

ENERGY UTILITIES



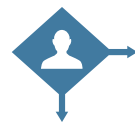
A New Method to Reduce Utility Customer Bad Debt

Improve Financial Results & Customer Satisfaction

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www.skippingstone.com



SmartMeasures

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The Utility Bad Debt Problem is Growing

Utilities are experiencing bad debt growth at unprecedented rates that started with the COVID disruption in 2020 and 2021. During this disruption, utilities were commonly prohibited from service cuts in most jurisdictions, and bad debt rose at a significant rate.

Since that time, utilities have been able to recover some, but not all, of those losses. Since COVID, the price of electricity and gas has increased at levels beyond typical inflation rates, which has further exacerbated customer bad debt and is driving customer dissatisfaction as well.



“Electric and gas utilities had arrearages of \$32 billion at the end of 2020, with as many as 20% of households behind on utility payments.”

Utility Dive

The Current Approaches for Managing Customer Debt Are Inadequate

PROACTIVE

- **Deposits**
- **Flexible Payment Options** including budget and installment payment programs
- **Assistance Programs** where available (e.g. LIHEAP and other programs or grants)
- **Prepay Utility Programs**

REACTIVE

- **Collections** using traditional approaches of calls, letters, use of collection agencies, etc.
- **Disconnection for Nonpayment**, which is very limited in most states
- **Debt Forgiveness** or debt assistance

25% of Americans

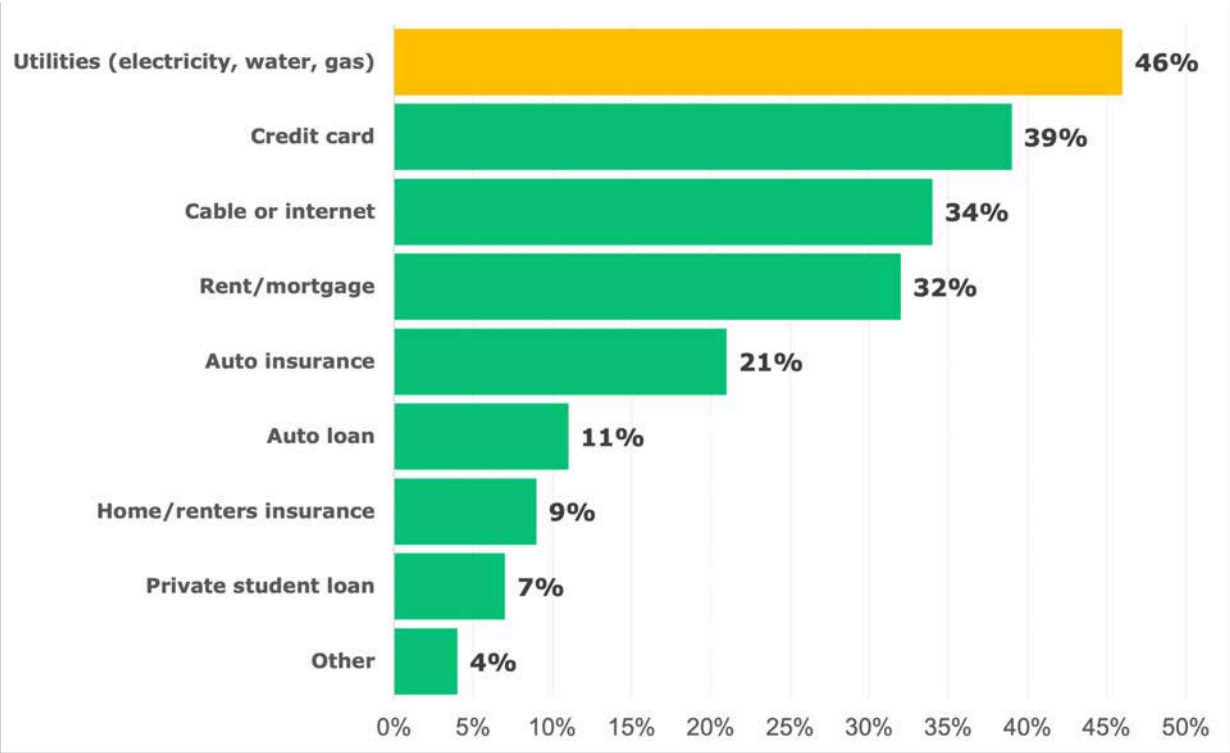
reported having difficulty paying their electric bills over the past year. Among those earning under \$50,000 annually, this figure rose to 34%.

Smart Energy Consumer Collaborative 2023 Survey

The Need to Change Customer Behavior

Paying the utility bill is unfortunately last in line for customers who are struggling to meet all their obligations.

Bills paid late in the last 6 months



Source
lendingtree

LendingTree survey of 498 consumers who paid a bill late in the past 6 months, conducted in August 2022. Respondents could select multiple answers.

Changing payment behavior and improving customer experience at the same time doesn't seem like they belong in the same sentence. This is true for the traditional dunning and collection processes currently being practiced. Hence, it's time to try something different.

Leveraging Artificial Intelligence (AI) and Behavioral Science

Predictive AI utilizing existing customer data enables utilities to identify patterns and anticipate customer behaviors before they happen. Once AI identifies patterns and specific data to identify customers at risk, behavioral science is layered in to craft customized communication methodologies to influence customer decision-making resulting in improved payment practices, a better customer experience, and results in lowering bad debt.

Sound like yet another empty promise from the AI geeks? Maybe, if you had to invest in software, implement and integrate the software, and hire AI experts and behavioral scientists. Using that approach, who knows if this idea works or not and it would be a very expensive initiative. There is a better, no risk, less expensive way.

Introducing SmartMeasures.ai

SmartMeasures delivers on the promise of lowering bad debt using a combining of AI and behavioral science without the large up-front investment. Using a managed service approach utilizing their own technology platform, fed with your data, SmartMeasures predicts customers at risk before they get too far behind and applies behavioral science to communicate and engage and these customers to change behavior and pay the utility bill.

Does it work? SmartMeasures is so confident it works and over delivers, they are willing to do a risk free pilot program. Risk free in that if the pilot program doesn't deliver, then the pilot program is free and you can cancel the contract. To date, no one has cancelled!

To recap

- No software to buy, implement, integrate
- No new hires required
- If the pilot program doesn't produce results, its free

Conclusion: The Future of Customer Care Is Proactive

We're in a new era. The pressures on customers are real, and they're not going away anytime soon. Utilities that take a proactive, data-driven approach to managing customer debt won't just see improved financials—they'll build stronger, longer-lasting relationships with their customers.

The old way:

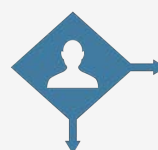
Waiting until the problem is big enough to fix, is no longer viable.

The new way:

Stepping in early, with the right message and the right tools - is already here.

At SmartMeasures, we're proud to help utilities lead the charge. Want to know more?
Email us at lets.talk@smartmeasures.ai

Download this white paper



SmartMeasures