Ask E Source

Answering questions about high bills

A guide for utility customer service representatives
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Key takeaways

- Many customers who call in about high bills are confused, anxious, or angry. Listen to customers and find out what they're most worried about.
- Determine whether the customer's meter reading was estimated or actual. Check their bill for errors in reporting.
- Look for causes of high energy use beyond seasonal changes, such as new appliances, malfunctioning appliances, or more people in the home.
- Be ready to discuss long-term solutions to high energy costs, which can include payment arrangements, efficiency programs, or financial assistance.

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When customers call the utility contact center about a high energy bill, they're usually confused, anxious, or angry. They're looking for information, reassurance, and solutions. And they're using your most expensive communication channel to get them.

We developed a five-step roadmap (**figure 1**) to help utility contact centers resolve high-bill complaints while:

- Educating and empowering customer service reps
- Improving the customer experience
- Reducing contact center costs

Figure 1: High-bill resolution checklist

Share the checklist for resolving high-bill complaints with contact center staff so they’re prepared when they answer the call.

Download the checklist (PDF)

Resolution checklist FOR high-bill complaints

High-bill complaints can be costly to the utility and result in escalations or repeat callers. Contact center representatives should follow five steps to resolve customers' bill complaints on first contact.

1 Listen to the customer's concerns

- Listen sympathetically
- Ask if the customer is worried about anything else on the bill
- Summarize the customer's concerns and ask if you're understanding correctly

2 See whether the meter reading was estimated or actual

- If estimated, check it against past usage; find out why there was no actual reading, and schedule one if necessary
- If actual, check it against past usage; if you're not sure the numbers are accurate, schedule another reading

3 Assess nonseasonal effects

- Find out whether the customer installed new appliances or has malfunctioning appliances
- Ask if the customer has more people living in their home

4 Assess seasonal effects

- Consider the impact that extremely hot or cold weather had on the bill
- Consider whether seasonal changes in water use affected their bill, if applicable

5 Offer solutions

- Suggest a pick-your-due-date, debt-forgiveness, budget-billing, or prepay program
- Enroll the customer in bill alerts
- Offer information about energy assistance
- Recommend an energy audit and other energy-efficiency programs
- Check if the customer could switch to a different rate to help lower energy costs
- Use smart meter data to find other customers who might be experiencing high energy use, and autoenroll them in payment arrangements

Step 1: Listen to the customer's concerns

Take time to listen to the customer. This will help you figure out whether their high bill is the result of increased home heating, cooling, other seasonal energy demands—or even nonseasonal changes. For example, a caller might explain that their bill has been getting higher since their grandparent moved in three months ago.

Also pay attention when customers express fears such as "If my bill is this high in September, I don't want to think about what it will be in January. If it keeps going up, I may not be able to pay!" Listening to customers' fears is the first step in defusing the intense emotional reactions often associated with high-bill complaints. And people don't always express their deepest concerns at first. Continue to ask questions to get more details.

Affordability is part of energy equity

To learn more about serving all customers equitably, see our white paper The energy equity framework that benefits customers, utilities, and underserved communities.

Before you look at potential causes of the high bill or offer solutions, repeat what you heard back to the customer to make sure you understand all their concerns.

Step 2: See whether the reading was estimated or actual

See whether the bill was calculated from an estimated meter reading or an actual meter reading.

Estimated meter reading

You can see if the meter reading seems accurate based on the customer's history of use. Compare the bill in question to the bill for the same month from the previous year. Pay attention to the therms, cubic feet, or kilowatt-hours (kWh).

Don't only look at the financial side of the statement. Changes in energy costs can cause changes in the bill even if usage stayed the same. If the usage is similar, explain to the customer that changes in rates or fuel costs affected the bill total. If this is the case, the customer call might be an opportunity to recommend energy-saving measures.

But if the estimated usage doesn't match the customer's typical usage, you can do one of two things. You can find out if the customer will wait for the next billing cycle to get an actual reading, at which point the customer can check if the first reading was indeed accurate. Or you can schedule a field order to get a new reading. If the meter isn't accessible for a reading, schedule an appointment for a time when the customer can provide access.

Actual meter reading

Compare the customer's usage to a similar billing period to see if the meter reading has an obvious error. Start by looking at the same month of the previous year, for example.

