



What are the best ways to communicate rate changes to utility customers?

An Ask E Source answer

By Angelica Pereira

March 9, 2023

Q: What are the best ways to communicate rate changes to utility customers?

A: With the cost of energy rising, it's time to rethink your rate communication strategy so you can offer customers proactive communications before rate increases show up on their bills. Your customers want to understand how a rate change will affect four personal values:

- Their families, their businesses, and their own lives
- The environment
- Future generations
- Their communities

Communicate rate increases clearly and directly, and frame them as stories where your customers play leading roles. For example, in its [March 18, 2022, Twitter post](#), Con Edison started its caption with “Weather, demand, and world events all effect [*sic*] energy costs.” The statement suggests that by paying higher rates, New Yorkers are being good world citizens.

We also recommend communicating rate changes by:

- Being proactive and building trust
- Keeping messages simple by avoiding jargon and confusing mathematical analyses
- Highlighting your commitment to keeping costs affordable and equitable

- Featuring bill assistance programs, including [gift-of-energy programs](#)
 - Posting on social media channels
 - Using market research to enhance your communication strategy
 - Treating small and midsize business customers as a unique group
-

Search Energy AdVision for communication inspiration

E Source [Energy AdVision](#) is our database of thousands of examples of utility marketing and advertising campaigns, available to members of certain E Source services.

[Learn how to get access to the tool](#) by becoming an E Source member.

What are utilities including in their rate-change communications?

Their commitment to renewable energy

Until 2022, Nova Scotia Power went 10 years without submitting a general rate application. In 2012 NS Power created a platform for customers to ask questions about rate cases and rate increases.

In its [Tomorrow's Power](#) marketing campaign, which you can find in E Source [Energy AdVision](#), NS Power featured some of those customers and their questions (**figure 1**). Rather than focusing on the costs, NS Power focused its messaging on how it will deliver better and cleaner energy. And it continued to encourage customers to ask questions.

Figure 1: Direct mail postcard from NS Power

NS Power featured a customer in its direct mail postcard who had asked why rate increases were so high. In its explanation, NS Power explained that it's working toward distributing cleaner energy by "switching [from coal] to more locally-generated energy and renewable sources."



SHELLEY MURPHY, HOMEOWNER

I ASKED WHY RATE INCREASES ARE SO HIGH.

Ask your question:

TomorrowsPower.ca



Every day, we generate and deliver electricity to hundreds of thousands of Nova Scotians. And every day, we're thinking about better and smarter ways to make and deliver Tomorrow's Power.

We know there's a lot of discussion out there about what we're doing to change how electricity is made and delivered in Nova Scotia. We built TomorrowsPower.ca so that Nova Scotians could find out why change is happening - why it must happen - and what the future of electricity in Nova Scotia looks like. The transformation we're going through right now, changing how we generate and deliver electricity, is reducing greenhouse gas emissions so Tomorrow's Power is cleaner. We're minimizing our dependence on dirty, expensive, foreign coal, and switching to more locally-generated energy and renewable sources.

These changes affect everyone, and raise a lot of questions. We want to answer yours.

Please ask us anything about what we're doing, and we'll answer.

Ask your question at

TomorrowsPower.ca



Today, NS Power has a web page for its [2022-2024 General Rate Application](#). Like its 2012 messaging, NS Power's current messaging focuses on providing reliable electricity through cleaner energy sources:

Climate change is a real concern for all of us. The Federal and Provincial Governments are focused on reducing carbon emissions on an expedited basis to mitigate potential impacts. This includes the requirement to phase out coal-fired electricity and deliver 80 per cent renewable energy for customers by 2030.

We're committed to achieving these goals, which means we need to transform how we make, deliver and store electricity in less than 10 years—to change an electrical system that

took over 50 years to build.

Nova Scotia's weather is changing too, bringing more intense storm events and increased wind speeds which affect reliability. Delivering reliable service is more important than ever because today's technology is driving an increased demand for electricity. Our customers rely on electricity to live, work and thrive in a modern Nova Scotia. This means we need to strengthen and modernize our electrical system so that it can stand up to changing weather and meet the energy needs of our customers.

On its web page, NS Power links to its rate application and related resources. It also has an FAQ section that includes answers to questions like:

- How much are rates going up?
- Why do rates continue to increase?
- What supports are in place to assist customers?

Their commitment to affordable rates

Seattle City Light. The utility emphasizes affordability and renewable energy on its [Residential Rates](#) web page:

City Light rates are more affordable compared to many cities in the country because we're a public, not-for-profit utility and we primarily rely on low-cost, renewable, carbon-free hydroelectricity. We focus on providing stable, predictable rates that allow us to deliver sustainable, reliable, and affordable service.

The web page includes information about what's included in bill charges and defines "watt" and "kilowatt-hour" for customers. City Light's rates page also includes visual elements:

- It features a table showing all its current residential rates.
- It has a chart, breaking down everything that's covered in its rates such as power, delivery, taxes, and metering.

