How to tell customers you’re increasing rates without losing their trust

An Ask E Source answer
By Angelica Pereira, Dannah Moore
February 13, 2025

How to tell customers you’re increasing rates without losing their trust

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

A:Utilities need to be as transparent as possible in communications about rates and billing increases. Customers want to know when their bills are going to go up, why, and how they can lower their costs.

Make sure to let customers know when bill increases will take effect and give them plenty of advance notice to prepare. This can reduce their frustration and reduce the calls you get at your contact centers about bill increases.

Your customers care about how a rate change will burden:

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

Learn more about the E Source residential insights tools

The E Source US Residential Customer Insights Center compiles data from the Claritas Energy Behavior Track annual online survey of about 32,000 residential customers in the US (conducted in partnership with E Source). Utilities rely on this tool to understand their residential customers’ behaviors and attitudes around energy consumption.

It’s important that you address these things in your communications about rate changes if you want to keep your customers’ trust. Here are the other things utilities can do to build goodwill with customers during a rate or bill increase.

Understand how customers feel about utility rates

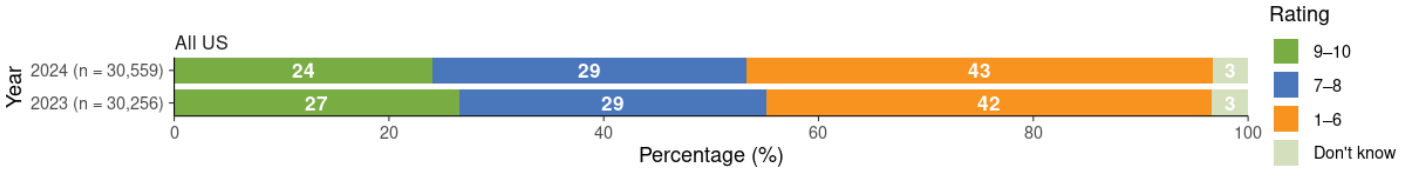
Before you write any communications about an upcoming rate or bill increase, you need to understand how customers feel about their existing utility rates. We looked at the E Source US Residential Customer Insights Center to see whether residential customers think their utility rates are affordable or not.

According to data from the US Residential Customer Insights Center, just over half of US respondents agreed their electric and dual fuel utility has affordable rates in 2024, and fewer than half disagreed. About 60% of natural gas customers agreed that their utility has affordable rates.

Residential customers' feelings about utility rates

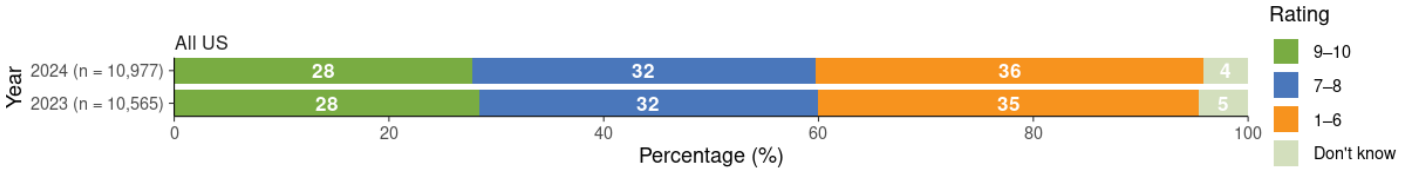
There was a slight decline in perceptions about affordable electricity rates from 2023 to 2024, which is something to keep an eye on. But customers' perceptions of natural gas rates was similar between 2023 and 2024.

Electric utility has affordable rates



© E Source (US Residential Customer Insights Center; data from the Claritas Energy Behavior Track survey). Base: Respondents who are customers of electricity or dual-fuel providers. Question A10_14new: How much do you personally agree or disagree with the following statements about your electricity provider for your primary residence? [Filtered] (Grouped) Has affordable rates Note: Respondents used a scale of 1–10, where 1 means strongly disagree and 10 means strongly agree. Percentages shown in the charts reflect weighted data; sample sizes (n) are based on unweighted data. Percentages may not add to 100 due to rounding. Use caution when sample size falls below 30.

