



Empowering Customers with a Prepaid Billing Solution

Background

Headquartered in Atlanta, Georgia Power is the largest of the four electric utilities that are owned and operated by Southern Company. The utility serves over two million residential customers and 300,000 business customers across the state of Georgia.

The utility has been a leader in the development of customer programs around innovative new technologies, including residential solar, electric vehicles and smart thermostats, and has been recognized as one of the top performing utilities in terms of customer satisfaction scores.

Understanding the customer base

In 2013, Georgia Power brought in an outside consulting firm to help with a study of the customer base. Georgia Power conducted a survey to get a better understanding of areas where customers thought the utility could be doing a better job. One result of the survey was segmenting Georgia Power's customers into six categories based on payment history, power usage, age, and income level. The utility then looked at how they could better serve the challenges and needs of each customer segmentation via the development of new programs.

Questions were posed to the six customer segments based on five touchpoints with the utility: 1) Start, Moving or Stopping a Service; 2) Billing & Usage Information; 3) Payment Options; 4) Outages & Service Issues; and 5) Additional Products & Services. Through the customer surveying, five main themes emerged on what customers want from their electric provider.

Customers commented on starting a service and best practices for reporting service issues, but relating to payment options specifically, two primary themes emerged from customers' responses: 1) customers want more flexibility and ease with payment options; and 2) customers want to use their preferred method of payment.

Based on the information gathered, Georgia Power sought to make changes that would meet the changing needs and challenges of their six customer segments. This included expanding the hours of many of Georgia Power's brick-and-mortar locations and adding payment options at grocery stores and local retails, but also the expansion of smart meter-based programs.

PROGRAM AT A GLANCE








Working with Metro Atlanta-based technology company PayGo®, Georgia Power has developed a smart meter-powered prepaid billing program that empowers customers to take control of their energy usage and budget.

RESULTS AT A GLANCE:

By the end of the first two years of the program, 2016, over 10 percent of eligible residential customers were enrolled in the program.

The program reaped financial benefits for Georgia Power as the utility collected over \$10 million from past due since the inception of the program.

Benefits and Features

	Payment flexibility, including the ability to make multiple smaller payments each month for the usage you want
	No deposit, no credit check
	No reconnect fees
	Convenient payment options , including more than 2,600 Authorized Payment Locations such as Kroger, Walmart, Publix and Kmart
	Low-balance alerts via text, email or automated phone call
	Ability to pay off outstanding balance over time
	Online and mobile account management, including the ability to monitor your daily usage

The program

One of the smart meter-based programs that was developed as a result of the customer surveying was prepay billing. Why prepay? Georgia Power's prepay program offers numerous benefits to its customers, including the lack of a deposit required when starting the account, the ability to use any existing deposit as credits on the account and the ability to pay off a past due amount over time – not immediately. The program also does not require reconnect fees in the event that power to a customer's home has been shut off, and there are no surprise bills during months of increased energy usage. Customers tend to use less energy on prepay programs as well.

Ultimately, though, perhaps the most important benefit to customers is the high level of control of their home energy usage and monthly budget. In the customer surveying that Georgia Power conducted in 2013, this was one of the most desired benefits for customers.

With the implementation of a prepay program, there were also numerous benefits to Georgia Power. While most of the early prepay program enrollees came into the program with a past due balance, the majority were able to pay that off due to the flexibility in payments enabled through the prepay program. Since the program has proved to be a better option for many customers, Georgia Power also saw an increase in its customer satisfaction scores.

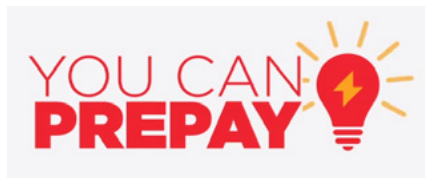
The prepay program also had the support of the Georgia Public Service Commission, and Georgia Power worked closely with regulators in the design and implementation of the program. Finally, the rollout of the prepay program has proven to be a positive return on Georgia Power's Advanced Metering Infrastructure investment.

