

# **Communicating Price Increases**

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Chartwell Web Conference

November 10, 2010



# 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.**



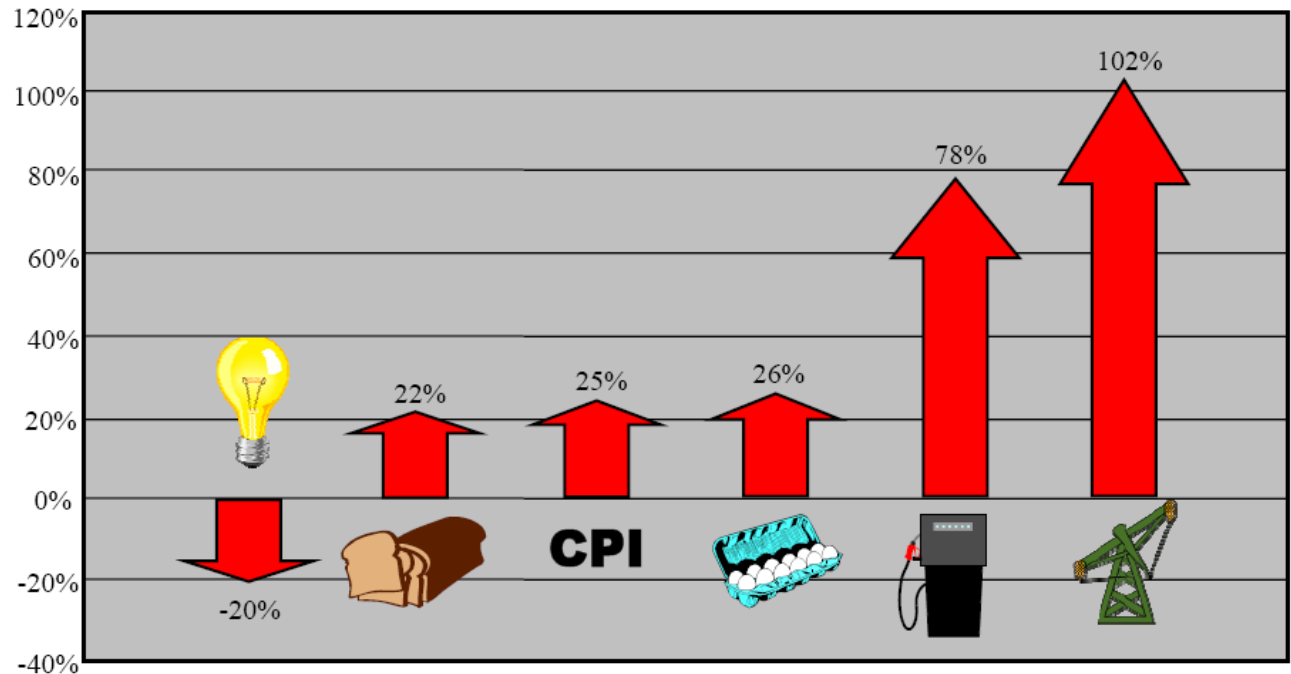
**In a co-op, we are working together.**

Courtesy: Touchstone Energy



# Choose Your Art Carefully

## Increase in Consumer Price Trends from 1997-2006



SOURCES: Consumer Price Index  
Edison Electric Institute

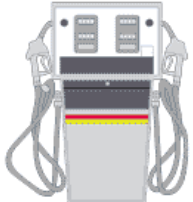
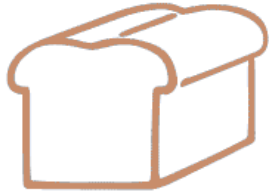






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Source: Consolidated  
Edison

