consulting hat on,
9 I've worked with clients at ComEd. I don't want to
10 just look at, you know, only in the statistics area,
11 but a better feeling at the end of the day, but I'm
12 a competitive guy. We compare ourselves to other
13 industries.

14 So, for example, one of the things
15 that we are doing now is we'll be looking at the
16 next generation of our mobile app. I think it's
17 really important also to pick vendors that are
18 serving other industries so that we are actually
19 bringing the best of design, best in capabilities,
20 so very much when we think about other enhancements
21 or past experience, technology, capabilities.

22 We are looking at other industries

1 because we know our customers' expectations are
2 being shaped by private industries, how do we shape
3 them, how to pick the right thing for us and to do
4 it in a cost-effective way to find that balance.

5 MR. RAFFAELE: Similar for us, and we are also
6 engaging third-parties, so we are the Gardiners,
7 Forresters of the world. We are trying to get other
8 market indicators. You are absolutely right. I
9 mean, you don't use your power app that much. You
10 pay your bills.

11 With Uber, you text in the car
12 multiple times of the day, multiple times a week, so
13 there is a level of interacting and how much you are
14 interacting with that app, or that company, or
15 whatever it is.

16 Again, I mean, those companies like
17 Ameren they set the bar high as far as mobile
18 interaction and I think they're absolutely the ones
19 that we keep watching and trying to learn from.

20 MR. BINSWANGER: Just on a couple of things that
21 I wanted to mention. One is in NIST intelligent
22 software. Frankly, there are occasions when we were

1 policing Microsoft Excel, which is a template from
2 25 years ago, but in our case we replaced other
3 technology providers, but we absolutely spent a lot
4 of time and effort benchmarking ourselves against
5 the best technologies or from customer service
6 providers across a variety of industries.

7 I don't want to be technical because
8 of this event. I think it's fair to say we talked a
9 little about various automation and their impact,
10 because what we are aiming for ultimately is the
11 best balance for our customers.

12 So, for example, the last three
13 letters of our name EnerNOC refers to our network
14 operation center, which is staffed by physical human
15 beings, not that we might get there one day, but not
16 yet, artificial intelligence 365, 24/7, because
17 there are occasions when we are responding to
18 specific energy events with our customers. That's
19 what it's all about a human being on the other end
20 of the line, on e-mail, or telephone, whatever it
21 is, and I don't see, at least for us, that going
22 away any time in the next decade or so, so that

1 compounds what we are aiming for.

2 COMMISSIONER MAYE EDWARDS: Thank you.

3 MS. PALIVOS: Looks like we have run out of time.

4 Perfect timing actually. On behalf of the

5 Commission, I would like to thank the panelists for

6 their full responses. We can now take a 10-minute

7 break before commencing Panel 3 and please give a

8 round of applause.

9 (Applause.)

10 CHAIRMAN SHEAHAN: We will get started, if you

11 could take your seats.

12 Welcome back. Panel 3 is designed to

13 address the current state of residential,

14 commercial, municipal, and industrial customer

15 service.

16 To lead our discussion, I would like

17 to introduce our moderator from Panel 3 Elizabeth

18 McErlean. She's one of my legal and policy

19 advisors, and I would like to take this quick

20 opportunity just to thank Elizabeth for all of her

21 hard work over the last year. She's moving back to

22 Ohio, but I'm grateful for your help. You have

1 really done a terrific job and I think it's been
2 recognized by a lot of folks, so thank you. So
3 Elizabeth, take it away.

4 (Applause.)

5 MS. McERLEAN: Thank you, Chairman.

6 Panel 3 is designed to hear from the
7 role of stakeholders on the current state of
8 customer service across customer segments and to
9 address how to renew regulatory barriers that hinder
10 utilities from adopting customers and technologies.

11 Customer expectations are increasing
12 as technology advances and utilities must find ways
13 to improve. According to J. D. Powers, utility
14 satisfaction among customers is primarily due to use
15 of proactive communications that utilize direct and
16 channel like text messages, e-mail notifications,
17 and blogs; however, utilities are finding that the
18 biggest decline in customer satisfaction scores are
19 in customer service, which is an area utilities have
20 a direct control over.

21 According to Jeff Conklin, the
22 greatest struggle to utilities is customer on-line

1 experience. In a time when utilities have a new
2 level of dependence on customer satisfaction,
3 utilities must find new ways to maximize energy
4 consumer touch points from social interaction to
5 utility bills.

6 Part of this rethinking on how to
7 create an energy experience for customers must
8 include objective information, tracking trends, and
9 employing this information for better marketing,
10 detection of opportunities and threats, random
11 protection and return on investments.

12 The format of our panelists will
13 consist of questions by myself with the opportunity
14 to hear from each of our panelists. If time
15 remains, we will take questions from the audience.
16 But before we begin, I would like to introduce our
17 panelists.

18 We will be hearing from Brian Bowen,
19 FirstFuel; Kevin Brookins, Senior Vice President of
20 Strategy & Administration, ComEd; Dave Kolata,
21 Executive Director, Citizens Utility Board; Joseph
22 Oliker, Sr., Regulatory Counsel, IGS Energy; and

1 Sameer Doshi, Assistant Attorney General, Public
2 Utilities, Attorney General's Office.

3 We welcome the panel one more time.

4 (Applause.)

5 So we are going to go a little out of
6 order, because we have been hearing today about
7 consumer preferences, and there was a lot of
8 discussion about how utilities can adopt
9 technologies, but there's obviously regulatory
10 barriers.

11 We heard about automatic life chat
12 customer preferences. We also heard about on-line
13 treatment options where customers actually incur
14 certain costs. I recently learned about a lot of
15 the technologies' life spans.

16 So how, from a utility perspective and
17 a regulated perspective, do you square away the
18 differences between a regulated and distributed
19 industry like Uber who can utilize so many
20 technologies they don't have to differentiate
21 between opex/capex issue?

22 MR. BROOKINS: Okay. Everybody seems to be

1 looking at me.

2 (Laughter.)

