How customers prioritize paying their utility bills during COVID

Findings from the 2020 COVID-19 Residential Survey
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Key takeaways

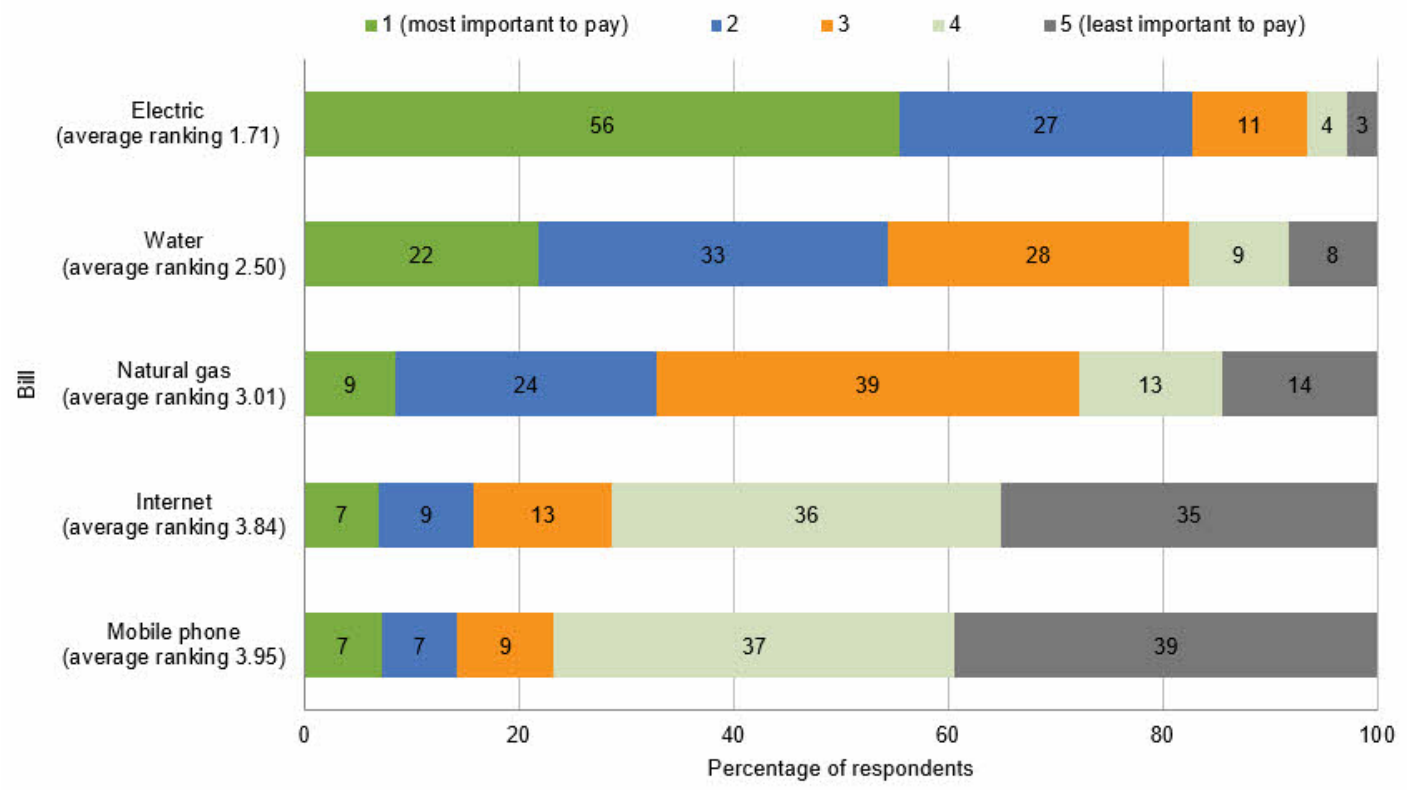
- Residential utility customers rank their electric bills as the most important to pay, followed by water, natural gas, internet, and mobile phone.
- You've given customers piece of mind knowing their service wouldn't be disconnected for nonpayment. But these moratorium policies are coming to an end, and you still need to support your customers.
- Provide a variety of billing options (alternative pricing, prepay, budget billing, etc.), and let customers know you'll work with them to keep their energy services on.

Your customers want to pay their utility bills on time and in full. They understand the importance of keeping their energy services on, especially as many are working from home during COVID-19. But due to financial concerns, some of your customers have needed to prioritize certain household bills over others during the pandemic.

We fielded the 2020 E Source COVID-19 Residential Survey to gather insights into residential customers' needs during and after the pandemic. In the survey, we asked respondents what service bills were most important for them to pay first. They told us, "Utilities aren't optional" and ranked their electric, water, and natural gas bills as the most important to pay (**figure 1**).

Figure 1: The most important bills to pay

Just over half (56%) of respondents ranked their electric bill as the most important to pay, followed by water, natural gas, internet, and mobile phone. Note we focused on service bills in the survey, so we didn't ask about mortgage, rent, or car payments.



Base: Respondents who are responsible for paying all five services (n = 866). **Question S5_1:** Considering your bills for all of the following services, please rank each service's bill from most important to pay to least important to pay. The number 1 represents the bill that you think is most important for you to pay. **Note:** Percentages may not add to 100 due to rounding. © E Source (2020 COVID-19 Residential Survey)

We asked respondents to explain why specific bills were more important to pay than others. Here are some of their answers, illustrating the tough choices they make in deciding what bills to pay:

- Necessities. I WANT phone and internet, but I NEED electricity, water, and gas.
- All bills get paid on time. [I] sacrifice food and clothes to do so.
- I need essential utilities over entertainment.
- Internet is required for our jobs at the moment, so that is far away the most important.
- Electricity, gas, and water are essential for life. I need the internet to work from home.

You've provided customers with safe and reliable energy throughout the pandemic by putting moratoriums on disconnections for nonpayment. However, some of those policies are coming to an end and that brings uncertainty for customers.

The methodology behind the 2020 E Source COVID-19 Residential Survey

The E Source COVID-19 Residential Survey provides insights into residential customers' needs during and after the pandemic. We asked residential utility customers across the US and Canada about their thoughts on how their utilities have responded to the pandemic. We included questions on customer satisfaction, billing and payment, and utility programs.

We fielded the survey online in May 2020 with 2,024 residential utility customers. We included customers of electric, natural gas, and water utilities. We recruited participants using a purchased sample from Dynata, a global online market research firm, of US and Canadian residential households.

We set quotas for gender, age, income, and geographic location. We applied a postfieldwork weighting scheme using geographic and demographic data to make sure responses were representative of US and Canadian populations. In general, a sample size of 2,000 completed surveys yields a margin of error of about ±2% at the 95% confidence level. When looking at a subgroup of responses, the margin of error increases.

Here are examples of what you can do to continue helping your customers after moratoriums end:

- Implement alternative pricing packages such as off-peak usage, demand-reduction pricing, or automated load reduction.
- Establish data-sharing agreements with other utilities. For example, if a customer applied for an income-assistance program with their electric utility, then that utility would share that customer information with other local utilities. That way, if the customer applied for a similar program with their water utility, then they wouldn't have to input all necessary data to apply, as the utility would already have it stored.
- Offer different billing options such as prepay or budget billing.
- Offer billing alerts to avoid bill shock and to prevent customers from overspending.
- Let customers know about any utility or federal energy-assistance programs.
- Provide simple energy-saving tips.
- Let customers know you're willing to work with them to keep their utilities on.

To learn more about our findings from the COVID-19 Residential Survey, call us at 1-800-ESOURCE (1-800-376-8723) or email us.

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