

BULLETIN

WHERE DO WE GO FROM HERE?

ADJUSTING YOUR PUBLIC UTILITY POST-COVID-19



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WHERE DO WE GO FROM HERE?

Adjusting your public power utility post-COVID-19

By Aaron Welling and Sonny Virakpanyou

Four months ago, COVID-19 became a household name. It immediately affected hundreds of thousands of people and tens of thousands of businesses. What most of us didn't realize is that it would impact us well beyond the pandemic. While we still don't know the full extent yet, there are a few things that are evident that will be affected or require changes to business in the future. This is the case for every industry, and member-owned utilities are no exception.

The changes that need to be made as a result are both internal and external to the utility, and they're already being implemented by many NWPPA member utilities in the Greater Pacific Northwest. We spoke with nine utilities from California, Idaho, Montana, Oregon, and Washington to get their perspective on how they're adapting from the pandemic and what they see for the future. We've broken them down from strategic to tactical topics to help you think about what's coming and make better decisions in moving forward in the new normal.

Adjusting to load changes in commercial and residential usage

As many businesses were forced to work from home, there has been a change to their perception of telecommuting. Some small businesses have realized that they don't need a storefront or office after all. Many have moved from a commercial building to a home office and invited their employees to do the same. For some utilities, this has meant a decrease in commercial usage and adjustments in different ways.

- **Grant PUD (Ephrata, Wash.) Public Affairs Supervisor Chuck Allen:** "We may see a dip in our large retail customers as they experience a slow-down, but, as a power generator, we can offset that loss through the wholesale markets. Right now, for broadband we have about 73% of our people signed up, so it's getting more of them to sign up as more



One of Grant PUD's extra communications efforts was to highlight the people in its county with a #WeAreGrantCounty campaign and website (grantpud.org/blog/thanks).

and more of our customers are at home and live in rural areas."

- **Northern Wasco County PUD (The Dalles, Ore.) Customer Service & Key Account Manager Justin Brock:** "We continue to assess our operations and capital projects to make course adjustments and prioritize based on a risk-informed decision process to understand the impact on both the utility and community. We've deferred some projects from 2020 to 2021 and 2022 to help with potential shifts in revenue and importance. One early observation we noticed was a slight shift in peak hours/times and unusual usage patterns. This was attributed to businesses having to close or significantly reduce their operations, but we're keeping an eye on it to see if it gets back to where it used to be between residential and commercial."
- **Redding Electric Utility (Calif.) Electric Utility Director Dan Beans:** "Our goal and approach is to evaluate the majority of our activities we conduct and fund, and understand how to reduce our risk of bad debt

so we can increase cash flow in order to service and improve our community."

For businesses that have been deemed essential, decreased usage has been minimal. But other locations—such as healthcare, hospitality, public buildings like libraries and offices, sports venues, churches, and schools—have been hit and this is likely to continue. However, many utilities mentioned that while commercial usage has decreased, residential usage has increased due to more people being home during the day. This has helped to balance out the load across residential and commercial. More utilities will continue to evaluate what to do with a changing load shifting to residential with more of their customers working from home.

Adapt to new customer interactions

Prior to COVID-19, the lobby of many utilities was a gathering place for some customers. It was a place for them to get out of the house, talk to someone, and get some human contact as they paid their bills in person with their friendly local utility. Those days may be gone. A shift to online payment has been a difficult hurdle for many people, especially older patrons. It has also created a shift for many utilities to accommodate their customers according to their needs and add new ways to interact with customers.

- **Ravalli Electric Cooperative (Victor, Mont.) Manager of Communications Melissa Greenwood:** "We always had a way for people to pay their bills online with us, but we moved to a lot more email correspondence. We're in a very rural community and some of our older members love coming in to pay their bill. Those older members aren't tech savvy; even though we have everything on our website to sign up, print off, and bring in, they couldn't do it. So trying to walk

them through it over the phone has been difficult. It's been a tutoring session each day."