3 So let me first say that historically
4 utility investments have been all about poles, and
5 wires, and transformers.

6 Can you guys hear me?

7 (A brief pause.)

8 Thank you -- pole, wires, and
9 transformers.

10 And, of course, with that said, we all
11 know that we are in the midst of a digital
12 revolution that's really transforming tremendously
13 not only our industry but all industries and
14 businesses alike, so, as a result, the old fashion
15 way of how we do it is changing and it's changing
16 because of that technology.

17 While we embrace this digital
18 information, ComEd, the industry as a whole, we are
19 wrestling, quite frankly, with that challenge, with
20 what those investment are, all about technology.
21 There's a learning process that's associated with it
22 not only for us but for our regulators, our

1 customers, and our stakeholders, too, because this
2 is more than just about wires. It's not about
3 wires, transformers, and poles any more.

4 So we're not only busy learning the
5 technology, but we are also busy trying to
6 communicate these values as we seek to recover the
7 new costs and the cost of doing business in the
8 digital age, so that's one issue that we are
9 grappling with.

10 The other thing is that our
11 customers -- the awareness we provide to our
12 customers. Unfortunately, many times, as we talk to
13 our customers, and I sat on many focus group
14 sessions, we will ask them are you aware of the fact
15 that ComEd has a mobile application. Our customers
16 will say, no. Are you aware of the fact that you
17 can text in your outage or receive text messages
18 about your outages that you are experiencing, and
19 they have no clue that you can even do that.

20 So this is something that we have had
21 in recent years, but, yet, our customers don't know
22 and don't understand that, so we are placing more

1 and more emphasis, quite frankly, on communicating
2 to our customers about technological advances we
3 have made so they can utilize them in their daily
4 compliance.

5 I think the question I think I heard
6 Commissioner Edwards ask about benchmarking other
7 customers. It is a lot easier to obtain detailed
8 information from companies within our industry
9 because we have EEI and AGA to get that gas industry
10 information, but that doesn't mean that we don't
11 benchmark other customers, because there's available
12 information out there in the marketplace.

13 In fact, there was mentioned earlier
14 about usage already that, of course, we got from a
15 telecommunications company, so we are benchmarking
16 against a company outside our industry. We don't
17 have as open conversations with those customers as
18 we do within our industry, but we are learning and
19 continue to learn, because we recognize, as you
20 pointed out so wisely, that our customers don't
21 compare us against Long Island Lighting, or Southern
22 Company, or Southern California Edison. They could

1 care less about ComEd even if they know who those
2 entities are.

3 They do care about Uber. They care
4 about Amazon. They care about those customers that
5 -- those companies that they have services with that
6 they make use of here in Illinois, and we recognize
7 the opportunity, and we compare our web page to some
8 of the big utilities out there. When it's
9 available, public information, we take note of that
10 and ascribe to keep up and exceed where the
11 marketplaces are.

12 MR. KOLATA: So if you look at Uber, and you look
13 at Amazon, and you look at those companies, one
14 thing they have in common is making something that
15 customers can use and can use quite a bit with it.
16 We think there's a lot of potential, particularly in
17 the electric space. I think in the gas space not so
18 much. I think there's a ton of potential here to
19 develop those types of services for consumers;
20 however, most of those, if you look at them, at the
21 end of the day, they're radically increasing in
22 energy efficiency, and/or demand response, or

1 allowing for increases in distributed solar, and all
2 of these things pose certain issues and certain
3 challenges to the current regulatory framework.
4 Rightly or wrongly, people take different
5 perspectives on that.

6 So I think fundamentally you are
7 getting the big picture question that you put in two
8 sentences, maximizing the value of the smart grid
9 and then also how do we -- even in your future
10 question how are we going to set up a framework that
11 it enables consumer value while politically working
12 at the end of the day.

13 MR. DOSHI: I think it's useful to ground our
14 understanding to what extent new technologies have
15 gained uptick along utility consumers here in
16 Chicago.

17 We looked at the Advanced
18 Infrastructure Report released in April of this year
19 by ComEd and Ameren. We found that for ComEd
20 customers where around 1.8 million smart meters have
21 been installed as of the end of 2015 around 10,000
22 customers are participating in the peak-time savings

1 program or the real-time pricing program which is
2 around point 4 percent. That's less than one
3 percent of single-family homes and point one percent
4 of multi-family homes.

5 Additionally, less than 200 customers
6 have devices registered to operate with the home
7 area network in conjunction with smart meters.

8 For Ameren, the participation
9 percentages are a little better. They have
10 installed 200,000 smart meters as of the end of 2015
11 and around 13,000 Ameren Electric customers are
12 subscribed to real-time pricing programs.

13 Additionally, the report -- the Ameren
14 report states that around 4,000 electric customers
15 are subscribed to billing usage alerts via text or
16 e-mail, which is half of one percent of the Ameren
17 electric customers, so I can't say why these
18 technologies have not gained greater purchase with
19 the customer base, perhaps it's early yet in the
20 evolution of the smart meters, but now it looks like
21 the vast majority of electric customers in Illinois
22 have not seen the value of joining advanced

1 technology programs for their electric service.

2 MS. McERLEAN: I just have one quick comment
3 following up what Dave just said. When you talk
4 about a company like Uber offering a service and
5 distinction between utilities, because its peak-time
6 savings might preserve service that utilities are
7 transacting to the service-oriented industry, and,
8 you know, as technology keeps -- as the technology
9 utility space keeps developing, it would be more
10 service like.

11 MR. BOWEN: I can speak to that, and just for
12 folks that don't know our organization, FuelFirst,
13 we analyze energy meter data and we use it to
14 increase engagement with utility programs, to
15 demand-side management programs, different rate
16 designs, things like that.

17 We focus exclusively on commercial
18 customers, so I'm speaking from our experience with
19 working with small businesses all the way up to
20 large industrial customers, and, you know, I think
21 what we see are there's always a challenge in
22 technology and how that interacts with regulatory

1 paradigm.

