

MANAGING CUSTOMER CONFLICT UNDER INCREASED REGULATION



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REGIONAL SUPERVISOR

WHAT ARE WE TALKING ABOUT TODAY?

- Introduction
- A look back
- Where we are today
- The Influence of social media
- A look at regulation trends
- What can you do
- Questions?



INTRODUCTION

Deregulation

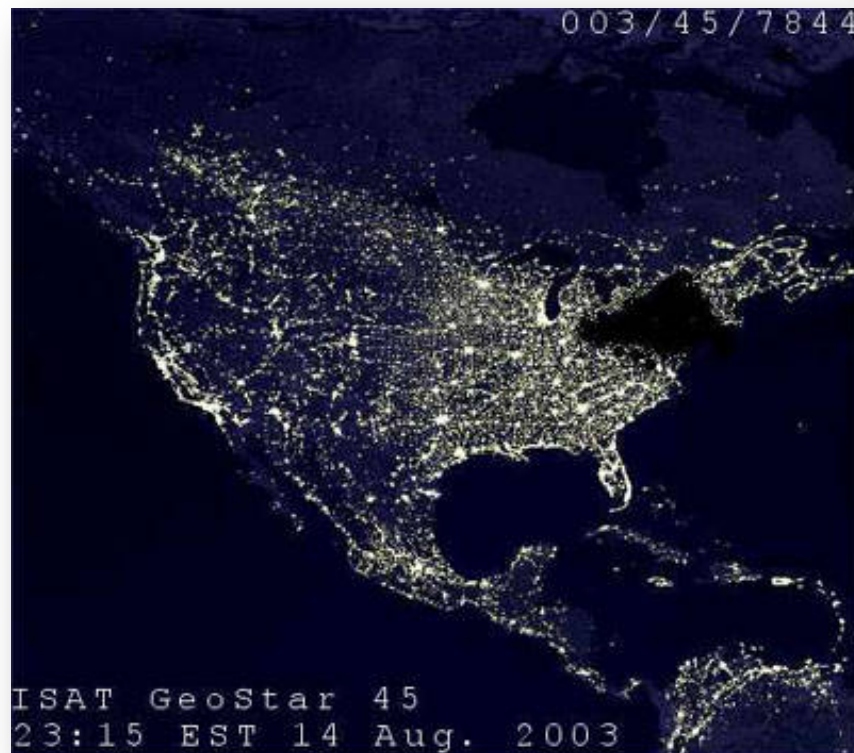
- 1992 – National Energy Policy Act
- 1998 – FERC Order No. 888
- Power suppliers can provide choices for service and rates



INTRODUCTION

The Blackout

- Not many regulatory requirements were in place beforehand
- Prior to the event - NESC 218 was the dominant rule
- Led to the establishment of NERC & FAC-003-1



INTRODUCTION

Fires in California

- PRC 4292 & 4293
- Rule 35 - mandatory clearance law
- Similar laws could be passed in other states



INTRODUCTION

Deaths due to Electrocution

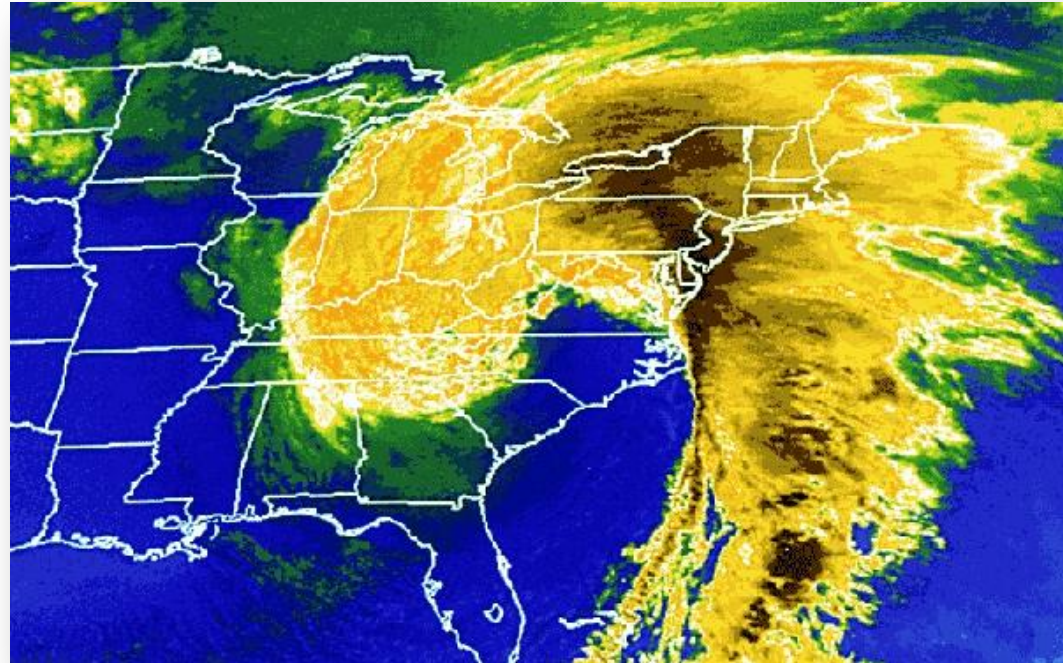
- Electricity accounts for about 30% of all fatalities in the tree care industry.
- We lose nearly one tree work per week
- Proper training is essential – be well-versed in OSHA 1910.269 & ANSI Z133.1



