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For Immediate Release

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DEFG Consumer Survey Confirms Need for Strategy to Address Affordability of Utility Bills

Focus on How Best to Serve Low Income Customers

Washington, DC ... DEFG, a research and advisory firm focused on customer strategy and customer experience in the utility sector (www.defgllc.com) released today the findings of an annual survey of low-income households. "How Best to Serve Low Income Customers in the Utility Sector? The Need For a Strategy," relies on data from 605 respondents with household incomes of less than \$50,000. The survey was conducted through DEFG's Low Income Energy Issues Forum, a broad coalition of 400 professionals representing utilities, state regulatory agencies, and a variety of research organizations.

"Forty-eight percent of the respondents indicated some, or frequent, trouble paying their utility bills," stated Nat Treadway, Managing Partner at DEFG. "It is disheartening that this number has been increasing over recent years. More than fifty percent of certain demographic categories—respondents in households with children, younger respondents, and renters—have trouble paying. Further, it may startle some people to learn that employed respondents indicated a higher level of trouble paying their utility bills than unemployed respondents."

Findings from the annual survey:

- 24% of respondents indicated they had applied for energy assistance during the past two years
- 51% of respondents are concerned about paying late fees and penalties (reconnection charges)
- 50% would choose fixed monthly bill payments if given a choice
- 27% would pay slightly higher fixed monthly payments to avoid adjustments or true ups

"Low-income households include a very diverse mix of customers with different needs and preferences. Our findings have consistently pointed to the need for new service offerings. Households can pick and choose among offerings to match their budget, cash flow, and lifestyle," continued Nat Treadway. "But 'time is money' for busy families. A household must assess whether to participate in a program."

"The best utility service is affordable service. Affordable service requires reasonable cost as well as clarity, simplicity, and a low time commitment. People want reduced anxiety and control over their utility bills. There is strong evidence that eliminating utility bill uncertainty—through regular, fixed payments—can improve the customer experience."

"In order to satisfy diverse needs and preferences, utilities need a clear vision and a customer strategy that ensures that service offerings work together, yet remain simple and easy to understand. Simplicity and ease of use can increase trust over time."

For a free copy of the report and to join DEFG's mailing list, go to: <http://defgllc.com/publications/>

DEFG is a research and advisory firm specializing in consumers and consumer-facing offerings in the utility sector. We believe that customers are the future of energy. Since 2003, we have helped clients create value in a commodity marketplace. In a rapidly changing marketplace, customer engagement is the key to success.