2 To your point earlier that you were
3 asking about how customers connected to services, a
4 lot of folks talked about Amazon, Netflix. There's
5 certain predictive ways that customers can watch
6 that next film or provide that next item, and I
7 think what you are seeing across the utility
8 industry is a greater investment in connecting
9 customers to the services that fit their needs.

10 I'll tell this one anecdote from a
11 similar roundtable where executives from large
12 midwestern utilities, not represented in the room
13 today, who mentioned that about 10 percent of these
14 customers turnover every year has been new business
15 within that progressive what have you, and they
16 implemented a program where when the customers call
17 up to connect for service days, they gave an e-mail
18 address to receive offers from the utilities and it
19 could be an energy efficiency program or a new
20 time-of-use rate model, things like that, and they
21 were shocked to see a 30 percent acceptance rate or
22 opt-in rate for getting their e-mails.

1 Now that far exceeded their
2 expectations and actually led to some investments on
3 the technology side to actually serve that need,
4 serve those e-mails, and create content that speaks
5 to customers, but I think the take-home message here
6 in Illinois is there is a great infrastructure out
7 there, smart grid infrastructure, smart meters, and
8 through technology investments, utilities can
9 analyze how energy is being consumed within a small
10 business and how a laundromat looks different than a
11 dry cleaners, let's say. They can combine sets
12 across the utility, understand whether that customer
13 already did a lighting upgrade and, therefore,
14 should talk about HVAC, or better pumps and motors,
15 and things like that.

16 I think customers expect that those
17 data sets will be married behind the scenes, and I
18 know that many utilities are going through that
19 process right now and trying to create that similar
20 experience where customers are getting a
21 personalized message at a time that really matters
22 to them, so I think that explains the point how

1 utilities provide that better service using this
2 great smart grid infrastructure we built up here in
3 Illinois.

4 MR. OLIKER: If I could add to that. Chairman
5 Sheahan and Commissioners, thank you for having this
6 conference, and thank you, Elizabeth.

7 One of the things that we are talking
8 about is customers making choices and giving choices
9 to customers, but in order to do that we need to
10 align the customers, suppliers, and utilities, and,
11 as far as smart meters go, these meters are
12 extremely smart and they can record intervals of
13 time or usage, but it doesn't necessarily mean that
14 that can transmit to all customers.

15 If you are looking at the product and
16 services that my company offers, we cannot
17 necessarily quantify the value the customer may be
18 able to provide by interrupting their electric usage
19 during times of scarcity because we're not
20 necessarily going to give credit on our whole energy
21 settlement statement because oftentimes you are
22 profiling the use of a customer for purposes of

1 billing.

2 So while we are making great strides
3 towards aligning these incentives, I think it's
4 incumbent upon us to continue to utilize the very
5 available data that we have and to change billing
6 systems in competitive markets and utilities that
7 offer products that customers can actually engage in
8 a competitive market, so I think that is very -- I
9 think we are making progress, but there's still a
10 ways to go.

11 MS. McERLEAN: Thank you.

12 The next question is how can utilities
13 be properly incentivized to achieve the highest
14 levels of customer service, including the next
15 generation of approaches to new technologies?

16 MR. BROOKINS: So I failed to take that
17 opportunity to thank, Chairman, Commissioners, for
18 allowing me to speak today, and I also want to
19 really talk a little bit more about our customer
20 experience that Brian touched upon a little while
21 ago.

22 Back in 2012 we launched this

1 initiative recognizing that customers view us for a
2 much broader means than just the nature of
3 transactional interactions that take place within
4 our company, but a broader overall customer
5 experience when they work with us.

6 So the foundation of this initiative
7 is centered around the commitment to serving
8 customers as we would want to be treated, and we
9 recognize to accomplish that we have to evaluate
10 everything that we do, including our processes, our
11 major products, our customer interactions, and even
12 within our culture, and how we focus on the customer
13 and, fortunately, we are seeing some progress there.
14 It's working.

15 We saw Jeff earlier talk about the
16 J. D. Powers scores where we moved up from a very
17 consistent and very last place at one point out of
18 16 large midwest utility companies to 11 and, in
19 fact, the most improved company among the large
20 utility companies over the past five years, but how
21 did we do that? How did we make that progress?

22 Well, we did a lot of different things

1 actually. It wasn't one thing that we have been
2 focused on. We re-designed our customer bills. We
3 provided flexibility in our customer payment
4 options. We implemented a suite of confidential and
5 communications when you are talking about text
6 messaging. We reintroduced translation services in
7 our call center and, in fact, we provided customer
8 transactions with us in using translations with us
9 with the service of companies that can translate up
10 to 80 different languages. We still have a
11 Spanish-speaking call center interacting with
12 everyone we can contact and do that.

13 We also redesigned our website, which
14 is available in English and in Spanish, and we
15 developed several Indian acquisitions prior to the
16 availability of the smart meters, to allow us to do
17 that, so that has allowed us to get to where we are
18 right now.

19 Looking forward to the future, we want
20 to be a utility centered around available uses of
21 all the systems that we are talking about. For
22 instance, we are currently testing, Brian mentioned

1 that, a pilot program around moving the company
2 visually which provides customers with personalized
3 information. That's not the meter rendering flying
4 power. That's an algorithm that estimates the
5 usage -- what the usage where we're coming from
6 based upon what we've seen, and this provides those
7 discussions and some insight as to what may be
8 generating the driver of their electric uses.

9 We are also piloting with Meter
10 Genius, which is a start-up for customers tracking
11 their real-time energy uses, and receiving services
12 that they can then apply to purchasing other
13 products and services, much like awards programs
14 that are out there, and we are also piloting smart
15 street lights and integrating better storage in the
16 entire grid.

17 So there's a lot of different things
18 that we are providing in terms of different services
19 and opportunities to better make use of the services
20 that we provide, but still we have to recognize that
21 we have a long way to go, particularly when you talk
22 about competitive companies that we have talked

1 about out there.

2 In fact, we are still perceived as a
3 monopoly, and we recognize that, with incentives to
4 provide better customer service and improve overall
5 customer experience, but at ComEd we are committed
6 to dispelling that presumption and to do that
7 through superior customer service and through the
8 innovation of the new technologies that we talked
9 about.

