
Redesign Action Plan (RAP) Working Group Launch Meeting

August 1, 2017

Agenda

- **Welcome** – *Ministry of Energy*
- **Introduction to the Redesign Action Plan (RAP)** – *Ministry of Energy*
- **Hydro One's Bill Redesign Process** – *Hydro One*
- **Applying Behavioural Science to Bill Redesign** – *BEworks*
- **Group Discussion**



Role of Distributors

- **Local distribution companies (LDCs) are the face of Ontario's electricity system.**
- In addition to distributing electricity, LDCs provide other essential services including:
 - billing,
 - outage management,
 - overall customer contact, and
 - conservation programs.
- Distribution sector costs have risen as a result of necessary investments to update and modernize the system.
- As a result, LDCs have the difficult task of limiting cost increases while providing customers with the same expected level of service.

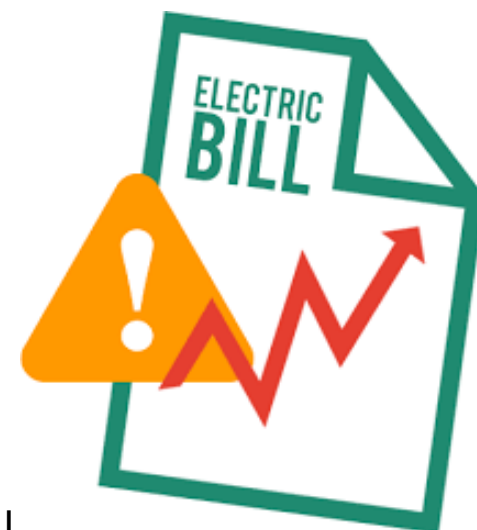
The distribution sector:

- **5 million customers**
- **\$48.7 billion in assets**
- **\$3.6 billion in revenues**
- **199,456 km of distribution lines**

*as of Dec. 31, 2015

Importance of the Electricity Bill

- **The electricity bill is one of the most important communications tools in the distributor-consumer relationship.**
 - Approximately 83% of Ontarians claim to read their electricity bill, and for the majority, this represents the extent of their interaction with their LDC.
- Behavioural science research suggests the design of the bill can have a dramatic impact on customers':
 - ✓ Understanding of the electricity system
 - ✓ Attitudes towards what they are being asked to pay for
 - ✓ Feelings towards the sector-at-large
- The Ministry is aware of the sector's desire to reform the regulations on invoicing, as echoed during recent engagements.
- We would like to address these challenges together, as the bill is often the first – and only – point of contact with consumers.



Regulatory Framework on Invoicing

- The government obtains its authority to stipulate requirements in relation to the form and content of electricity bills from the *Ontario Energy Board Act*, 1998, as well as several regulations, including:
 - **O. Reg. 275/04** (line items, glossary of terms, consumption, messaging)
 - **O. Reg. 364/16** (8% provincial rebate line item)
 - **O. Reg. 429/04** (disclosure of Global Adjustment (GA))
 - **O. Reg. 196/17** (Ontario's Fair Hydro Plan (OFHP) messaging, bill inserts)
- The Ontario Energy Board (OEB) has also established policies relating to information required to appear on invoices.
- These regulatory requirements have been criticized for limiting the bill's readability and usefulness to consumers.
- There is an opportunity to simplify the regulations on invoicing to improve the usefulness of bills to all consumers.

Redesign Action Plan: Objectives

- To initiate this process, the Ministry has launched the **Redesign Action Plan (RAP)**, with the following objectives:
 - 1 Enhance the customer experience** by:
 - Improving accessibility and reducing frustration
 - Providing more useful information
 - Encouraging the adoption of consumer-oriented invoicing processes (e.g., consumer-tested design, mobile-compatible invoices)
 - 2 Promote greater understanding** of the contents of bills, and energy literacy, across the province.
 - 3 Consolidate the regulatory framework** governing invoicing requirements; and
 - 4 Better communicate government programs** in place to assist ratepayers.