Next, look at the beginning and ending readings. One common error happens when the meter reader misses a digit position. The ending reading might be as much as 10 times higher than the beginning reading. Count the number of digits. If the reading seems wrong, order a reread. If this second reading confirms that the original reading was wrong, issue a corrected bill.

If the second reading confirms that the original bill was correct, call the customer to follow up. Ask them more questions to find out why they might have a higher-than-expected reading.

How E Source can help with your contact center and customer service

Fill out this short form to start a conversation about your needs and how we can help.

Step 3: Assess nonseasonal effects

Seasonal energy demands are usually the cause of higher energy bills. But it's a good idea to look at other possible causes of billing variations. Customers may not realize that other factors can affect their bills. High bills at the change of the seasons could also come from changes in the customer's behavior.

There are three main household changes that can cause noticeable changes in energy consumption: new appliances, malfunctioning appliances, and more people. By checking with the customer, you can rule these out before moving on to addressing seasonal changes.

New appliances

Customers may have added new appliances without realizing that the products consume more energy. Ask whether the customer added a new appliance during the billing cycle.

For example, major items such as portable heaters, air-conditioning units, gaming consoles, and large home entertainment systems will increase energy use. A new EV could also increase a customer's bill if they charge it at home.

To calculate any new appliance's actual energy load, ask for its wattage. Divide the wattage by 1,000. Then multiply this number by the number of hours the appliance is used in a month. The result is the estimated number of kilowatt-hours that the appliance will add to the customer's energy usage.

If the appliance runs constantly, you should include 720 hours of use in a billing cycle. If the customer doesn't know the wattage, ask them for the amps and volts specifications shown on the appliance. You can calculate wattage by multiplying the number of amps by the number of volts.

Malfunctioning appliances

New appliances aren't the only appliances that can increase energy usage. Aging refrigerators, iced-up freezers, or dirty furnaces can drive up energy bills. Hot-water leaks from old appliances or fixtures can also increase heating costs.

Talk to customers about how old their appliances are or if there are issues with any of them. If you can't

solve the problem on the phone, offer to schedule an energy audit to identify aging or malfunctioning equipment.

Calculate monthly energy costs

To get an accurate estimate of a specific appliance's consumption, use an energy-use calculator. Many utilities offer these calculators on their websites. Or you can use a third-party tool such as the RapidTables Energy Consumption Calculator.

If you or the customer would like to calculate energy usage for any appliance, you can also use this formula. The customer will need to provide the wattage or amperage of the appliance. This value is often located in a hard-to-see place, such as where the power cord enters the appliance. Next, estimate how many hours the appliance runs each day.

Amps from nameplate × 120 (volts) × number of hours the appliance runs per day × days in the month × $ per kWh = $ per month

Or, if the label gives watts instead of amps:

Watts ÷ 1,000 × number of hours the appliance runs per day × days in the month × $ per kWh = $ per month

More people

More people in a household can account for higher energy use. Ask if the customer has had guests or other additions to their household recently.

COVID-19 implications

Since the pandemic began in 2020, many customers saw big changes to their household energy use. People spent more time at home, and some are still working from home. Some customers also lost their jobs or experienced pay cuts because of the pandemic.

Ask the customer if anyone in their household has been spending more time at home. They might be using more energy at home because of work-from-home policies, online learning, or job loss. If this is the case, the customer could benefit from an energy-efficiency program. Consider whether the customer might be a good fit for a different rate where they could save money by reducing energy use at certain times.

Defining low-income respondents

To create a true low-income variable for our COVID-19 Residential Survey and the 2021 Claritas Energy Behavior Track study, we looked at household income and the total number of people in the household. We considered respondents to be low income if their income was within 200% of the federal poverty level in 2021 based on household size.

Low-income customers have been especially affected by the pandemic. Small pay cuts or higher energy costs can make customers go over budget on their bills. According to the E Source 2021 COVID-19 Residential Survey, low-income respondents that pay an electric bill were more likely to report that their bills had a major impact on their monthly finances compared to respondents that aren't low-income. They were also more likely to report sometimes:

- Only paying the minimum amount due
- Paying late
- Being unable to pay their electric bill in the past 12 months

For more information on how to talk to your customers about COVID-19 relief, see our report How to pay your utility bill during COVID-19.