Natural gas utility has affordable rates



© E Source (US Residential Customer Insights Center; data from the Claritas Energy Behavior Track survey). Base: Respondents who are customers of natural gas providers. Question A19_14new: How much do you personally agree or disagree with the following statements about your natural gas provider for your primary residence? [Filtered] (Grouped) Has affordable rates Note: Respondents used a scale of 1–10, where 1 means strongly disagree and 10 means strongly agree. Percentages shown in the charts reflect weighted data; sample sizes (n) are based on unweighted data. Percentages may not add to 100 due to rounding. Use caution when sample size falls below 30.

Explain why you're increasing rates

Utilities that do a good job of explaining the reasons why they're increasing rates can get more customer acceptance. And letting customers know why you're increasing their bills goes a long way toward building brand trust.

Tell customers how you'll use the money

Use plain language to tell customers how you'll use the money you get from the rate increases. It's important that you justify the rate increase to customers so they don't make incorrect assumptions. You can also help customers understand how rate changes could benefit them in the long run.

When Appalachian Power refiled a rate increase request with the Public Service Commission of West Virginia, it put out a video on social media with its President and COO explaining how it would use the rate increase. Its West Virginia Rate Review web page also details how the rate increase helps customers by reducing outages, accommodating growing energy demands, and integrating new energy sources.

Appalachian Power's President and COO explains the utility's upcoming rate increase

The video also informs customers about resources they can use to help pay their bills, such as payment arrangement plans, temporary extensions, average monthly payment plans, and federal programs.

Highlight your commitment to safety and reliability

Many utilities use rate increases to pay for repairs to grid infrastructure and to improve other areas of safety and energy reliability. Include in your messaging that:

- Customer and crew safety are of utmost importance.
- As technologies and resources advance, your customer is at the heart of all decisions you make.

Keep it simple and transparent

Open and honest messages build trust with customers. Let your customers know that you've applied for rate increases and how the rates will affect their monthly bills. It's important for customers to hear these updates from utility leaders who make decisions on their behalf.

In June 2023, SMUD's CEO & GM released several reports on rates and services to explain why the utility proposed rate changes for 2024 and 2025, what those rate changes will be, and when they will go into effect. The brief, accessible summary on SMUD's website includes links to two volumes of detailed reports, an archive of data, and the final resolution from September of that year.

SMUD shared details of what the rate increases pay for in Volume 1 of the general manager's report, tying the rate increases to things its customers care about deeply: reliability, safety, and clean energy programs.

Include a cost break down

We recommend utilities use a cost break down to show customers exactly what's included in the rates you collect. Nova Scotia Power's CEO, Peter Gregg, put out a blog posted titled A message from our CEO to help customers understand rate increases. He explained the breakdown of the rate increase as:

- Around 1.8% for reliability investments,

- Around 4% for energy efficiency programs, and
- Around 8% for fuel costs.

This meant an average increase of $10 a month in 2023 and $11 a month in 2024 for residential customers.

The blog post also explained that provincial legislature requires NS Power to achieve 80% renewable energy by 2030, and that federal policy required the utility to move off coal in that time.

Connect energy bills and energy efficiency

Customers who understand energy efficiency may feel empowered to lower their bills by changing their behaviors and using energy-saving equipment. While the connection between energy efficiency and energy bills is intuitive to people who work in utilities, not all customers know about the energy efficiency programs they qualify for. You can combine messages about rate increases or high-bill season with messages about energy efficiency programs you offer that can help with those bills.

Be empathetic to your customers' financial burdens

For many people, higher utility bills strain their family's tight budget and cause financial stress. Economic factors like inflation, rising fuel costs, and changes in government only make it worse.