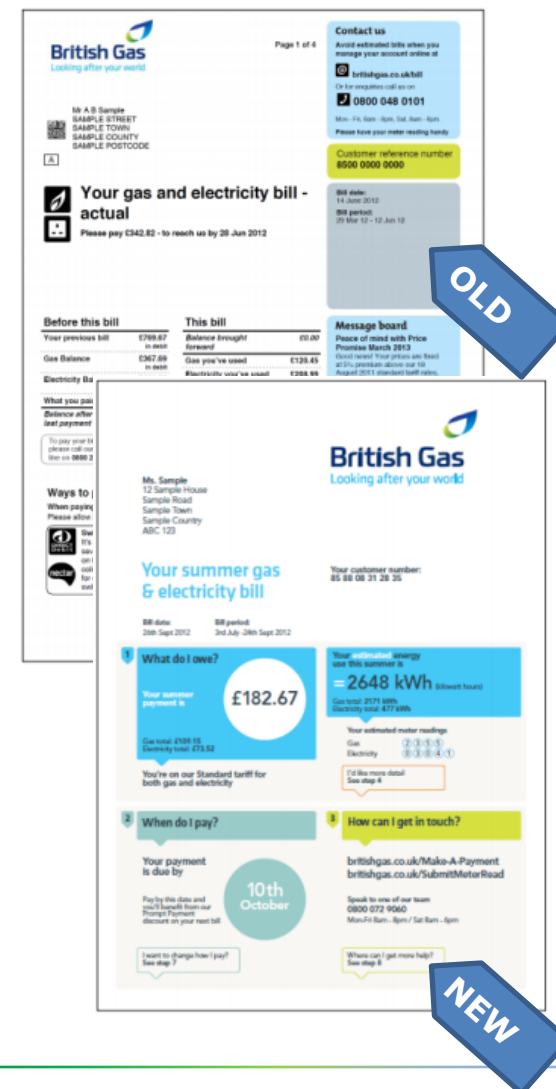
Jurisdictional Analysis

- Leading jurisdictions are seeing the benefits of incorporating customers into their bill design process, as well as applying the principles of behavioural science.
- Bill redesign revolves around making the bill easy for customers to understand and providing the desired information *at a glance*.
- Consumer research has identified several behavioural intervention points for achieving effective bill design, including:
 - ✓ Keeping language conversational and providing definitions
 - ✓ Prioritizing content based on how customers read information and what they find most useful
 - ✓ Simplifying and clarifying the information presented
 - ✓ Using layout, colour and white space strategically to highlight important content
- By adopting these principles, LDCs have the opportunity to design a bill of real value for their consumers.