Step 4: Assess seasonal effects

When the season changes, electric and gas bills may increase because there's more demand for climate control. For example, outdoor temperatures may be moderate in the spring, making it easier to regulate indoor temperatures. But when the summer months come, customers need to use more energy to keep the home comfortably cool.

To understand how weather might affect a customer's energy charges, consider calculating the number of heating degree-days (HDDs) and cooling degree-days (CDDs). HDDs and CDDs can help you compare heating and cooling needs on equal terms from one period to another. These calculations compare average monthly temperatures: higher numbers represent a need for more heating or cooling.

Heating degree-days

One accurate way to quantify changes in the weather is to compare the HDDs of consecutive bills during winter months. Here's how to calculate an HDD:

1. Determine the balance point, which is the temperature at which a structure is neither heated nor cooled. For illustration, let's assume the balance point is 65° Fahrenheit (F).
2. Find the average outdoor temperature for a 30-day billing period. In our example, let's say it's 55° F.
3. Calculate the difference in degrees. In this example, the difference is 10.
4. Multiply this number by 30, or the number of days in a billing period, to determine the number of HDDs for that time frame.

Some utilities put the number of HDDs for the last billing period and for the comparable month on the customer's bill to make comparison easy. For example, the bill would include HDDs for November of the current and previous years.

To find the demand for heating in the most recent billing period, look at the average daily temperature for the billing month in question:

1. If it's below 65° F, subtract from 65. If the average daily temperature is 65° F or higher, there were no HDDs.
2. Multiply the resulting number by the number of days in the month. This will give you the HDDs

for that month.
3. Repeat the calculation with the comparable month from the previous year.
4. Compare the number of HDDs. The higher number is the month with the greater demand for heating. You still need to take the price of heating energy into account to compare bills fairly.

Cooling degree-days

Even though utilities don't track CDDs, the US Environmental Protection Agency (EPA) has been tracking changes in CDDs nationally. CDDs have increased across much of the US. This means that air-conditioning demand is also increasing, which could be affecting your customers' bills.

To determine the number of CDDs, follow similar steps as the HDDs:

1. Find the balance point.
2. Determine the average outdoor temperature.
3. Calculate the difference in degrees to cool down to the balance point.
4. Multiply this figure by the number of days in the billing cycle.

For more information about degree-days and how to calculate them, see the EPA web page Climate Change Indicators: Heating and Cooling Degree Days.

Water use

Long-watering is one of the major contributors to high water bills in the summer. This happens when customers leave their water on for several hours to do things like water the lawn with a sprinkler system. The sprinkler might not have a timer or sensor to help reduce water usage.

Water leaks can also lead to spikes in usage. According to the EPA's WaterSense statistics and facts, a household can waste 180 gallons of water per week because of leaks. That's more than twice what an individual would use in one day, on average.

Some utilities have higher seasonal water rates to encourage lower water use. This can result in higher bills for customers in the summer if they use the same amount of water. Ask the customer how they use water in the summer and if they have an older, less efficient toilet or showerhead.

Step 5: Offer solutions

Consider the following actions to help your customers manage their bills.

Offer a pick-your-due-date program

A pick-your-due-date program offers customers flexibility and control over their energy expenses. Your customers can choose their due date to align with paydays or household budgets.

According to 2021 Claritas Energy Behavior Track study data in the E Source US Residential Customer Insights Center, the following respondents are more likely to want to choose their own due dates compared to other groups:

- Younger respondents (18–44)
- Respondents with an online account
- Those who have participated in an energy assistance billing program
- Those in larger households (three or more people in the household)

Participation in a pick-your-own-due-date program is fairly low. Nineteen percent of non-low-income respondents reported being enrolled in a utility pick-your-due-date program. And 22% of low-income respondents said they're enrolled. But these rates may not reflect actual participation statistics across utilities because they're self reported or because not many utilities offer such a program.

Enroll customers in alerts

Automated alerts are a convenient way for customers to get important information quickly. High-bill alerts can help customers manage their energy and costs. Customers can sign up to receive an email, text message, or phone call when:

- Their energy usage hits a certain threshold
- Their estimated bill reaches a certain dollar amount
- There is unusually high usage

When advanced metering infrastructure data is available, you can help customers prevent a high bill at the end of the month by alerting them to higher energy usage during the billing period. Customers then have more time to identify the issue and reduce usage. When customers call into the contact center, ask them if you can enroll them in high bill or energy-use alerts. Alerts also pair well with payment programs to keep customers on track.

