



For Immediate Release

The Energy Bill Is Now the Second-Most-Popular Monthly Bill to Pay Online, According to E Source Study

BOULDER, Colo., January 31, 2005—The energy bill is the second-most-popular bill that consumers choose to pay online. The credit-card bill is the only other monthly bill that more consumers choose to pay online. More people have paid their energy bill online than their local telephone, cell phone, mortgage, or even Internet service provider bill, according to a recent market research study conducted by E Source.

E Source conducted the “Internet Customer Care in the Energy Industry” market research study to measure the latest online behaviors and expectations of utility customers; the study polled over 1,000 residential consumers in the United States and Canada.

E Source has now tracked online payment behaviors for three years. The first study, in 2002, showed dismal use of online services by energy customers. However, it showed some early glimmers of hope for energy companies seeking to migrate their customers from the expensive customer service channels such as live phone interaction with an agent to the web site. Over the past two years, customer behaviors have slowly and steadily changed. For example, in 2003 bill viewing and payment rates exceeded 2 percent for the first time, doubling the rate from just a year before. Once again big changes can be seen in the 2004 survey. For example, back in 2002 no customers were paying their energy bill online unless they had already started to pay another bill online, and overall adoption rates were low. In 2004 the energy bill was the second-most-popular bill that customers paid at least once at either their bank web site, a billing consolidator site, or the local utility site. This number is exceeded only by the monthly credit-card bill.

“Encouraging customers to view their bills online and make an online payment is important to most North American utilities,” said Andrew Heath, director of the *E Source E-Business Service*. “Online transactions are cheaper than the traditional method of sending a bill in the mail and then receiving a payment as a check. However, these benefits can be realized only when enough customers switch to the online channels to cover the fixed costs associated with launching these services. For many utilities this point has now been reached and surpassed.”

“The growth in online bill viewing and payment at utility Web sites has spurred interest in other online services” said Tia Hensler, director of market research at Platts. She added that in response to the increased use of the utility web sites, “our research also extends to assess the popularity of 37 features that customers would expect to find at their utility web site. These functions covered general information such as pricing options as well as online customer services such as reporting a gas leak or power outage.”

The market survey was conducted between August and September 2004. A total of 1,000 interviews were completed with respondents who had at least some responsibility for the monthly bill-paying process in the household. The results were weighted by region of the country according to 2000 census data.

About E Source

Headquartered in Boulder, CO, E Source is a leading research and information services organization, providing member organizations with unbiased, independent analysis of retail energy markets, services, and technologies. Additional information is available at www.esource.com.

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