

# Serving Utilities: Empathy Without Apology

by John Dendy

I am a conservationist. I began my career as an energy auditor, doing four energy audits a day. I wore a badge that bore the name of the gas and electric utility for which I was contracted to work, and I identified myself as a representative of that utility. I then moved on to doing engineering evaluations for several utilities, and eventually returned to the business of program implementation. I believed in what we were doing, and I served the utility faithfully.

During this, time I became frustrated at the glacial pace of change. It took months to make the simplest changes, and modest changes that were reasonable to my coworkers and me seemed impossible to implement.

I also began to understand the various pressures on the utility company, and I developed empathy for their employees. I didn't agree with all their decisions, and I certainly didn't give them a free pass. But I did learn that those of us who work with utility personnel will meet with more success if we understand the pressures on them.

So I pose two questions, "What are the real pressures brought to bear on the personnel who manage utility programs?" And, "How can we help utility companies change when necessary?"



## A Primer on Utility Conservation Programs

**Regulation.** Gas and electric utilities are regulated, and that's a good thing. It's the price of monopoly. But that also means, for example, that utilities can face a different public service commission every time they bring a rate-case. A demand side management program that comprises 1% of a utility's supply can take up half of a rate-case hearing. Facing a new commission for every few years makes consistency and incremental change difficult to achieve.

Where I live, it's uncommon to have commissioners with much energy experience. Often they are former state legislators who have been term-limited out of office. So every time the utility brings a rate case, they have to educate the commissioners on a very complex topic. Sure, the commissioners get help from full-time commission staff, but the commission is in control of the staff.

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## Understanding the Challenges Facing Utility Companies

“We will meet with more success if we understand the pressures brought to bear on these large complicated organizations.”

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In Montana, we recently went from a very pro-conservation commission to an explicitly anti-conservation commission. One commissioner even said that we would all be better off if people used more electricity, not less. How can a utility company be expected to consistently run and improve a conservation program in the face of this kind of change? It is this kind of pressure that keeps utility programs on their heels, and encourages them to keep their heads down.

**Equity.** Most utilities value the concept of equity toward their customers. That is, they want to provide value to both the program participant and the non-participant. They also want to provide the same program value to customers regardless of location and regardless of the fuel they use. In Montana, this can be a problem, since rural customers are often far from program implementers, services, and contractors. Under a program like this, the question is not whether it makes sense for me as an individual to buy a new furnace. The question is whether it make sense for all ratepayers to help pay for my furnace by way of their energy bills. This is a difficult balance to achieve. The eyes of the public will be on the utility to be sure they're being fair in their practices. They cannot afford to be otherwise.

**Public Opinion.** Most utilities have almost everyone in their service area as a customer. This is another benefit and price of monopoly. But it also means that anyone in their territory can complain at any time. One customer complaint to the regulators or in a public forum can sully a whole program. A complaint that is completely without foundation may require days worth of work in response because the price of responding incorrectly would be great.

**Self Limitation.** Some utilities tend to “keep it simple” in order to answer inquiries posed by regulators and customers. They set up a series of rules that make explanation easy. For example, they may offer an incentive for anything that passes the Total Resource Cost (TRC) test, and a guideline that the incentive should be one-half of the incremental cost of the energy-efficient option. This leads to absurd rebates, like \$2.50 for an Energy Star television. An incentive like that has no effect on customer behavior, but it costs money to run, and is therefore a loser.

But the rules allow for a clear answer to an inquiry. Why did you offer an incentive? Because it passed the TRC. Or the converse: Why didn't you offer an incentive?

Because it didn't pass the TRC. They box themselves to simplify decision-making and avoid controversy.

**Institutional Inertia, Professional Isolation.** Utilities are big, conservative companies, and their size gives them inertia that is difficult to overcome. Further, utility personnel need expert knowledge that not many people understand. These twin traits lead to professional and social isolation among individual employees, and a feeling of being misunderstood by the general public. The more vulnerable they feel, the more conservative they will be. As a colleague of mine was fond of saying, “No good deed goes unpunished.” That's not an attitude that leads to creative solutions.

## Empathy without Apology.

Customer service training tells us to empathize with our customer. When dealing with a customer complaint, I was taught to say, “I understand what you are saying, and I understand that it is frustrating. I'm going to help you as much as I can today.” Whatever your interface with your utility partners, you'd do well to take a similar attitude.

Having empathy for someone does not mean giving them a free pass. You have to be honest about what works and what doesn't, and you have to advocate for what you believe to be correct. But if you understand the situation in which utility companies and their personnel find themselves, you can use good customer service skills to get your point across. My message sounds something like this: “I understand your business and its challenges. You have my respect and attention. How can we do better?”



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