10 CHAIRMAN SHEAHAN: Kevin, can I interrupt just
11 for a minute. I'm kind of interested in the broader
12 question, which is, you know, I think -- what role
13 should the Commission have in pushing the utilities
14 to do better at customer service?

15 Some states actually have metrics and
16 they're tied to our lead and, you know, there are
17 literally incentives to the utilities for meeting
18 certain metrics, so I'm kind of interested to hear
19 from David or Sameer in terms of, you know, what
20 role should the Commission have in pushing the
21 utilities to do better, and maybe Sameer can kind of
22 touch on -- the thesis of your statement seems to be

1 that these are just not that important. They're not
2 that adopted, so why are we doing it? Don't worry
3 about it.

4 Maybe you want to just elaborate on
5 kind of your -- on the thesis of your statement and
6 how it relates to the Commission's relationship to
7 the utilities in terms of trying to improve customer
8 service.

9 MR. DOSHI: Thank you, Mr. Chairman. You
10 anticipated what I wanted to say next, because I do
11 think the Commission has a significant role to play
12 in incentivizing utilities to provide better
13 customer service, not necessarily through financial
14 incentives, given that utilities already have a
15 statutory responsibility to provide adequate and
16 reliable customer service and to comply with all the
17 Part 280, and Part 600 or Part 500 service mandates.

18 For example, in Docket 06-0094, the
19 Commission evaluated service performance on water
20 utilities and issued an order direct the utilities
21 to perform ways on several discreet elements of its
22 service performance in compliance with the Part 280

1 Rule, and the Commission should not hesitate to,
2 either on its own initiative or in response to other
3 complaints, open an investigation of -- sorry --
4 utilities that are not complying with mandatory
5 service requirements.

6 Just to pick one example, Section
7 280.22 of the ICC rules provides that utilities
8 should provide a means of submitting complaints
9 electronically when utilities develop the
10 capability.

11 This morning I reviewed the websites
12 of all of the major Illinois utilities. I found
13 that MidAmerican Energy, Ameren, Illinois American
14 Water, Peoples Gas and North Shore Gas, all have a
15 website portal where you can type in complaints
16 on-line and indicate your account number and all
17 that. Nicor Gas and Utility Services of Illinois
18 provide you an e-mail address that you can submit
19 your complaint to.

20 From what I could see, however, ComEd
21 and Aqua Illinois on their website provided only a
22 telephone number and did not have any electronic

1 means of submitting complaints.

2 Section 280.220 does not exactly
3 mandate utilities to provide electronic means on
4 submitting complaints. It says it shall be done
5 when the utility has the capability.

6 And as to your question when should we
7 turn to new technologies to solve customer service
8 problems that might be deemed more traditional in
9 nature, such as establishing basic communication
10 channels for complaints, that might be -- the
11 on-line portal I mentioned might be the first thing
12 to address before we look to new technology to solve
13 older problems.

14 I also want to describe quickly -- I
15 know everyone else wants to speak. I want to
16 describe quickly what we believe to be the current
17 state of customer service for utility companies.
18 These are not representative examples, but these are
19 examples that we became aware of. I'll start
20 quickly with a couple of personal examples that
21 happened to me.

22 In 2014 my family and I moved to a new

1 home in the city and established a new ComEd
2 service. We tried to establish automatic payments
3 through my bank account. I was rejected twice. We
4 received a cryptic letter in the mail explaining why
5 we were rejected. We received a letter saying
6 payment was returned.

7 The customer service representative on
8 the phone couldn't explain what that meant, but we
9 were charged a 20-something dollar fee for the
10 unsuccessful enrollment of our bank accounts and
11 banned from payment for the next 12 months.

12 Later we learned that our ARES
13 service, our Alternative Retail Electric Supplier
14 Service, through the city's Municipal Aggregation
15 Program was cancelled, although we had requested
16 that. We later learned that a different family with
17 our name had requested cancellation and they applied
18 it to us, and neither the retail supplier, nor
19 ComEd, was willing to re-enroll us citing Section
20 16-103(d) of the Public Utilities Act even though
21 that provision is suppose to make an exception for
22 inadvertent drops, so that's my experience.

1 Looking more broadly, we reviewed the
2 website Yelp.com, which some of you know is a portal
3 where members of the public can indicate what they
4 like or what they don't like about businesses. We
5 looked at what we could find for Illinois utilities,
6 which were Peoples Gas, ComEd, and Nicor Gas. I
7 couldn't find entries of other Illinois utilities.
8 For Peoples Gas there are over 400 reviews on Yelp.
9 Of those, 354 are one star, where five stars is the
10 best and one star is the worse.

11 Complaints this year include mixed-up
12 customer records, malfunctioning database systems,
13 misleading communications claims to inspections,
14 wrongly notifying credit bureaus, delayed
15 reconnections, and missed appointments.

16 For ComEd the average score is 1.1
17 star with similar complaints. For Nicor Gas, the
18 average review is 1.3 stars. Now these may not be
19 representative samples of all customer experiences
20 with the utilities. Certainly there may be some
21 bias where more dissatisfied customers go to Yelp to
22 satisfied customers who simply stay home and enjoy

1 their service, but there is a lot of -- there are a
2 lot of unsatisfied customers and many of the
3 problems we found on Yelp would be remedied not by,
4 for example, a net metering infrastructure but by
5 better back-office technologies to integrate
6 customer records and maintain better communications.
7 Sorry about my long soliloquy.

8 MR. KOLATA: Mr. Chairman, to answer your
9 question, as you know, we are generally strong
10 supporters of performance measures. They can be
11 tied to carrots and sticks. We do think that it's
12 important to track what's going on and ultimately
13 move forward in improving on key measures. I think
14 they are all regulations as a system of incentives.

15 I think it's fair to say that our
16 current system doesn't necessarily have the best
17 incentives for where we want to go -- we need to go.
18 Generally, it's, in a sense, a capital incentive
19 infrastructure and also selling more products.