Offer debt-forgiveness to get customers back on track with payments

An arrears management program (AMP), or debt-forgiveness program, can help customers get current on their accounts with monthly payments they can afford.

In an AMP, the utility forgives a portion of a residential customer's debt for every month the customer pays for new utility charges. The utility typically sets a maximum amount they'll forgive in a 12-month period.

Combined with payment plans, assistance funds, and energy-efficiency programs, AMPs can get your customers out of debt sooner and help them establish good payment behaviors.

Suggest budget billing

Budget billing, or levelized billing, can also help address seasonal spikes in bills. Dramatic changes in energy bills can shock a customer on a tight budget. Predictable bills created by budget billing can help.

The utility takes the average of the previous year's bill for a more consistent billing amount. For 11 months, the customer receives bills based on this average. In the 12th month, the utility adjusts the bill to make up for any over- or underbilling.

This payment arrangement is most helpful for customers who see the same increase in energy usage at

certain times of the year. If their winter heating bills are higher than their summer bills, budget billing can spread out the higher costs over 12 months. This can help keep each monthly bill within the customer's budget. Pair this program with alerts to let customers know if they're on track to meet or go over the budgeted amount each month.

Offer prepay

A prepay program allows customers to deposit funds into their utility account ahead of each bill. The utility notifies the customer when their balance is approaching zero. The customer can then add more funds to their account or reduce energy use to make the balance last longer.

In the Claritas study we asked respondents of different income levels whether they were enrolled in a prepaid billing plan. Of those enrolled:

Low-income respondents (n = 423):

- 36% said that they have greater control over their energy use than they did with other payment options
- 31% said that they spend less on energy than they did with other payment options

Non-low-income respondents (n = 530):

- 41% said that they have greater control over their energy use than they did with other payment options
- 40% said they spend less on energy than they did with other payment options

These respondents rated their agreement with these statements as a 9 or 10 on a 10-point scale, where 10 means strongly agree.

Provide information about energy assistance programs

Many states help customers who have limited financial resources. Most low-income customers are willing to pay their bills. But they might need a little help to do so.

Be sure to make customers aware of the many types of assistance available to them. And help match customers to the right program. You can find more information on specific states' programs at the Low-Income Home Energy Assistance Program (LIHEAP) Clearinghouse.

To get assistance to those who need it most, make it easy for customers to verify their income. This can be a huge barrier to customers signing up for financial assistance. Consider streamlining program applications and simplifying how customers can enroll in all the financial assistance they need. For example, allow customers to apply for multiple utility assistance programs at once.

Recommend an energy audit and efficiency programs

Customers might also be interested in having an independent, thorough assessment of their homes' energy use. Energy audits specifically look at how a home can be heated or cooled more efficiently. See

the ENERGY STAR Home Performance Assessments web page. Many utilities now offer a virtual assessment option for customers.

You can also tell customers about available incentives for efficiency programs that could help reduce their future bills. For example, suggest that a customer sign up for an air-conditioning cycling program that has a bill credit associated with it.

Check if the customer is on the right rate

Many utilities are moving to nonfixed rate structures. This means that customers can get a lower rate if they do things like use energy during off-peak hours. And some utilities now have dozens of available rate options.

Talk to the customer to see if getting on a different rate might help them reduce their bills. Make sure all contact center agents understand the available rates and how to match customers with the right one.

Use smart meter data to find other customers with possibly high bills

Advanced metering infrastructure data can show you if a customer's energy use is abnormally high. If the customer has a smart meter and calls in about a high bill, you can look at their usage data to understand what's happening.

For example, you could show the customer how to reduce heating usage during times of the day when no one is home. Or the rep might notice that the customer's demand spikes at 5:00 p.m. If the customer is on a peak demand program, you can suggest they turn their air-conditioning off at this time.

Autoenroll certain customers in payment arrangements

If a customer is too behind on their bills, they might not be able to participate in certain assistance programs. A high bill can quickly get customers behind on payments.

Some utilities have avoided this situation by autoenrolling customers in payment arrangements or debt-forgiveness programs. Others have proactively reached out to customers in arrears through accessible channels like text messaging to offer payment arrangements. You can use smart meter data to identify the right customers for these programs.
