

Communicating Price Increases

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Good News/Bad News

- Looking back: near-annual exercise for last decade
- Going forward: near-annual exercise for next decade
 - Environmental controls
 - Fuel costs
 - New generation (including wind)
 - New transmission (wind related)
 - Infrastructure expansion
 - Conservation/efficiency programs
 - Smart Meters/Smart Grid
 - Cybersecurity



Communicators' Challenges

- Traditional price messaging doesn't resonate with most mass-market customers.
 - “We haven't had a price increase in _____ years.”
 - “We make no profit on the commodity.”
 - “Base rates” vs. “fuel costs” is something of a false distinction



Strategic Considerations

- Put some skin in the game
 - Absorb or defer some portion of the increases
 - Cap increases at 5% yearly
- Increase value
 - Develop/expand programs
 - Talk up higher value
- Provide specifics that show you are doing your part



Message Triangle

Straight talk about costs.

We are making a difference.



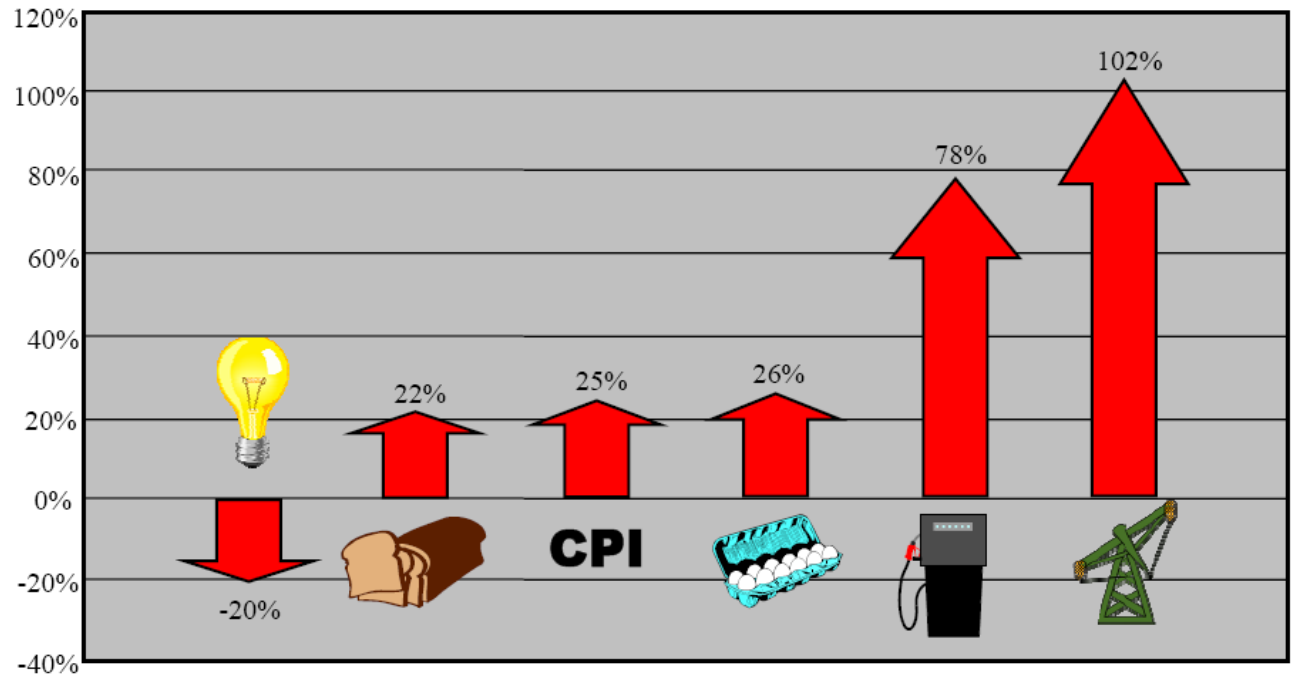
In a co-op, we are working together.

Courtesy: Touchstone Energy



Choose Your Art Carefully

Increase in Consumer Price Trends from 1997-2006



SOURCES: Consumer Price Index
Edison Electric Institute

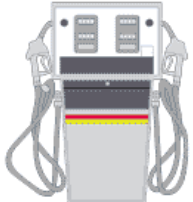
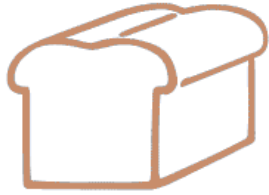