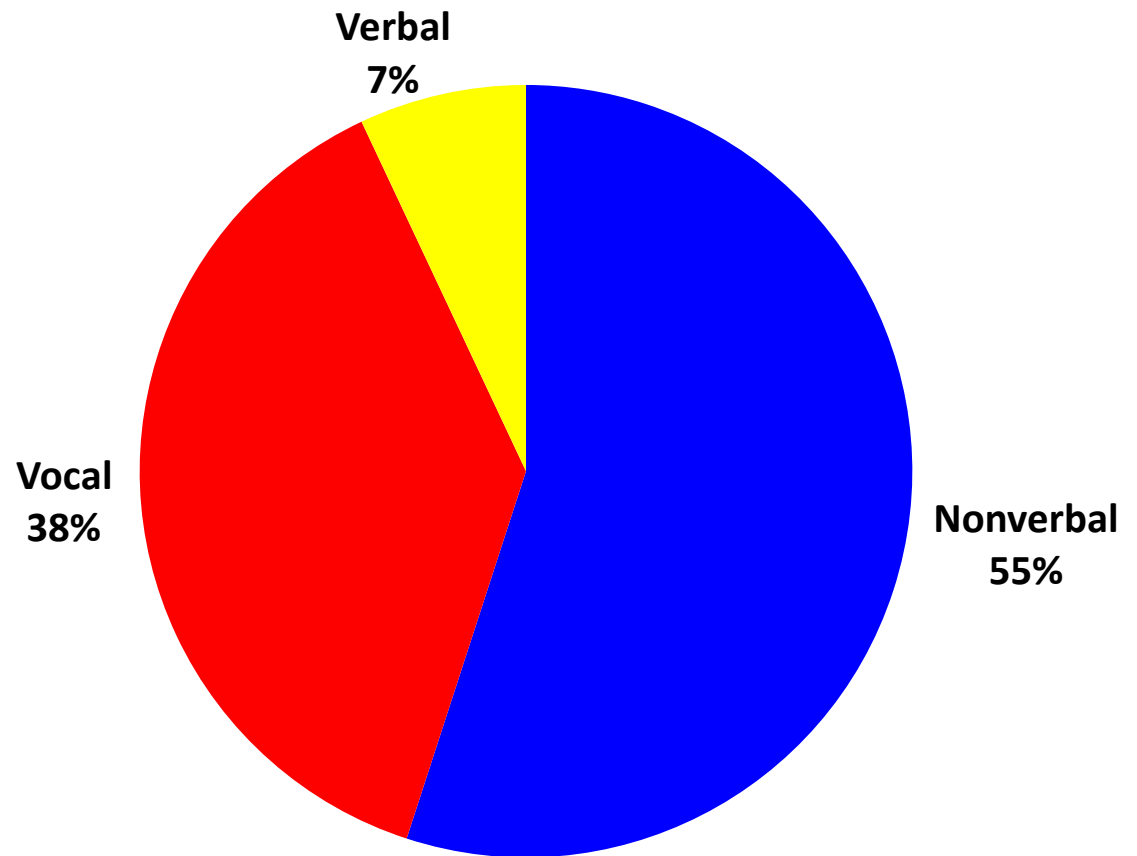
# Test Your Graphics

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





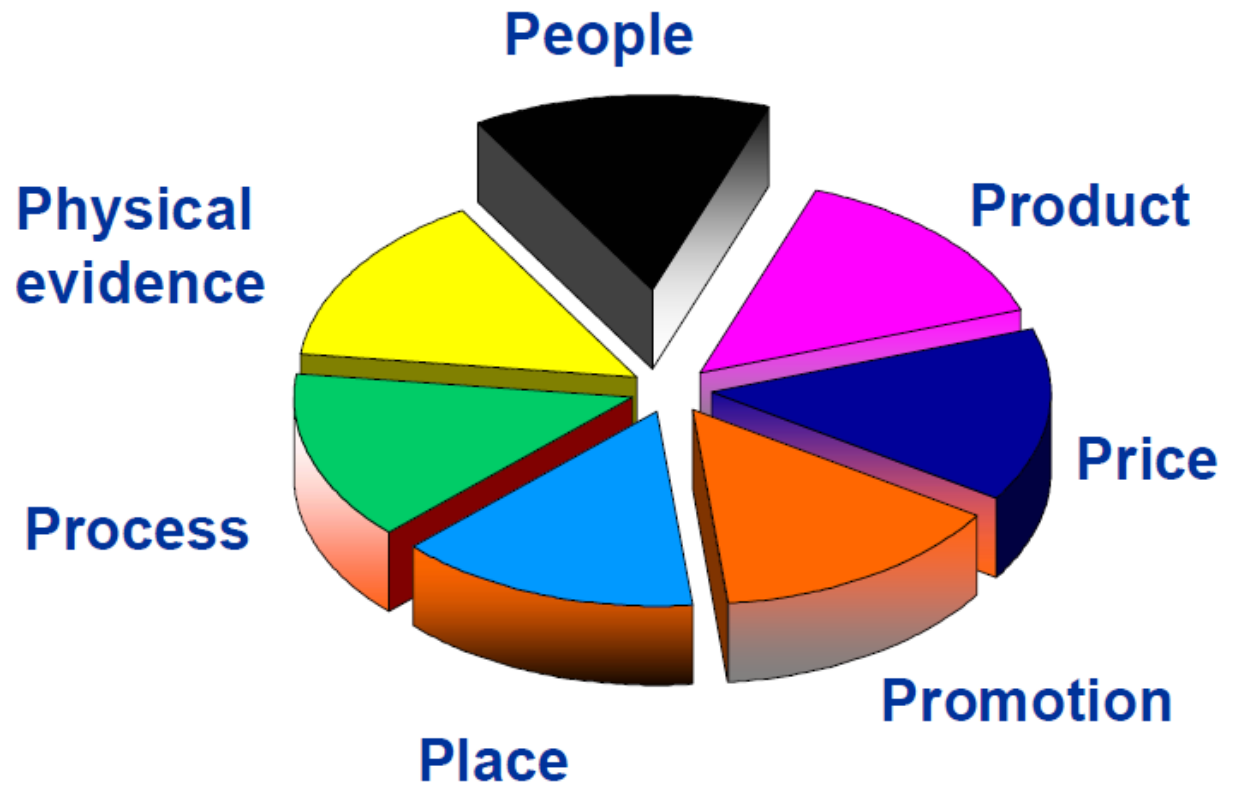
# Deeds, Not Words



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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