Are We Getting Utility Bill Designs All Wrong?

By Bill LeBlanc

June 13, 2018
Are We Getting Utility Bill Designs All Wrong?

June 13, 2018

Bill LeBlanc

Through E Source’s recent residential ethnographic research for E Design 2020, we identified discrepancies between the bills utilities send their customers and what the customers want. Redesigning bills focus on making clear how much customers owe,WHAT IS A BILL?

What is a bill? A bill is a summary of the energy a customer used over a certain time frame, typically a month. This summary is usually presented as a table with columns for various months and usage levels. The table is then followed by a total usage amount and a financial calculation. The figure below shows how a utility bill can be organized:

A bill is typically structured as follows:

1. **Usage Information**: This section lists the usage for a specific period, such as a month. It includes the date range and the total usage for each category (e.g., kilowatt-hours, therms).
2. **Cost Information**: This section provides cost details for the usage, including charges for electricity, gas, and other services. It also includes any taxes or fees associated with the usage.
3. **Total**: This section displays the total amount due for the period, including any fees or penalties.

Even the best-designed bills are falling short of customer expectations. Learn how you can use design thinking to change that.

Explain the value behind the bill

Customers don’t know what a kilowatt-hour or therm is, and most people don’t care to understand these terms. One woman told us, “Just tell me what I bought, like how much it cost me to charge my cell phone or have my AC on.”

People understand dollars, so how might we explain the value they receive each month in energy services for the money they pay? Offering a values-based bill design can benefit both customers and the utility, potentially reducing bill complaints. With the availability of smart meters, it’s easier than ever to provide the type of information customers want to see.

Help customers prepare for their bills

Customers who have to budget for their bills, including low-income customers, feel they’re in the dark about how big their bill is going to be. Some customers want to have an actual estimate of their bill well in advance. Others wish they could pay more often than every month, even weekly or daily.

For these customers, it’s more valuable to have a prediction of next month’s bill than data on previous bills, which is a standard feature in most energy use over time. How might we change the bill design to combat the anxiety customers have about opening and paying that bill?

Give customers a choice

Customers don’t like that they’re “forced” to buy from a monopoly and have no choice in what they pay—participants were genuinely aware of rate and billing options offered by other utilities. Ultimately, it’s the utility’s responsibility to help customers better understand their bills, but before jumping into time-of-use rates, as some utilities are doing, consider the customer.

How might we design a set of rate and payment options that customers can readily understand and choose based on their needs? Choosing the right architecture is an art and a science, providing the right options for customers will empower them to make choices in real-time when they’re buying from a monopoly.

Design thinking can help us reinvent the future of energy bills. By using customer-related design thinking, we can improve the future of energy bills.

The next time someone asks you how to redesign a utility bill, consider this: What if we were designing a bill for the first time, without all the constraints of what’s been done before? We have to ask ourselves: What are the core needs of our customers and how can we design a bill that meets those needs? Design thinking can help us solve this problem.

To learn more about our design-thinking approach, check out the recording of our recent web conference Radically Redesign Your Utility’s Customer Bill Using Design Thinking. We revealed findings from our ethnographic research with real utility customers and described the design-thinking project that we’re proposing.

Learn more

About the author

BILL LEBLANC

Chief Instigation Agent

Bill LeBlanc previously served the business as vice president for marketing, vice president for consulting, and vice president for research. He’s also president of the Builder Energy Group. Bill has more than 20 years of experience in sales and marketing, new product development, pricing, market research, and strategy.

Talk back!

Let us know what you think. If you want to weigh in or chat about this topic, just email Kym Wootton, E Source vice president of Marketing. Follow Kym on Twitter.