Direct customers to financial help and payment programs

Help customers manage their bill when rates increase. Communicate up front about financial assistance options for customers who are struggling with the increase.

Share programs that you already have in place to help customers like billing, energy efficiency, demand response, and other programs. When rates are rising, it's a good time to promote billing programs that go beyond the traditional pay-for-what-you-use model.

For example, budget billing can give customers a predictable bill amount that lowers seasonal fluctuations. You can also help customers feel more in control of their bill by offering bill alerts.

And make sure you show customers where they can learn more and how they can sign up. Our report Make financial assistance a seamless, customer-centric experience explains how your utility can be sure it's offering what your customers need.

Highlight your dedication to keeping costs low

Show empathy to your customers' financial burdens by highlighting your dedication to keeping costs low during economic challenges.

In its Instagram post, Entergy explains factors that affect the cost of natural gas. It also highlights how the utility "charges the same amount that we pay for gas without markup for profit."

Entergy’s Instagram post shows the impacts to natural gas prices

The simple graphic helps customers understand what things affect the price of natural gas.

View this post on Instagram

A post shared by Entergy (@entergy)

Create your communication strategy

Once you know what you’ll say, it’s time to decide where you’ll say it. We looked at market research and utility examples to help you create your communication strategy.

Use market research

E Source developed the new E Source Metrics and Insights dashboard in early 2024 that analyzes marketing campaign metric data from hundreds of utility campaigns stored in our database, Energy AdVision. E Source Energy AdVision is our database of more than 8,500 examples of utility marketing and advertising campaigns.

We populate this database with ads submitted to the annual E Source Utility Ad Awards Contest. These submissions include information like:

- Campaign background and goals
- Strategy and tactics
- Timeline
- Target market
- Results

You can also split metrics out by market sector or campaign audience, campaign channel, campaign topic, and more. We looked at seven utility campaigns focused on billing and rates and found that:

- Digital display or paid advertisement was the channel used most often by utilities (6 of 7),
- Social media was second (4 of 7), and
- Company website was third (2 of 7).

We recommend utilities use a multichannel approach when communicating with customers about an upcoming rate or bill increase.

Reach customers on the channels they use

It’s important to send out communications about rate increases on multiple channels to make sure as many people as possible have access to the information they need. Here are some examples across multiple channel types.

Website update or blog post. One of the most important places to put information about an upcoming rate increase is directly on your utility website. Website updates or blog posts are good because they’re stationary resources for customers who visit your website to refer to.

FortisBC's website notifies customers that Gas rates will change on January 1, 2025. The update includes information on when the increase will happen, how much it could be, and why it's happening. The update includes icons where customers can quickly share the information to their own social media accounts.

Updates on social media

Social media is a great way to spread the word about upcoming rate or bill increases since many types of customers learn news from social media posts.

View this post on Instagram

A post shared by Toronto Hydro (@torontohydro)

Local news press release. We recommend utilities write press releases for news outlets to pick up and cover the story in your service territory. Utilities host copies of their press releases on the news or media sections of their websites.

EPB's press release, EPB Board approves electric rate increase set for October billing, emphasizes that this is the "first local increase in 8 years." The press release starts with the increase amount and the date, then follows the information with a direct quote from the utility president and CEO.

Bill inserts

Physical bill inserts are a helpful way to reach customers who aren't good with technology or who may have missed other digital media announcements.

PG&E

Downloadmake-your-energy-system-safer.pdf

NB Power

Downloadnew-power-rates-for-nb-residential.pdf

EWEB

Downloadres_insert_202412.pdf

Use feedback

Any time you post about rates, you'll experience unhappy customer comments. Our report How should utilities respond to negative comments on social media? gives tips and examples on how to handle these comments and alleviate customer concerns. This report is available to members of the E Source Corporate Communications Service.

© 2008 - 2026 E Source Companies LLC. All rights reserved.
Distribution outside subscribing organizations limited by license.