

BY ROD WALTON, SENIOR EDITOR

Charging Ahead

Tech Revolution Changing Utility Billing Systems

The curmudgeon that was actor Walter Matthau once joked about stretching out the payback on a medical bill. “My doctor gave me six months to live,” he was quoted as saying. “But when I couldn’t pay the bill he gave me six months more.”

We get it. Everybody gets it. Bills

are right up there with death and taxes among the certain things in life. It is the price we pay for our heating and air conditioning and water, so it’s expected monthly whether we like it or not. And the company is willing to work with us if it means it gets paid.

Like everything else in the

industry, billing systems themselves are undergoing a technological revolution focused on meeting customers where they want to do business, whether that’s online or text message or email or walked over and dropped in by a U.S. Postal Service carrier as in days of old. Utilities



Photo courtesy of Alliant Energy

are rolling out new programs that accommodate the flexibility needed across the various regulations and economic drivers they face in their respective service territories.

“The most challenging aspect to current billing practices will be the ability to quickly adapt to the myriad of new services that providers today can’t begin to imagine they will end up offering in the future,” Yuri Sylvester, chief business development officer at Amigo Solar, said in a recent Q&A with *POWERGRID International*.

In other words, we don’t even know what those will be yet, but we better be ready when they are.

Bonnie Hensler, who is financial tech firm Fiserv’s vice president of product management for biller solutions, agreed that the change will continue at an exponential rate. Customers are gaining ever increasing awareness of their energy usage, rate patterns and competitive options such as getting off the grid entirely with solar panels.

“As such, utility companies can’t continue to view revenue/receivables management as a collection of unrelated, unintegrated platforms disconnected from the customer experience,” Hensler said. “With the right technology and approach, utilities can provide a simple and seamless experience as an opportunity to strengthen relationships and boost customer loyalty.”

Utilities nationwide are revamping their billing systems to reflect the new challenges. Utility owner Alliant Energy replaced two legacy customer information systems (CIS) with Oracle Customer Care and Billing to create a single, integrated platform.

The new, sole CIS automated the previously manual severance workload process. Tom Bertz, manager of billing and payment services for Alliant Energy, said the changeover makes it easier for both customers and the back office.

“The accounting department now has more timely information at its disposal,” Bertz noted. “This includes customers in arrears greater than 30, 60 or 90 days, payment arrangements set up (or) broken and customers written off, etc. This type of data is critical to the accounting department as they analyze our accounts receivable and determine any reserves on our accounts receivable.”

Duke Energy is now offering a paperless billing channel for customers who want to use email instead of coming to the company’s website.



Yuri Sylvester of Amigo Solar



Tom Bertz of Alliant Energy

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Bonnie Hensler, Fiserv

The utility had tried some form of paperless channel in the past, but now believes the technology and customer acceptance have dovetailed for the right program at the right time.

Since launching the Email Bill Delivery Program, Duke has sent out more than 1.1 million trial bills through the end of March. Beyond that trial effort, some 322,700 fully enrolled bills were emailed, giving customers payment functionality within a PDF. Duke processed nearly 73,000 payments through



Bonnie Hensler of Fiserv



Paperless bill screenshot from Duke Energy.

the PDF and had more than 55,000 customers fully enrolled through the end of March.

“We continue to hear from customers that they expect to interact with us how and when they want,” Duke Energy spokesman Ryan Mosier said. “They expect the same digital experience from us as they do from their non-utility interactions. Offering more choice and control to customers is a key part of how we’re doing business across the company moving forward.”

So there you have it. Utilities are being forced to change or risk losing market share even in regulated, monopolistic markets due to

distributed options and other choices for customers. Billing systems cannot evade this reality any more than the generation and delivery units can. And every billing challenge is unique to its market and that territory’s customer base.

In April, Amigo Solar partnered on a new billing program for microgrid customers in Chile. Historically, Amigo’s Sylvester pointed out, the south American nation’s legacy IT billing systems were inflexible and often inaccurate, causing irritation to customers.

“We sought to avoid these issues from the beginning and decided to develop a 100-percent digital

meter data management and billing platform,” Sylvester said. “To achieve this, we deployed the MaxBill solutions from LogNet Billing for its ability to easily integrate the data from our smart meters using webservers. This avoids having to do cumbersome manual reads and guarantees accurate billing cycles.”

The Chilean B2C (business-to-commercial) market may warmly receive the MaxBill solution, but the financial challenges abound. Of approximately 7 million service points in the country, only 100,000 are smart meters recently deployed by the independent distribution operators at their own expense. Amigo Solar is forced to replace old meters—at its own expense—at the connection point for every new customer it acquires, Sylvester said.

Back in the U.S., Duke’s impetus for its new PDF format was not infrastructural but rather customer service. The goal is to lead customers where they want to go but not where they don’t.

“One of the main reasons for the program was to provide a paperless bill channel to customers who preferred to use email instead of coming to our Duke Energy website,” Mosier said. “We also tried to simplify the enrollment process so that it could be easily completed by clicking a link from the email. There is no need (for them) to leave their email inbox.”

Alliant Energy staggered its CIS Go-Live approach in its primary markets. It went live in Wisconsin in October 2015 and in Iowa in February 2016. Alliant then turned on collections efforts in both areas in May 2016. The go-slow go-live approach

was preceded by tons of planning.

“Our strategy included a 500-step project plan, go/no-go criteria and executed production scenarios to set thresholds,” Alliant’s Bertz said. “We discussed the impact to the organization including the call center, field organization capacity for disconnections, bill print vendor, outbound calling and more. We also engaged our stakeholders including regulators.”

Everyone impacted must be engaged, the experts agreed.

“Our utility partners tell us they want to drive more customer loyalty, so we believe customer engagement is extremely important,” Fiserv’s Hensler said. “Proactive engagement tools and communications

across multiple channels, including mobile bill alerts (and) notifications and 24/7 self-service, reinforce brands and customer satisfaction. FiServ powers all of its payment channels through its NOW Network to enable faster and more efficient revenue collection.”

That’s really the goal for all utilities. They bill not because they love, but because they have provided a service and need a return on it. Making it less difficult for customers and themselves can only benefit the end result. Amigo Solar’s Sylvester emphasized that utilities need to think like retailers with finely honed customer-facing channels. The tech revolution has certainly given customers the tools they need, and they expect their

providers to respond by making complex things simple. Fiserv’s Hensler concurred.

“Over the next decade and beyond, we expect to see a more integrated payment ecosystem, or value chain, emerge, driven by rising consumerism and mobile device ubiquity,” she said. “This will entail the expansion of payment tender types and channels, many of which have not been defined or invented at this point.”

There’s that “things that haven’t even been invented” theme again. Utility billing systems are on the move and no one knows where the journey will lead them. If innovation and cooperation are along for the ride, however, the journey should pay off in the end. ●

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