20 It also assumes that essentially a
21 monopoly is going to ultimately provide the service,
22 and when we are dealing with a lot of new

1 technologies, I think it's fair to say that we have
2 to find a role for the parties and that gets to be a
3 complicated question depending on the service.

4 At the end of the day, I think you can
5 break it down to incentives around things that we
6 want for our electric and gas systems to do.

7 I would argue it's prudence and energy
8 efficiency, reductions in peak load, customer
9 satisfaction, greenhouse gas emission, reductions
10 and reliability, and I think that ultimately that's
11 essentially what the future conversation is about.
12 I think that's something that strongly needs to
13 happen.

14 I think we have got a great potential.
15 Peak-Time Savings Program is something that we all
16 see handled in the statute. To give an example, we
17 wanted to do it because we think that a lot more
18 people are on it now. I think there are a lot more
19 people depending on it. If I had to say in words
20 why we have to fight to get people on it, it's
21 because when you play that out, it is because it
22 poses certain threats to generate profits. That's

1 neither -- it's just a reflection of the types of
2 incentives we face and what we need to work through
3 to move the system overall forward.

4 COMMISSIONER MAYE EDWARDS: Can I follow up on
5 the Chairman's question, and perhaps I'm confused,
6 but I thought that some of us were addressing the
7 Energy Modernization Act under the formal
8 ratemaking. In that new section of the PUA there
9 are nine separate criteria that -- and I know that
10 formal ratemaking doesn't apply to all our
11 utilities, but the one that does there are nine
12 criteria, really eight, by diversity, and that's not
13 one of them, but that's the story behind that, so
14 really there are eight criteria we have to consider,
15 and if for any one of those that are not met, we can
16 demonstrate on basis points.

17 MR. KOLATA: There's one area of the reliability
18 measures that are in there, right. I guess what I
19 would argue that there should be an eye towards
20 energy efficiency and greenhouse gas emissions, also
21 peak load reduction, in other words, we take a step
22 in that direction. I don't want to say otherwise,

1 but there's more that we need to do if we are going
2 to take advantage of the technology that's out there
3 and really improve the customer experience, not
4 because necessarily customers are the biggest driver
5 at this point, but ultimately what customers want
6 are affordable, reliable, and sustainable
7 electricity, and I do think that technology has an
8 extremely important role to play in that, so I don't
9 think that it's demonstrative that there's a lack of
10 interest for customers, because they have not signed
11 up for Real-Time Pricing Programs as much as we'd
12 like them to.

13 I do think that there are various
14 points at issue we need to work through so we can
15 have the whole strategy going forward and,
16 obviously, value of a smart grid investment.
17 There's a lot of money going into it as you know.

18 COMMISSIONER MAYE EDWARDS: At a minimum, we do
19 as regulators have some control over.

20 MR. KOLATA: Absolutely. There's a lot that you
21 can do.

22 MR. BROOKINS: By the way, one of those measures

1 that's in there, for instance, bills, which is a big
2 concern for our customers, and the smart meters are
3 going to go a long way to addressing the amount of
4 bills that we have, because we are unable to read or
5 were not able to read for one reason or another.

6 I do want to respond to something that
7 was said earlier about our ability for our customers
8 to communicate with us by telephone call. We do
9 have an E-Channel within our organization that
10 monitors our Facebook and Twitter web pages and we
11 quite commonly address complaints from our customers
12 from those channels as well.

13 With that, the last thing we talked
14 about is de-sensitizing utility companies to improve
15 customer satisfaction. We believe that partnering
16 with the Commission to shift from the least cost
17 model that's been brought forth behind our
18 investments to a mindset centered on the most
19 valuable of time sets, we hope everyone, including
20 our customers there, because the fact of the matter
21 there are times when providing more value may
22 require for us to spend more money.

1 The smart grid alone takes money for
2 these programs, 2.7 billion investment to address an
3 aging infrastructure and to improve reliability and
4 enhance customer satisfaction about spending more
5 money to provide more value to our customers.

6 In fact, we have actually experienced
7 the benefits of that. We are seeing the highest --
8 from the highest reliability in terms of frequency
9 of interruption and duration, as well as the highest
10 customer satisfaction we have seen on record at
11 ComEd, as a result of that, so that required making
12 investments and providing more value to the
13 customers and we are seeing customers respond to
14 that with these metrics to improve customer
15 satisfaction.

16 MR. BOWEN: If I could respond, we did some
17 research going back through sort of breaking down
18 what could be done on customer satisfaction and
19 customer complaints, right, and I know until at
20 least 2013 the Commission, through the Consumer
21 Services Division, is tracking complaints and calls
22 at all times, and things like that, in addition to

1 metrics and the smart grid apps, and I think going
2 back through those reports, you see a strong
3 downward trend which speaks to some of the efforts
4 that somebody said that the utilities have made to
5 resolve calls more quickly, and I think technology
6 is certainly playing a role in that.

7 Mathias, on the previous panel,
8 mentioned some of the customer service tools that
9 enable the customer service rep to see what a
10 customer is seeing when they log into their account,
11 sort of having that one-on-one relationship as
12 opposed to the old experience from the 1980s and a
13 customer seeing something different, so that's
14 certainly something important, but it also speaks to
15 the need for different metrics.

16 I was looking at a survey of utility
17 executives, the state of the actual utility report,
18 and upwards of 90 percent of the utilities that
19 disbelieved that they will either decrease or keep
20 their investment in customer phone call services at
21 about the same, so 90 percent of their opinion go
22 the way of the dodo bird; whereas, 83 percent of

1 them are investing in mobile, and 67 percent are
2 investing in their utility websites.

3 So I would certainly love to, you
4 know, discuss any part of the conversation about
5 what new metrics the Commission can track that can
6 not only increase customer service but generate more
7 value from the investments that have already been
8 made, and I'll just provide one more example from
9 another jurisdiction.

10 We at FirstFuel and a number of other
11 companies in the sort of gas energy space provides
12 some comments in New York around referencing about a
13 framework we called "Reach Use Effectiveness
14 Feedback Framework." I will walk through what we
15 meant by that.