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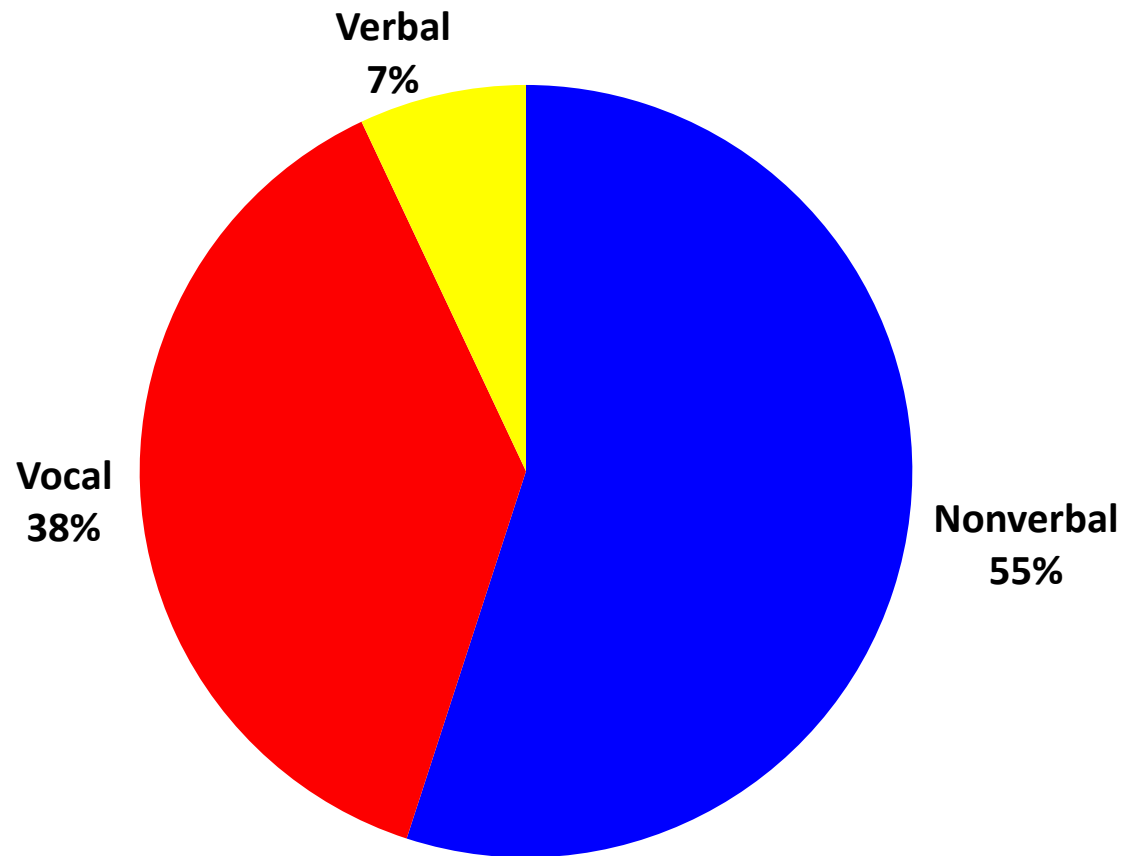
Source: Consolidated
Edison

Test Your Graphics

1991		2003
\$1.30	 Gallon of Gas	\$1.50
\$0.70	 1 lb. loaf of Bread	\$1.01
\$0.92	 1 lb. of Tomatoes	\$1.49
\$0.1075	 per kWh of electricity	\$0.0775



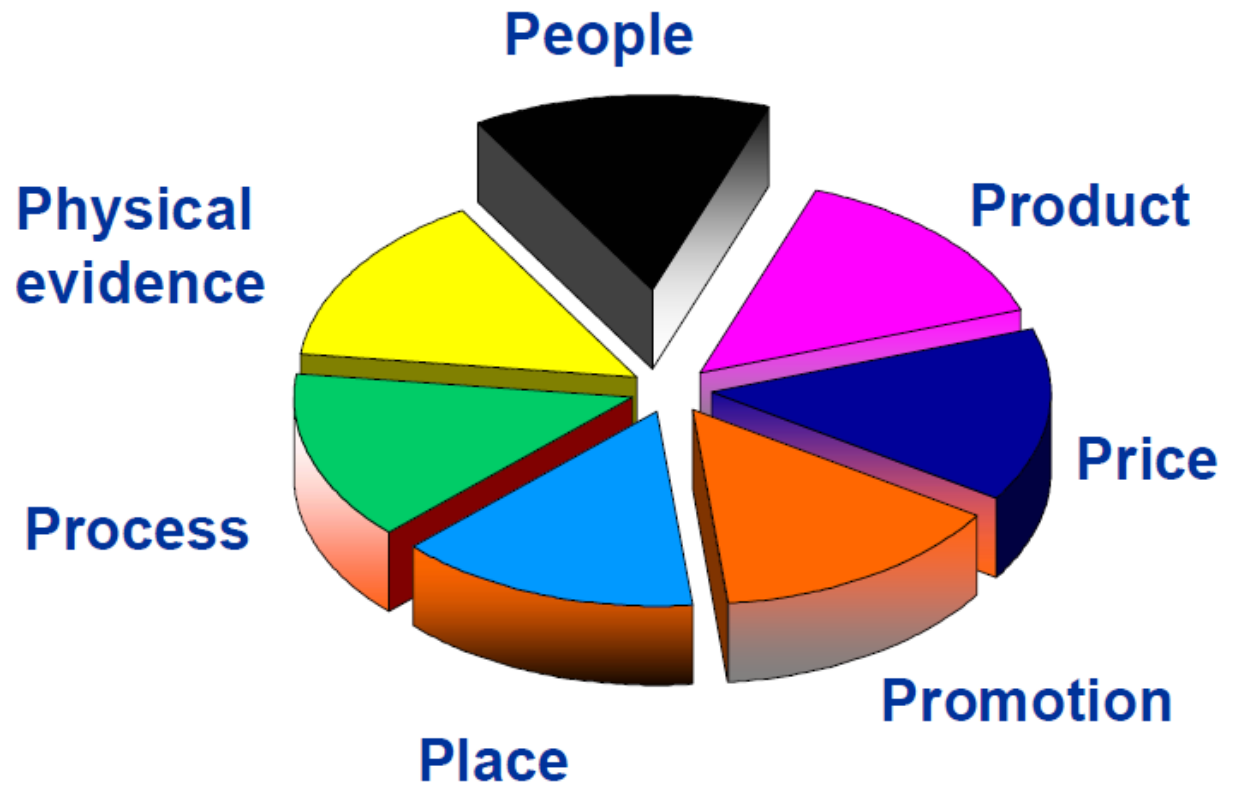
Deeds, Not Words



Source: Albert Mehrabian



7 P's of Services Marketing



Outreach Tactics

- Social media not a good channel, unless sole or main reason for price increase is to expand renewable generation
- Traditional channels need to be more creative
- Employee ambassadors



Thank You!

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