Fort Collins Utilities. On its [rates web page](#), Fort Collins Utilities emphasizes that it works hard "to make sure [customers] enjoy some of the lowest rates in the Front Range." The utility also gives customers an overview of the rate-change timeline, making it clear to customers when they can expect changes to their bills: "Typically, City Council approves rates in November and the new rates go into effect in January. February bills reflect the new costs."

In addition to emphasizing the affordability of its rates, Fort Collins Utilities also clearly explains the difference in its rates year over year. It includes a comparison table on its rates page, showing the average single-family monthly bill for electric, water, wastewater, and stormwater in 2022 versus 2023 (**figure 2**). The utility goes further and links to more comparisons in how Fort Collins Utilities’ rates compare to those of other utility types in Colorado—[How We Compare Residential Rates](#) and [How We Compare Commerical Rates](#).

Figure 2: Fort Collins Utilities average single-family monthly bill comparison

Utility	2022	2023	\$ change	% change
Electric (700 kilowatt-hours/month)	\$80.01	\$84.01	\$4.00	5%
Water (10,000 gallons/month)	\$49.03	\$50.99	\$1.96	4%
Wastewater (4,800 gallons/month WQA)	\$34.25	\$35.62	\$1.37	4%
Stormwater (8,600 square foot lot, light runoff)	\$21.74	\$22.40	\$0.65	3%

© E Source; adapted from Fort Collins Utilities ([Fort Collins Utilities Rates](#)). **Note:** WQA = winter quarter average.

SMUD. On its [Rate Information](#) page, SMUD first states that its committed to low rates and that its rate “are among the lowest in California, and on average are 45.5% lower than PG&E.” SMUD then directs customers to its [How our rates compare](#) page, where the utility shows how its residential rates compare to rates from seven California utilities and how its business rates compare to PG&E’s rates.

SMUD also directs customers to its [2022-2023 rate changes](#) web page, where it explains what the exact rate increases will be, when these changes will go into effect, how they’ll affect monthly bills, and why rate changes are needed.

Information on who sets rates and what’s included in costs

Southern California Edison explains that it works with the California Public Utilities Commission to set rates in a process that’s open to the public. On its [How Rates Are Set](#) web page, Southern California Edison breaks down what’s covered in rates. For example, out of \$1.00:

- \$0.46 goes to generation costs
- \$0.37 goes to distribution costs
- \$0.08 goes to transmission costs
- \$0.05 goes to wildfire costs
- \$0.04 goes to public purpose programs

Explanations behind rate changes

Xcel Energy features a video on its [Rate Cases](#) web page to explain to customers why rates increase and who's involved in approving rate changes (**figure 3**).

Figure 3: Xcel Energy rate-case video

The video explains that unlike unregulated businesses that can change their pricing structure at any time, regulated utilities can change rates only if a regulatory committee approves it. The video highlights Xcel Energy's value by emphasizing its investments to improve infrastructure and repair storm damage. It also lists the number of facilities, hardware, and personnel it takes to supply homes with energy.

How are utilities communicating about rate changes on social media?

Most utility posts about rate changes include information about when utilities submit a rate case and where customers can go for more information about the process and expected timeline. We're also seeing utilities post about financial assistance in relation to rate increase. **Figure 4** shows examples of recent utility social media posts about rate changes.

Figure 4: Utility social media posts about rate changes

NS Power alerted customers the day it submitted a rate-increase application, and directed them to a web page with more-detailed explanations behind the increase.

Today we submitted a general rate application to [@NSUARB](#) requesting a rate increase in 2022, 2023 and 2024. To learn about why the rate increase is needed and how it will help us strengthen and modernize our system and reach environmental targets, visit <https://t.co/uDKSN3coLt>.

— Nova Scotia Power (@nspowerinc) [January 27, 2022](#)

Central Maine Power shared a video of its VP of Customer Service, Linda Ball, who explains who's responsible for setting rates and encourages customers to call with questions.

We know that the 2022 annual energy supply rate increase- which isn't controlled by CMP- has made paying bills challenging for some. Linda Ball, VP of Customer Service explains your bill in this video. Please call us. We can help with tools, and resources.

pic.twitter.com/RlykCdIW5z

— Central Maine Power (@cmpco) [February 9, 2022](#)

UniSource Energy Services let customers know their winter gas bills would likely increase \$2.50-\$8.50 a month because of rising gas prices. It also reminded customers of utility billing programs and federal assistance programs available to them.

Any time you post about rates, you'll experience unhappy customer comments. Our report [Addressing negativity on social media](#) gives tips and examples on how to respond to these comments and alleviate customer concerns. This report is available to members of the E Source [Corporate Communications Service](#).

More resources on rate communications

During the public webinar [Reimagining electricity pricing to meet beneficial-electrification and carbon-reduction goals: Now's the time for big changes](#), two national experts have a lively conversation around electricity pricing, including how to design pricing options that customers actually understand and want.

[Answering questions about high bills](#) looks at ways you can help customers struggling with high energy bills.