16 The first component is reaching -- or
17 how many customers are reached by any given program
18 that utilities are offering, whether it's an Energy
19 Efficiency Program or Time-And-Use Rates, just
20 things to track over time; how many are then using
21 those services, and Sameer has certainly tracked
22 down numbers here in Illinois on that front, and I

1 think we'll see some trends over time. Hopefully
2 those will improve.

3 The effectiveness component is how
4 good are the utilities actually getting measurable
5 outcomes from the programs that they design, so how
6 much do the programs actually achieve the aims that
7 they were originally set out to do; beyond this
8 participation, how much are they reducing peak
9 demand; how much are they reducing grid impact.

10 And, finally, the feedback, maybe the
11 most important part, and we heard from Jeff's
12 comments earlier, the voice of the customer in the
13 utility industry has not been particularly strong in
14 the past. I think it's getting stronger.

15 Kevin mentioned all the work that
16 ComEd has done to engage customers in bill redesign
17 and all these different images that actually show
18 that consumers are getting what they want from their
19 utilities more and more.

20 So I just direct the Commission's
21 attention to that framework. It's a broad framework
22 that could be used in any other different context,

1 but hopefully it's helpful in designing some of
2 these new design performance measures.

3 MR. OLIKER: I think it's important to focus on
4 potential metrics and incentives for utilities, but
5 it's also important to look at the incentive that
6 exist in a competitive market to provide a high
7 level of customer service.

8 Companies like IGS we have no captive
9 customers. To the extent you are dissatisfied with
10 your service, you can go someplace else. I'm sure
11 Sameer is not very happy with the ARES that provided
12 that aggravation. He probably will not select them
13 in the future, but there's IGS or there are others
14 out there.

15 I think it's important to look at
16 that. It's all about brand recognition and
17 maintaining a positive consumer experience and
18 striking the right balance of providing an effective
19 cost so we can compete with other suppliers.

20 For example, another area where the
21 competitive market impose its own level of incentive
22 on our company, we have changed the way we sell

1 electricity and natural gas. We now employ only IGS
2 individuals to sell electricity and natural gas
3 reducing a third party, because we want to have
4 exclusive control over our brand and customer
5 service exist at all levels of our sales and the
6 experience for the customer.

7 So while I do believe it's important
8 to look at how utilities can be incentivized, there
9 are great benefits the competitive market can bring
10 to the utility service, whether it's natural gas or
11 electricity.

12 MR. DOSHI: I'd just like to bring a couple more
13 quick comments in response to what Kevin stated.

14 I think it's great that ComEd is
15 responding to complaints or comments from Facebook
16 and Twitter. Twitter, as you know, has 140
17 characters, to make a complaint would drop a lot
18 longer than that.

19 It would be great if ComEd would
20 accept complaints either via the web portal or by
21 e-mail that customers can go into more detail and
22 put their personal e-mails, including the account

1 number, and so forth, so ComEd can understand
2 exactly what is happening.

3 Kevin also mentioned a tension between
4 providing the most value versus the traditional
5 least-cost paradigm. I don't think regulators
6 should proceed in that fashion. Obviously, ComEd is
7 guaranteed recovery of prudent expenditures it makes
8 to meet its statutory obligations to provide safe,
9 reliable service. To the extent it's currently not
10 doing so, it needs to provide more value. We want
11 ComEd to do that. We want ComEd to do it at least
12 cost.

13 I don't think ComEd or any utility
14 should be concerned that spending to reach a target
15 that's currently not being attained sometimes be
16 deemed unrecoverable spending.

17 MR. BROOKINS: I would say I would disagree with
18 the term "not a guaranteed cost recovery" where the
19 Commission certainly has the authority and those
20 costs remain prudent. Absent separate proceedings,
21 we can discuss those costs being incurred, and I do
22 acknowledge and I think there's still opportunities

1 for improvement for customers to submit complaints.

2 MS. McERLEAN: Are there barriers for utilities
3 to be adopting U.S. technologies and be providing
4 the highest levels of customer service? And, if so,
5 how is the call to action for regulators to break
6 down those barriers?

7 MR. BOWEN: If I could response quickly to that,
8 well, I know we have all been to several policy
9 sessions, and there's one involved on one specific
10 issue of Cloud computing and software service, which
11 I know Kevin mentioned that the utility
12 infrastructure investments traditionally have been
13 poles and wires, and now they're becoming more bits
14 and bites technology investments and we've all seen
15 through all these companies we have been talking
16 about, whether it's Uber, or Facebook, or Google,
17 all of their IT infrastructure is moving to a Cloud
18 architecture, which simply means it's a computer
19 that's not localized. It's computing from a large
20 server that is never going out of date, never going
21 to need to be upgraded, and going to be watched 24/7
22 by some of the most sophisticated cyber security

1 experts in the world from companies that make their
2 business in IT.

3 I think personalization has been a
4 word that's come up on every single one of our
5 panels today. To do the kind of big data analytics
6 and personalized services to each utility customer,
7 in many cases you really have to go to the Cloud to
8 this sort of never outdated, always on top computing
9 architecture, and the Commission has looked at it as
10 a certain degree around the kind of treatment of
11 software service, and the FASBI Institute has a
12 special project on this, and that's why we are
13 seeing a federal bill in the House on the same
14 issues. It's certainly something that's coming up
15 with NARUC in another context.

16 As a Cloud-based service, we obviously
17 believe that there should be a level playing field
18 between the Cloud-based IT investments and one that
19 is an on-premise IT investment when it comes to rate
20 recovery and whether that investment earns a rate of
21 return out of rate base.

22 So I'm certainly looking forward to

1 hearing from the Commission on any further, you
2 know, proceedings there, and I would just say that I
3 think the goal should be to provide full incentives
4 to be a level playing field.

5 MR. KOLATA: And I think that's true. I don't
6 know if I would call that a barrier, but there are
7 certain issues like that that needs to be worked
8 through. I think that in many ways I would argue
9 that the pressol might be most constructive of all.
10 That is something I think would gain a lot of
11 support if there's polling with interest and with
12 the experience is something that people want to do,
13 and I think it would be a great success.