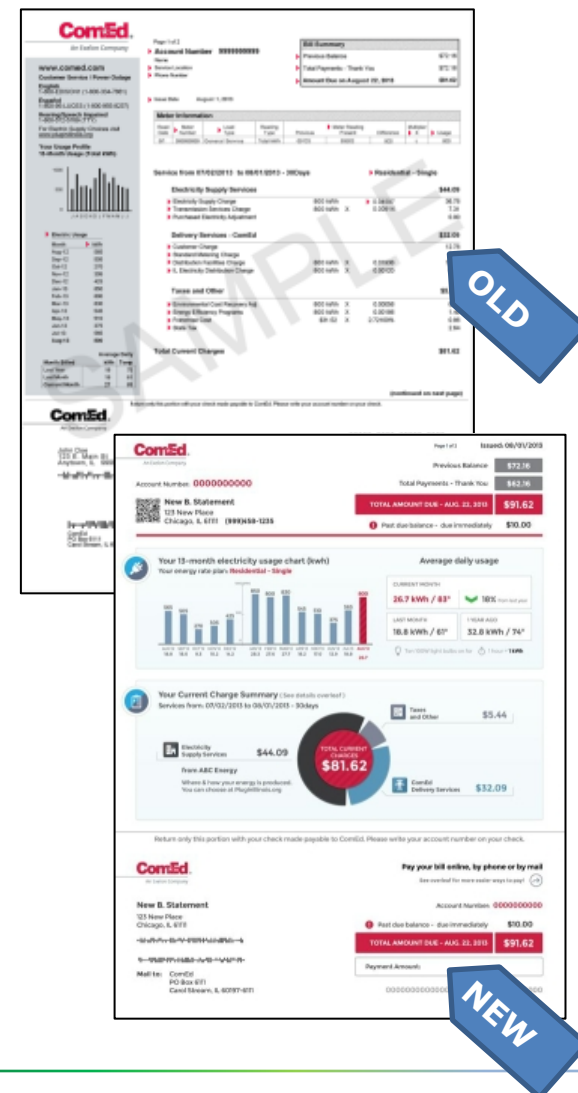
Case Studies: British Gas

- In 2012, British Gas, an energy and home services provider located in the U.K., released a new bill that was designed with the input of their customers.
- In the new bill, the **key information** was made visible at a glance, in easy-to-spot locations, including:
 - The **amount** owed
 - The **due date** for payment
 - The amount of **energy used**
 - Ways to **contact** British Gas
- As a result of this redesigned bill:
 - Customer inquiries dropped by 10%, leading to an annual savings of approximately \$1.2M (CAD).
 - Customers felt the language was more understandable (+17%) and approachable (+20%).
 - The design was recognized as a “best practice” across utilities in the EU.



Case Studies: Commonwealth Edison (ComED)

- ComED, the largest utility in Illinois, was experiencing all-time low customer satisfaction ratings in 2012.
- Consumer testing revealed poor communication, coupled with misunderstandings over pricing, were to blame.
- Social media** was used to interact with customers and crowd-source new bill design options.
 - For example, an online "**bill builder**" asked customers to arrange and customize the bill's components.
- Using this feedback, ComED's redesigned bill proved to be far easier for customers to understand and navigate.
- In fact, since releasing their bill, **ComED has increased their customer satisfaction score more than any other large electric utility company in the U.S.**



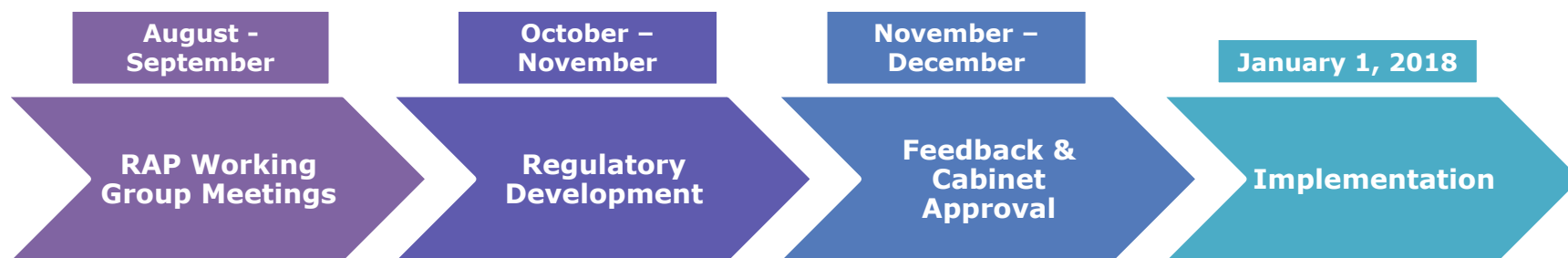
Redesign Action Plan: Process & Timelines

- **RAP Working Group:**

- Asked to identify areas for improvement and to assist with the development and implementation of a new regulatory framework on invoicing.
- Future meetings will delve into specific topics, such as regulatory concerns, feasibility analysis, consumer behaviour/testing etc.

- **Proposed Schedule:**

- A second RAP meeting will be scheduled for mid-August, with a third to follow in early September.
- A final working group session will be held at the end of September, wherein the Ministry's findings and intended approach will be presented.



Discussion Questions

- What is the **technical/operational feasibility** of a bill redesign?
- What should **remain consistent** on bills across the province?
- Where do you want increased **flexibility**?
- How can **digital technology** be leveraged to improve the consumer experience?
- Do you have **recommendations** for a new process that utilities should follow in designing bills?