The results and reception so far

The prepay program has proven to be a success for both Georgia Power and many of their customers. By the middle of 2017, over 33,000 or 10 percent of eligible residential customers were enrolled in the program. Georgia Power plans to reach the milestone of 50,000 enrollees by the end of 2017.

For those enrolled in the prepay program, customer satisfaction has increased. At the same time, Georgia Power has seen a reduction in energy use from program enrollees, and the utility has seen financial benefits from past due balances collected.

This collection is facilitated by allocating 25 cents from every dollar paid by customers carrying past due balances to the debt owed. While a majority of the prepay enrollees do have a past due balance at the time of signing up, 56 percent have been able to relatively quickly get to a zero balance. Georgia Power also allowed many of these customers to apply outstanding deposits as credits to the prepay account, further helping reduce past due balances for many customers.



WHY ARE CONSUMER ADVOCATES EXCITED ABOUT THIS PROGRAM?

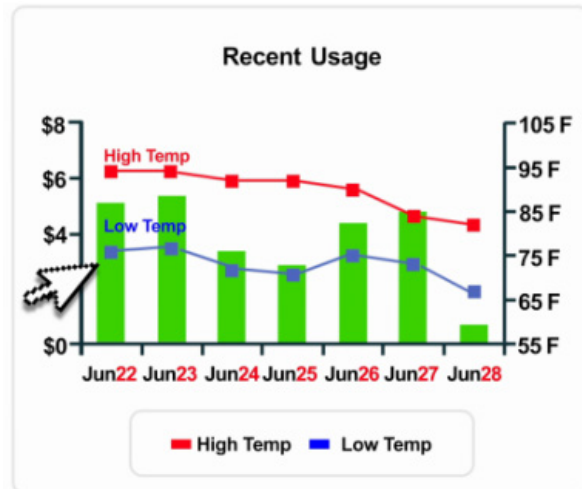
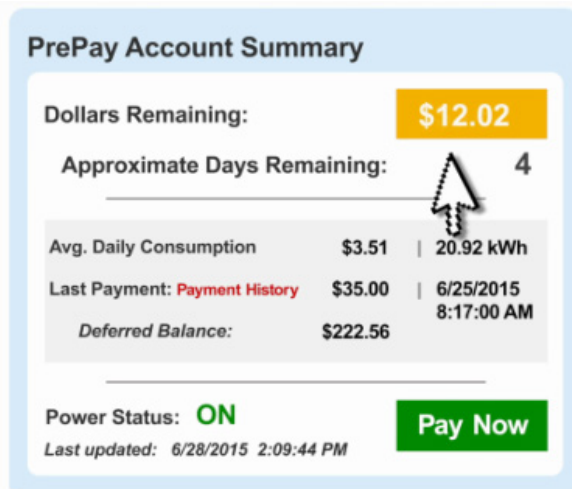
The most important thing is that it helps people better understand the connection between their energy use and their power bill. For example, if it's a hot day, they know that their dollar is not going to stretch as far. They can also find out ways that they can stretch that dollar farther.

It really empowers consumers. Georgia Watch is about empowering consumers, educating consumers. We're going to be educating consumers that we hear from and all around the state about the advantages of a prepay program to help them save money on their power bills and better manage and control their energy usage.

— Liz Coyle
Executive Director, Georgia Watch

In addition to garnering the support of the Georgia Public Service Commission, Georgia Power's prepay program received significant support from consumer advocates in the state. Liz Coyle, the Executive Director of Georgia Watch, the state's leading nonprofit, nonpartisan consumer advocacy organization, has extolled the consumer benefits of Georgia Power's prepay program, including ease of use, control, affordability and flexibility, and the organization regularly recommends the program to consumers that contact them about ways to limit their monthly energy bills.

Easy-to-use dashboard empowers customers with data



What's next for Georgia Power's prepay program

Working with PayGo as a technology partner, Georgia Power continues to look at new ways to further improve the convenience and flexibility of the program. With help from PayGo, Georgia Power continues to train its employees and develop tools for customers to better educate everyone about the program. As examples, Georgia Power has trained 450 call center agents on the benefits and features of the program and developed a series of educational videos for customers (www.georgiapowerprepay.com).