- **Clallam PUD (Sequim, Wash.) Communications Manager Nicole Clark:** "We've been leveraging SmartHub to communicate to customers and help them pay their bills online. Also helping them with SmartPay and providing customer support programs to access resources."
- **Turlock Irrigation District (Calif.) General Manager Michelle Reimers:** "We had to close down our lobbies and we had a lot of customers that were affected because we provide power to 14 disadvantaged communities. That was a struggle to close them, but we've managed. We have drop boxes and have encouraged people to pay online or over the phone. We've also stepped up our communication with them over the phone. We've proactively called them to see how they're doing. That's helped out a lot. And people have appreciated that we're concerned about them and asking how we can help."
- **Beans:** "We developed videos with the Chamber of Commerce explaining what we were doing. Our walk-in centers are open, but we are still applying social distancing rules. Since our office is pretty far away from our low-income customers, they really don't like to travel to us or can't get here. We thought about putting in a special bus route, but the volume was not there. Instead, if customers need to pay their bill, we will go to them to pick up payment or process it at their home."

You can still bring yourselves closer to your customers when face to face isn't possible. There are ways that you can ease the burden for your customers in making a shift from in-person to virtual. Because of the pandemic, much of the older generation now knows how to use Zoom and other video formats for communicating with loved ones. You can leverage those mediums for online chats and webinars to explain the online payment process. Innovating to allow customers to pay in new ways beyond online can help those that don't have online access.

Create more frequent customer communication

In the face of consistent change, we need consistent communication. Getting the word out to your customer base in a timely manner is crucial. Many utilities have stepped up their rate and routes of communication in the wake of the pandemic.

- **Allen:** "Communications has not necessarily been a challenge for us with our customers because we have worked on our social media presence greatly. We have a pretty strong following and have identified strong channels customers like to use, like Facebook. We still provide the normal routine with newsletters and inserts, but lately it's been extra things because of the pandemic. It's just getting the info out there."
- **Clark:** "I asked employees working from home to take photos of themselves and their home office set up. I scheduled these to be shared on social media in the first weeks we were shut down to help keep our employees connected as human beings with our customers. Customers really liked those."
- **Clatskanie PUD (Ore.) Customer Relations and Service Manager Sarah Johnson:** "We did more Facebook posts and we had a COVID-19 page on our website about office closures that we would update regularly."
- **Reimers:** "We significantly beefed up our social media account with lots of videos. We're trying to be conscientious of what's happening around us, communicating what's happening in the city or the county or the school districts. We also made fun posts about home working offices. We've definitely increased our social presence."



Turlock Irrigation District increased its social media presence with fun posts about home offices.



Redding Electric Utility developed videos with the Chamber of Commerce to provide updates.



Clallam PUD shared photos of their employees working from home, including Safety Manager Larry Morris and his four-legged assistant.

Social media is a great way to communicate with people en masse. Help them to understand changes in office closures or openings, change in policies or protocols, new measures to protect yourselves and your clients. In addition to the timely communication, your customers want more information, not less. Tell them what you're doing in the aftermath of COVID-19. They'll have greater respect and loyalty for your communication efforts.

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Increase customer empathy

The pandemic has already caused devastating losses and we are likely to see more. Businesses have been closed, people have lost their jobs, and not everyone will come out of this unscathed. And while Paycheck Protection Program loans and unemployment will help to shoulder some of the financial burden, it can't carry all of it. Public power is rising to the challenge to help its customers.

- Anza Electric Cooperative (Calif.) General Manager Kevin Short:** “Beginning in March we’ve deferred disconnecting members for non-payment and we’ve created extended arrangements for making payments. We developed a financial assistance program many years ago and it’s been used to help people in times just like these. It’s a big help for our members. Once a month we’ve been creating a food bank, too. We help 400-500 people each month by providing them with USDA food to help during this time.”
- Brock:** “We’ve developed a partnership with the Wasco County Economic Development Commission to help facilitate a program that assists small businesses during these times with credit assistance. Currently there are 34-35 businesses that are eligible for the program. As for residential, we are temporarily alleviating some of our guidelines and giving back service deposits and crediting those accounts directly.”
- Greenwood:** “A member called and said her son was turning nine and had his birthday canceled. She wondered if the linemen would send him a card to cheer him up. Our guys decided to do a drive-by in the line trucks instead. We gathered a few trucks, decorated them, got a basket full of our swag, and a big poster that all of our employees signed. We lined up the trucks and called his mom to bring her son out. We had “Happy Birthday” playing through the speakers and then the linemen popped out and wished him happy birthday. It was a cute moment for him and it was great to help one of our members. His mom later called to thank us and she was crying on the phone, so grateful



Ravalli lineworkers wished one of their younger members a very happy birthday!

because it was so much more than a card. She really appreciated it.”

