

Customer Systems Project Overview

Introduction

The purpose of this project is to implement a number of individual improvements in the customer service area as well as prepare for the implementation of a new cash register system. The following are the individual initiatives within this project:

1. Meter Reading Estimating Improvements
2. Automate the Process of Dealing with Premises without Responsible Bill Accounts
3. Enhancements to Pre-Billing Edits
4. Hand-held Meter Reading and CSS Improvements
5. Cash Register System
6. Enhance the Equal Payment Plan

Meter Reading Estimating Improvements

Description: This initiative involves an evaluation of the algorithm currently used to generate an estimate of a customer's consumption. In addition, an automatic process of identifying and notifying customers when their meters have been estimated multiple months will be developed.

Costs: \$40,200

Benefits:

- Reduce the number of customer calls to Customer Services concerning the basis for an estimate.
- Reduce the number of field orders issued for reading verification.
- Billings to customers (when estimated) will more accurately reflect actual usage.
- Reduce the number of chronic inaccessibility cases and therefore reduce the number of estimates required.

Analysis: Continual improvement to the estimating algorithm ensures customers' bills reflect their current usage patterns.

Automate the Process of Dealing with Premises without Responsible Bill Accounts

Description: This initiative will automate the processes used to ensure there is always a customer responsible for the electricity used at a given premise. When a customer vacates a property, there may be a time lag between the time the old customer moves out and the new customer takes over. When the new customer does not sign up for service within a specified period, the clerk must determine who the new customer is and ensure that customer takes responsibility for service. Otherwise the property must be disconnected. Currently this is a

paper process whereby notes and follow up action from prior reports are manually referenced and/or carried forward.

Costs: \$23,400

Benefits:

- Potentially reduce revenue loss by allowing for more timely follow up to find the next customer responsible for electricity usage after the previous customer has left.
- Efficiency gains of approximately \$7,000 per year in labour have been identified.
- Improvement in customer service through more timely billing.

Analysis:

A net present value calculation also indicates breakeven is achieved in less than 4.0 years.

Enhancements to Pre-Bill Edits

Description: Prebill edits are a large list of internal checks (more than 130) completed for each customer to ensure a bill will be accurately calculated prior to it being issued to the customer. If an account “fails” these checks, a bill is not calculated until a clerk reviews the account. This initiative will conduct an in-depth review of these edits; identify and implement improvements to existing checks; remove checks which are no longer useful; and add new checks as required.

Costs: \$47,300

Benefits:

- Identifying accounts with problems, discrepancies or issues is more efficient at the prebill stage. The issues are simpler and more timely to resolve earlier in the process.
- Problems reaching the customer lead to complaints/calls to Customer Service, possible field verification of readings and follow up action. All are more time consuming.
- Improved editing may reduce the risk of lost revenue.

Analysis: A comprehensive review of the prebill edits has not been completed since the process was implemented in 1992. Numerous opportunities have been identified to improve the editing process currently in place.

Hand-held Meter Reading and CSS Improvements

Description: This initiative involves making changes to the Customer Services System in order to take advantage of functionality available in the new Handheld Meter Reading solution implemented in 2002. This includes being able to display meter readers' field notes in the CSS, update the CSS with new service information captured in the field, update the CSS with changes in the order in which meters are read by the meter reader, and other minor improvements.

Costs: \$57,100

Benefits:

- Customer Service improvements - more information will be available in a centralized database regarding the customer's premise. Information will be accessible by all users rather than simply the meter reading staff.
- Meter reading efficiency - improvements associated with maintaining the optimal sequence of meter reading routes.
- More timely billing of the initial bill for new customers.

Analysis: These improvements will primarily allow the Company to provide better service to its customers by keeping accurate and additional information about the customer's consumption or premise, and to ensure more timely billing.

Cash Register System

Description: This initiative will assess the alternatives for replacing the Company's current cash register systems. This will include a market survey, recommendations on the approach, development of a budget in 2003 and identification of vendors. Implementation will occur in 2004.

Costs: \$40,000

Benefits/Analysis: There are a number of growing risks associated with the existing system:

- The current system is a DOS-based package that will not run on current operating systems and computer configurations. We maintain an inventory of old computers in the event that a cash register machine requires replacement; however, this inventory is diminishing and cannot be replenished.
- We have very limited internal resources that are familiar enough with the systems to trouble-shoot any issues or problems.
- We have a fee for service contract with the vendor for hardware maintenance. The vendor cannot alter the current version of the software.

Analysis: Conducting this review will allow the Company to make the most cost effective decisions with respect to replacing this technology.

Enhance the Equal Payment Plan

Description: This project will provide EPP customers with more flexibility during initial set up and annual settlement processes. In addition, the annual settlement process will be modified to identify erratic consumption affecting future EPP monthly payments.

Costs: \$43,400

Benefits:

- Offers the customer choice and a range of flexible payment alternatives.
- Provides the ability to identify abnormal EPP Monthly Payments prior to the new EPP bill being issued to the customer. This leads to billings which more accurately reflect usage, and reduced customer enquiries.

Analysis:

As part of our on-going process the Company solicits the input of our Call Center staff when identifying opportunities for customer service improvements. Staff identified a number of opportunities in the EPP process.