14 COMMISSIONER ROSALES: I am sorry?

15 MR. KOLATA: The pressol. However, it,
16 obviously, poses certain issues for the general
17 overall systems; otherwise, we would be doing it
18 right now, and we could take it from the
19 perspectives on how to resolve it, but when I think
20 at the end of the day, when you look at what the new
21 technologies can do, when you look at what the
22 opportunities are, they are greatly increasing

1 energy efficiency to resources, greatly reducing
2 peak demand and that does pose, whether we like it
3 or not, certainly issues with the current system.

4 That's why I think that when you start
5 looking at these on a case-by-case basis a lot of
6 them very quickly become much larger questions.

7 The Commission has an extraordinary
8 important role to play here in making sure a lot of
9 these things are promised by the smart grid and
10 making sure they get it done recognizing it's a
11 complicated issue and there's a lot of different
12 ways they can go, from the consumer point of view is
13 the most important thing because to enable that it
14 to be as cost effective at least cost as it possibly
15 could be.

16 MR. BROOKINS: Aside from my earlier comment
17 about the need to communicate is key, I won't call
18 this a barrier. I would call it just a reality
19 thing, that technology is moving so fast one would
20 think that we have -- there's a challenge in making
21 sure that the investment we make today does not
22 become outdated so quickly by tomorrow.

1 The priority is to take some time to
2 make the prudent choice of what is the technology
3 for the future but not take so much time making that
4 decision that by the time we make the decision it's
5 too late to do anything about the technology. I
6 don't call that a barrier.

7 MR. OLIKER: Speaking about utilities and using
8 the broader sense of the word, including retail
9 suppliers, I think what we have been talking about
10 is offering additional options to customers and
11 getting them to make choices.

12 We are talking about customers
13 changing the status quo and actively changing the
14 way that they're using energy through new
15 technology. One of the ways to do that is for them
16 to select alternative suppliers and get rid of the
17 idea that bulk service is a monopoly service. It's
18 not. Oftentimes customers still believe it's a
19 monopoly service, evaluating competing options, then
20 you can start to make change and embrace technology.

21 There are additional barriers, as I
22 mentioned earlier, such as rate design, and changing

1 the way settlements, and metering, and getting the
2 most bang for our buck as smart meters. I think
3 those changes will go a long way as well.

4 There's also changes at the federal
5 level, such as PJM, which can also create barriers
6 to residential demand response. We have rate-making
7 for income tax (sic), but if PJM changes the rule,
8 which they've talked about doing more measuring
9 peak-load contributions, those opportunities could
10 go up in smoke, even with the capacity performance
11 product, which was recently approved, that would
12 severely limit the availability of demand response
13 products because we are getting rid of some of the
14 demand response products in 2020.

15 Those are just a few of the barriers
16 that we are seeing that would potentially run at the
17 opportunity that exist with the technologies we
18 have.

19 MR. KOLATA: If I could respond very, very
20 quickly to that, I would say that I certainly agree
21 with the PJM point. I think that I probably agree
22 with the settlement and billing point, although it

1 depends on the details; however, I am the provider
2 on that last resort, and I don't agree at all.

3 I think that sort of needs to be at a
4 ComEd, Ameren, and utility responsibility to make
5 sure that's as least cost as it can be, and I would
6 just note that, you know, the number one -- I said
7 this in the beginning -- number one complaint that
8 we get at CUB is actually about alternative
9 suppliers at the end of the day, so just to point
10 that out.

11 I don't think the current model that
12 we have now of customer choice is really the
13 panacea, not that we should get rid of it, but that
14 we certainly assume that it's going to get all the
15 work that we like to do.

16 MR. DOSHI: I think at the facility using that
17 new technology we should always keep in mind that
18 customers may be appreciated by their familiarity
19 with technology, interest, and engaging with
20 technology. Not everyone wants to use a cell phone
21 to fiddle around with their energy usage, not
22 everyone wants to choose from alternative providers.

1 Many, may find financial savings from it, but
2 many may want to turn on their lights, turn on their
3 stove, turn them out at night and pay a bill each
4 month, so we should be careful to allow more
5 traditional customer engagement options as we
6 introduce new technologies.

7 MR. OLIKER: I would just respond very briefly.
8 One of the interesting metrics that we saw someone
9 from J. D. Power was looking at some of the other
10 providers that exist out there, whether it's Uber or
11 insurance. There is no one provider, and
12 interestingly when you have to make choices, then
13 you also are more engaged, and you have to see that
14 because of those choices it allows you an evaluation
15 and customers actually have a higher satisfaction
16 ratio.

17 CHAIRMAN SHEAHAN: Let me follow up on that. I
18 think, you know, the statistics that are raised are
19 certainly, you know, they're pretty striking, I mean
20 a tiny, tiny percentage of people that really take
21 advantage of this menu of things, but the ones who
22 do are more satisfied with, you know, their

1 experience with the system. So how do you sort of
2 think about those two data points?

3 On one hand, you know, do you say,
4 well, there aren't that many people that take
5 advantage of this, therefore we should -- we just --
6 why bother or should you say, you know, look -- I
7 mean, really the statistical increase in the
8 satisfaction if they have this big menu of options
9 and, therefore, we should encourage more of that?
10 How do you kind of think about that?

11 MR. DOSHI: I suppose the current small base of
12 customers participating in Peak-Time Savings and
13 Real-Time Pricing Programs like that if they love
14 it, then by word of mouth. They will tell their
15 friends, and family, and neighbors, and it may
16 spread that way.

17 Additionally, the utilities should
18 continue to publicize programs such as Peak-Time
19 Savings and perhaps over time we will see more
20 penetration. I can't predict what will happen.