INTRODUCTION

East Coast Storms

- Massive amounts of damage
- Regulatory changes in regard to response time & reliability
- Risk trees outside the normally maintained ROW are now being removed



INTRODUCTION

- Major changes over the last 20 years in technology
 - The Internet
 - 24 hour news cycle
 - Smart phone technology
 - Social Media

A LOOK BACK



Citizens to APS: Don't cut my trees, if you please...

By MARK DUNCAN
The Daily Courier

prevent the topping or felling
several large pine trees

■ Prescott

Prescott - An APS plan to trim

Residents hot over APS tree trimming

By CHAD SIMPSON
The Daily Courier

Prescott - Local residents were
in arms Monday when
Service workers began
along Copper Basin

I'm not in favor of it in any

Tree controversy takes root in Copper Basin; residents oppose APS Project

By MARK DUNCAN
The Daily Courier

Prescott - Residents along Copper Basin Road are
and of their trees - to put it mildly.

year-old ponderosa pines, may
endure severe cutbacks or
federal mandates

APS plan to cut trees has residents in uproar

Residents along Copper Basin
Road are up in arms over
company's plan to trim
dozens of 100

Residents rail on APS about trimming program

By JOANNA DODDER
The Daily Courier

Prescott - Admitting they've
done a poor job of trimming some
trees in the Prescott area, Arizona
Public Service officials made sev
promises to Mountain Club sub

A LOOK BACK

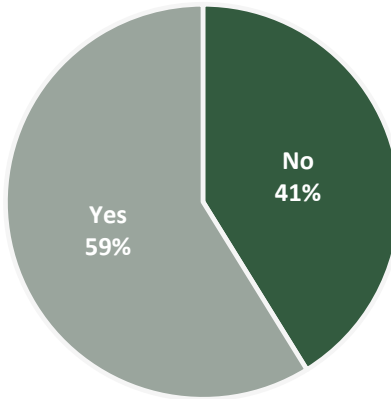
- Major Concern was a headline every now and then
- Public Utility Commissioners were just around for rate cases and occasionally a very angry and resourceful customer
- Utilities always wore the white hats

WHERE WE ARE TODAY

- A de-regulated industry
- Intense customer demands on reliability
- Every phone is a camera/video camera
- Climate Change
- Social media – Blogs, Twitter, YouTube
- Public Pressure on Utility Commissioners
- Utilities no longer as seen as a Public good

WHERE WE ARE TODAY

Is There a “Disconnect” between Industry Standards and the Public?



WHERE WE ARE TODAY

- **Intense customer demands on reliability and safety**
 - **Utilities fight storm-related fines in state's high court** -Jan 3 - *McClatchy-Tribune Regional News - Patrick Cassidy Cape Cod Times, Hyannis, Mass.*
 - **\$109M Awarded in Power Line Case** -ABC News - A Pennsylvania jury awarded one family \$109 million in a wrongful death verdict, after a woman was electrocuted for 20 minutes while waiting for utility crews to shut off the power from a fallen utility line.

INFLUENCE OF SOCIAL MEDIA

The Social Profit Landscape



Amplifiers: Aggregation/Recombination, Tracking, Apps/Tools, Mobile

Note: Each of these social media services has multiple functionality - the primary service for each was used for placement.
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INFLUENCE OF SOCIAL MEDIA

- Twitter has over 500 million registered users, but just 150 million active users (compared to Facebook's 1 billion active users and probably over 2 billion registered users)
- 1.08 of the world's 4 billion mobile phones are smart phones
- 83% of socially savvy consumers have walked away from a purchase in the past year after a negative customer service experience – compared with 49% of everyone else
- 80% of businesses use social media sites to monitor/extract information relating to competitors
- Only 44% of customer questions on twitter are answered within 24 hours
- 56% of customer tweets to companies are being ignored (sources: [AllTwitter](#))
- 55% of consumers share their purchases socially on Facebook, Twitter, Pinterest and other social sites
- 40% of young workers rate access to social media at work *above* receiving a higher salary
- 53% of employers have a formal policy on social media
- 70% of brands ignore complaints on Twitter
- 83% of people who complained on Twitter loved the response from those companies that did make the effort