Remember your customers as individuals with unique challenges. Show compassion for those that may have difficulty paying their utility bills. Partner with local businesses that haven't been hit as hard and build forgiveness programs that will let those that are hardest hit save on their utility bills for a month or two. And make sure that you let everyone know how they can participate. Work with other organizations to see how you can collaborate for help. The goodwill you create in your community will have years of lasting effect.

Embrace crisis management and crisis planning

COVID-19 helped show many organizations how ready they were in the face of a crisis. While the pandemic may be the only one we see in our lifetime, many experts think it will be the first of many. And a pandemic may not be the only crisis that we can see. Public utilities are so important to the backbone of our nation that every one of them needs to ensure they have a plan for the future. Here's what some are doing for the future.

- Idaho Falls Power Assistant General Manager Stephen Boorman:** “We adapted pretty well as a city and a utility. For cities, your frontline municipal workers perform the best during the worst times. We’ve really experienced that. We will be carrying more inventory in the



Anza Electric Co-op created a food bank to help 400-500 people each month.

future based on what we’ve learned. One thing that has helped us is the Incident Command System that everyone kind of learned after 9/11. We need to train up the younger generation that is unfamiliar with the ICS for next time so we’re faster to react and can adapt better.”

- Short:** “It’s definitely part of our emergency plan now. I can’t say that it was before. We have come up with policies and protocols that we will be instituting for the long term. We’ve seen the need for stockpiling medical PPE and paper products.

We also created two teams within our company to limit exposure among the entire organization. That will be instituted in the future. All utilities are essential in what we do. Reliability is our mantra. We will be spending more time on this type of planning in the future.”

- **Johnson:** “We now have very detailed policies and procedures for the next time we have a pandemic. We have plans for working at home now which we did not have before. We’re looking at hardware and supplies that can make that happen. We’re much better at media platforms like Zoom that make it easier to work long distance. We’ve also used Slack and that has helped communication internally. We will be using what we know now for the next time.”

If you already had a plan and it was executed effectively, sit down following this pandemic and discuss the lessons learned. Where did you succeed? Where did you fail? What could have been better? A post-mortem will yield many ideas for handling the next crisis and will ensure that your organization can pivot quickly no matter what comes your way.

Evolve as an organization

We often see new businesses arise during times of stress and challenge because people identify new needs that arise and develop new ideas to feed those needs. Airbnb and Uber are two examples of this. Both came about in the recession of 2008 and filled two needs. Airbnb connected people who wanted to save money when traveling with those who wanted to make a few extra bucks with an extra room or couch. Uber connected people with a car and time on their hands with people that needed to get a ride from point A to point B. Fast forward 12 years to two successful companies who continue to innovate on providing value to customers. We asked others how they see their organization evolving as a result of the pandemic.

- **Beans:** “We will continue to develop our community and meet their needs. We will continue to invest in our technology and infrastructure to help mitigate crises and other forecastable challenges.”

- **Allen:** “We have to see this as an opportunity to see if we can do something different and make it work. Ultimately, we have to do what is right for our customers and make the best choices for them. After all, we work for them and they own us. It’s been satisfying to see that we can take customer calls at home or have all access programs for employee training through online portals. It’s great to get real-world data from all this and make informed decisions and see what works and doesn’t. The only challenge with this new normal is how will it affect culture, morale, and productivity.”
- **Reimers:** “We have a bigger sense of pride now as an organization. We had never considered telecommuting. We now have to consider it, because it has worked. I think there’s a new level of trust and camaraderie that’s going to move forward long term. People are feeling engaged and part of a team, and I think that will move forward. And lots of hope coming into the future. Telecommuting, virtual options, looking at technologies—we can run a tighter ship, we have learned that. I’m very excited about it.”

In conclusion

Winston Churchill said, “Never let a good crisis go to waste.” Crises can often have a positive impact when they happen. You have an opportunity to turn a negative into a positive for your customers and for your organization. Look at where you’ve failed and where you can be better and evolve your organization as a result. As you do you will continue to grow and delight customers as a result. **NWPPA**

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IDENTIFY YOUR LESSONS LEARNED

You can become better because of the pandemic, too. There are lessons that you’ve learned the easy way or the hard way. Identify them and evolve your business. Here are a few thought starters:

- What are the things you’ve learned as an organization from the crisis?
- What employees demonstrated initiative and should be considered for promotion?
- What new services can you identify that have proven to resonate with customers?
- What are the capabilities that you wish you had developed more?
- How can you shift communication to be more efficient?
- How can you leverage online resources and tools to be used more effectively?
- How can you communicate that you’ve made power one less thing for customers to worry about?