21 CHAIRMAN SHEAHAN: More philosophically, you
22 know, should we sort of think about -- how do you

1 think about the signals on one hand is that a lot of
2 people aren't taking advantage of this, so,
3 therefore, should we, you know, go in a different
4 direction and not offer, or, you know, should you
5 take the signal that if you offer people menus --
6 you know, there's a lot of these things are early
7 and it takes time to grow the adoption of it, but
8 should you -- as a policy, kind of philosophically,
9 should we try to encourage, you know, more options
10 and more interactions?

11 MR. DOSHI: I'll just say one comment that the
12 legislature has drafted an infrastructure program so
13 it does make sense to try to encourage customers to
14 gain benefits from it to the extent you can.

15 MR. KOLATA: I think philosophically speaking I
16 don't think we should promote choice just for the
17 sake of choice.

18 I would say when you look at the
19 horizon of what we need to do, which is lower peak
20 demand and improve energy efficiency, and all the
21 things we need to do, not just from an environmental
22 point of view, but also from a consumer point of

1 view, and that's true if it's a power plant, and if
2 it's a power plant, I think it's absolutely
3 imperative from a consumer point of view.

4 When you think it through, I think
5 that there's a lot of choices here, a lot of options
6 that can provide value. You should do anything you
7 can to get people on real-time pricing. A lot of
8 people can benefit from that. I would instead of
9 starting from the bottom up, I would honestly stick
10 with the big systemic goals and then within that
11 let's see what works from a competition point of
12 view.

13 I do think a lot of this -- I think
14 most of this will be done by third parties. I don't
15 think it's going to be the current ARES model, which
16 is essentially the commodity competition for value
17 for pure commodity competition for residential
18 folks.

19 I think at the end of the day it's
20 going to be sort of managing the risk of real-time
21 pricing through a physical hedge, which is provided
22 by technologies. I do think that assuming that

1 customers are going to fiddle around or really take
2 great interest in their electricity and natural gas
3 usage, which is the wrong way to provide it, not
4 that some won't, it's just a general way to think
5 about it is it's going to happen seamlessly and you
6 are going to have an app or a program bundled into
7 other service.

8 It's going to work independently
9 without you thinking about it; however, it's going
10 to, in fact, modernize the value of becoming more
11 energy efficient, more reducing peak demand, or
12 integration of renewables, or enable services like
13 community solar, and that community solar model can
14 go just beyond solar. It can be energy efficiency.
15 It can be distributed energy. You really see a lot
16 of potential there. I don't think the technology is
17 that hard at the end of the day.

18 I think a lot of it is just simply
19 regulatory system as an incentive, so I'll say a lot
20 of these things get pretty big quick.

21 CHAIRMAN SHEAHAN: A lot of what we're talking
22 about here, we have got sophisticated customers.

1 Are there ways that we can leverage
2 these technologies to benefit low-income customers
3 to do a better job of that?

4 MR. BROOKINS: I want to go to something Dave
5 said earlier. I think that's true. We really are
6 in the very, very early stages in the adoption of
7 new technology. Customers are learning, and that
8 has not gone unnoticed on our end, and it's
9 something we measure regularly. We find ways to
10 educate and make sure our customers understand that
11 not only do we have these new technologies, not all
12 our customers have it, but they can make use of it.

13 We also -- I also want to point out
14 that today's technology not all of our customers may
15 not have -- may not be technologically savvy to take
16 advantage of some of the products.

17 For instance, the usage alert is a
18 great tool. Everybody understands about that on
19 their phones, but their parents, when I tell them
20 they would have to go to the website, I have to do
21 it for them, and sometimes if they're looking for me
22 if I didn't do it for them, they would not know how

1 to do those things.

2 So we work with a lot of senior
3 citizens, and many of them come to our new training
4 center and education center about different
5 technology out there. We talk to them about the
6 benefits they get out of smart meters. It takes
7 them some time to understand what they have and
8 learn what the options are, and, quite likely, some
9 of them are concerned about missing it, because it's
10 new and, as customers become more familiar with the
11 benefits versus the risk of cost and realize that
12 people are benefitting from them starting to create
13 that place that takes time to evolve and we are
14 still in the very early stage.

15 MR. BOWEN: I will just add to that. We
16 personally don't work with low-income customers, so
17 I can't speak specifically to them, but I think one
18 universal point among any customer, low-income,
19 high-income, business customer, that we work with
20 any time they're faced with a new energy option,
21 there is uncertainty there and perception of risk.

22 On the previous panel there was a

1 question about what kind of cutting edge things that
2 utilities can do with the ability of big data and,
3 you know, frankly, the services that are offered by
4 the competitive market or the community solar and
5 clean energy efficiency, all these new ideas that
6 Dave talked about as well, we're now able to use
7 past consumption history and understanding of how
8 energy is used in business or I'm sure in some other
9 end-of-use case, and I know why it's there. What
10 are the, you know, real savings you see from
11 real-time use rates.

12 Taking something of that risk out of
13 the equation, whether you are a low-income customer
14 or a high-income customer, and really showing
15 savings in a more tangible way, obviously, it's
16 going to be within some bounds of certainty, but
17 being able to do that in some way is definitely
18 going to increase participation.

19 We talk about Amazon and all these
20 other companies. Sometimes customers don't express
21 interest in buying a pair of shoes and they leave
22 that pair of shoes in their cart at the end of the

1 day, but it depends on follow-up with an e-mail
2 saying were you interested in buying that new pair
3 of Nikes? Here's a great price. Oftentimes people
4 do follow through.

5 As Kevin said, this is still in the
6 very early age of a long game where we will be able
7 to offer that type of service personalized in some
8 of these new choices that customers will make about
9 their energy services.

10 MS. McERLEAN: Chairman, Commissioners, any other
11 questions?

12 (No response.)

13 Okay. Since we are out of time, give
14 our panelists one more hand of applause.

15 (Applause.)

16 CHAIRMAN SHEAHAN: I think that concludes our
17 session. I just want to thank all of the panelists
18 and attendees, again, a really insightful few hours.
19 Thank you. And unless there's any other questions
20 from the Commissioners, we will stand adjourned. We
21 are adjourned. Thank you.

22 (Whereupon, the above

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matter was adjourned.)