A LOOK AT REGULATION TRENDS

- Steve Cieslewicz interview with retired FERC Chairman Wellinghoff –
 - Probably the most effective tool is better communication between the public and transmission owners, both in terms of the reason for and timing of ROW work, the methods to be used (and why the utility has chosen a particular method), and the rights and responsibilities of the utility and homeowner. Lack of communication causes landowner frustration over the loss of trees, which are not always replaced by the utility. Moreover, as I mentioned earlier, many landowners are unaware of the existence of a utility ROW agreement for their property.

A LOOK AT REGULATION TRENDS

- Steve Cieslewicz interview with retired FERC Chairman Wellinghoff –
 - In addition, there are numerous examples of good utility practices in working with landowners. For example, when trees that are expected to grow into the transmission lines are removed, some utilities replace them free of charge to the landowner with lower growing native species. Utilities could offer voucher programs that allow property owners to select small trees from nurseries to replace larger trees removed from the right of way. In this way, successful vegetation management programs can help property owners maintain and even enhance the environmental benefits and aesthetics of the right-of-way while ensuring sufficient clearance between the vegetation and energized conductors.

A LOOK AT REGULATION TRENDS

- Steve Cieslewicz interview with retired FERC Chairman Wellinghoff –
 - I think the best advice is the most simple: apply the lessons learned from the transmission side to the distribution side of the company, talk with other companies, and learn from the experiences and best practices of other, similar utilities.

A LOOK AT REGULATION TRENDS

- **New York** – adopted recommendations which are designed to educate customers about the UVM program.
- **Connecticut** – passed legislation that requires the state's regulated utilities to do more to get the lights back on after storm-related power outages or face steep fines.
- **Indiana** – The Indiana Utility Regulatory Commission approved tree-trimming rules for utilities that give significant rights to property owners.

The theme here? More communication with the customers.

WHAT CAN YOU DO

- Media Policy
 - Who can speak for the company
 - What to do if you are confronted
 - How about pictures and video?
 - List of contacts with the contract crews
- Social Media Policy

WHAT CAN YOU DO

- Customer Service/Communication Training
 - Do your employees have a professional attitude and appearance?

WHAT CAN YOU DO

- Customer Service/Communication Training
 - Do they have the appropriate credentials?
 - Can you afford to not have them certified?
 - Do they understand the A300 Standard?

WHAT CAN YOU DO

- Customer Service/Communication Training
 - Best management practices?
 - Are they well trained to interact with customers?
 - Training tools – True Colors, ISA, UAA

WHAT CAN YOU DO

- Key training areas – What not to say:
 - I don't know
 - I don't care
 - Give me a break
 - Calm down
 - I'm right
 - You're wrong
 - It wasn't me, it was the other department

WHAT CAN YOU DO

- Key training areas – Listening Skills
 - Failure to concentrate
 - Listening too hard
 - Jumping the gun
 - Lagging behind
 - Focusing on delivery
 - Omitting/Adding

WHAT CAN YOU DO

- Key training areas – Conflict Resolution
 - Positive and constructive conflict avoidance
 - If you know what is going to cause a problem, be proactive.
 - Remove the emotion
 - You will lose...
 - logic vs. emotion
 - Everyone gets frustrated
 - Hard Bargaining vs. Soft Bargaining

WHAT CAN YOU DO

- Key training areas – Customer may not always be right but...
 - What they want is respect
 - Provide the facts
 - Listen
 - Ask the customer for advice to a solution
 - Put it in perspective

WHAT CAN YOU DO

- Key training areas – What is the best you can expect?
 - Cooperation and agreement
 - Do expect them to respect you and understand why
 - Don't expect them to like it or like you

WHAT CAN YOU DO

- Whether it is the first call of the day or the last... do it right.
- Customers don't expect you to be perfect. They do expect to fix things when they go wrong.

» Donald Porter
» Senior VP
» British Airways

BEST PRACTICES

- It always comes back to best practices- same when communicating with customers.
 - Transparency = credibility.
 - Provide information about the issue
 - How are you working to address their concerns.
 - Perception is reality.

IN CONCLUSION

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- Understand the customer and how their demands have changed in the face of regulatory and technological changes
- What you do is under more scrutiny than ever before.
- Provide continual training for your staff.

IN CONCLUSION

- Questions?
- Josh Beaver: jbeaver@cutility.com