

Compact with the Customer

ENERGY CONSUMERS EXPECT AND DESERVE MORE

BY SUSAN PATTERSON

▶ **TODAY'S UTILITY CUSTOMERS** want more. More choices. More access to services. More personal attention. More than just keeping the lights on and getting a bill each month.

At the Sacramento Municipal Utility District (SMUD) we've come to realize that our customers are not merely electricity customers. They are consumers in an Internet age when the expectations are higher and patience with bureaucracy is shorter.

At the same time, electric utilities such as SMUD are facing the challenges of increased energy use, peak-demand spikes, and the very real problem of global warming.

For the past year the SMUD board of directors has been researching consumer trends and expectations in an effort to better serve our customers while tackling the challenges our industry faces. We call it our "Compact with the Customer," and

its goal is to give our customers a voice in the ways we interact with them and provide them service. This process is ongoing, but already we have heard some things loud and clear.

The one-size-fits-all model of customer service no longer works. Today, customers want choices that fit their lifestyles. Most customers want ways to save on energy use, whether that is simply to lower their costs or to reduce global warming. For some, this might involve installing energy-efficient light bulbs; for others it might be more satisfying to also buy energy from green sources. Some customers would like to budget their energy dollars by pre-paying for their usage. Other customers would like to know how much they could save if they shifted their energy use from on-peak to off-peak times of the day. We're finding customers want options that help their wallets and their consciences. Our job is to give them choices that can do that.

Customers want to be able to access services, pay bills, sign up for programs and obtain information with little effort. They want to go to a utility's Web site and immediately find the information they need. When a customer signs up for a program, they will expect a confirmation in their in-basket as soon as they sign off the Web site and retrieve their e-mail. Similarly, when they call, they won't tolerate long waits, confusing interactive voice-mail instructions or an inability to talk directly to a customer service representative.

For years, SMUD has had a program called Peak Corps, which allows us to remotely turn customer air conditioners on and off to reduce peak energy

demand. The program was designed to meet SMUD needs rather than customers' needs. Though the program was voluntary, with customers receiving a few dollars credit each month on their bill, they had little choice on how the program was executed. Sometimes we turned their ACs off when it was very inconvenient for them. In the future, programs such as Peak Corps will be designed to enable customers to customize their experience so that they can reduce the impact on their lifestyle and energy bills while still allowing SMUD to meet its business and energy goals.

Global warming is one of the most prominent topics of our time and is likely to remain so for years to come. Our customers are turning to us for ways they can reduce their carbon footprint. As an electric utility, we are in a unique position to empower our customers and to reduce greenhouse gas and other emissions.

This year, we will be introducing our own online "Carbon Calculator" and creating a prominent section on our Web site, smud.org, where customers can sign up for programs and services that can reduce their energy use or purchase green energy or solar credits that will put more solar power on the electric grid.

Our world is changing. Electric utilities must change with it. By listening to our customers and giving them the choices they want, utilities can evolve, customers can be satisfied, and the challenges we are all facing can be met.

Susan Patterson is president of the Sacramento Municipal Utility District board of directors.



NewsFLASH

MORE RESEARCH

Presidents of major universities are summoning a new generation of researchers to dedicate themselves to the study of energy and the environment.

The presidents, representing 13 universities around the world, recently suggested that governments and corporations help fund the efforts to identify new energy sources, according to a report in the *Associated Press*.

Shenghong Wang, president of Fudan University in Shanghai, said that he plans to establish a new school to research hydrogen fuel cells and other technologies.

He spoke at a three-day meeting of university officials at Washington University in St. Louis that was conducted by the McDonnell International Scholars Academy.

Today's decisions shape tomorrow's opportunities.



Investments made today can decide your utility's future for decades. Make the right decisions and you will gain the flexibility to achieve future growth and expansion. Make the wrong decisions and your options could be limited. How do you know you are making the right investments?

KEMA provides insights into strategy, analysis, and technology to help utilities plan their infrastructure investments wisely. Whether looking to replace aging and distressed infrastructure, improve operations and maintenance, implement advanced technologies and renewable resources, automate asset management, build demand response capabilities, or enhance reliability, KEMA offers the most comprehensive range of expertise to help you evaluate your options, plan your investments, and build for the future.

KEMA has helped over 500 utilities in 70 countries plan and manage their assets. Continually building on our 80 years of experience, KEMA consultants have earned a reputation as trusted partners to the utility industry – helping clients meet changing market demands and create lasting value. www.kema.com

Experience you can trust.

