

# TMG Utility Forum

## Keynote Address

September 30, 2019

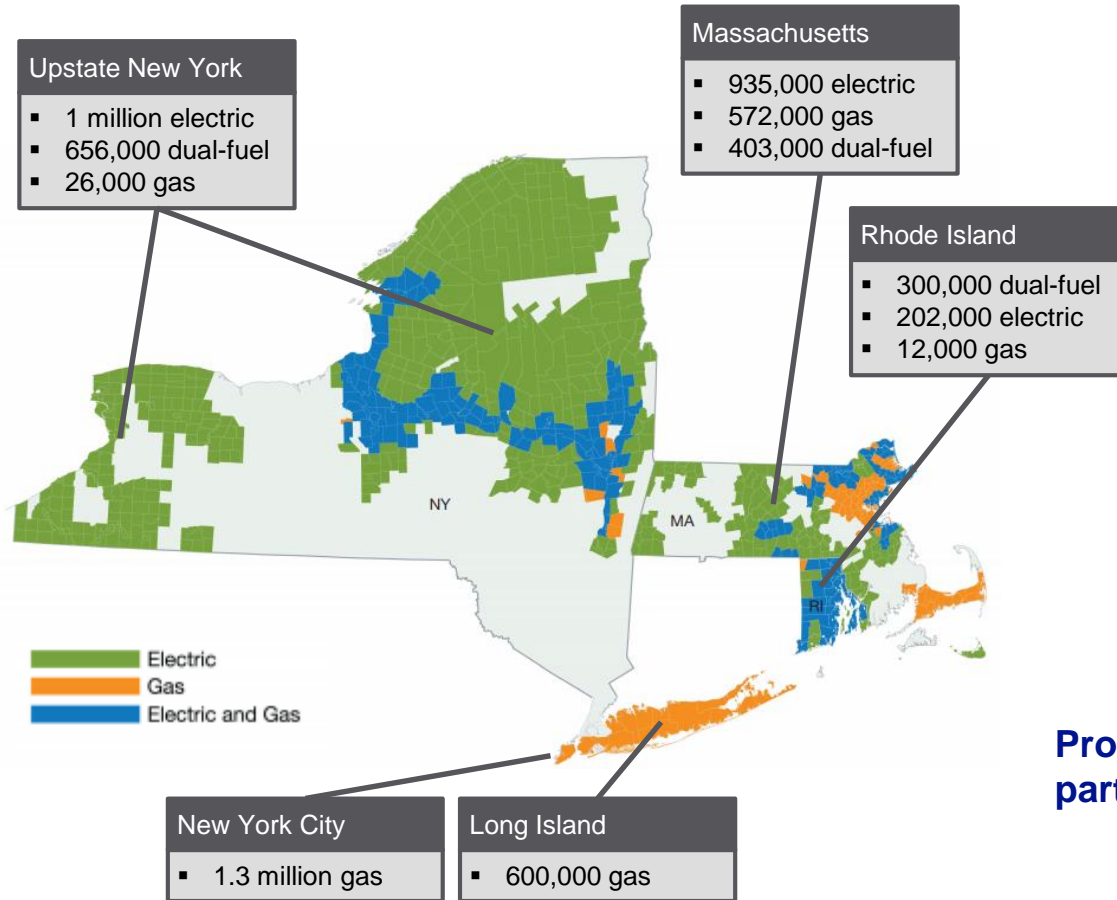
Chris McConnachie  
Terry Sobolewski

**nationalgrid**

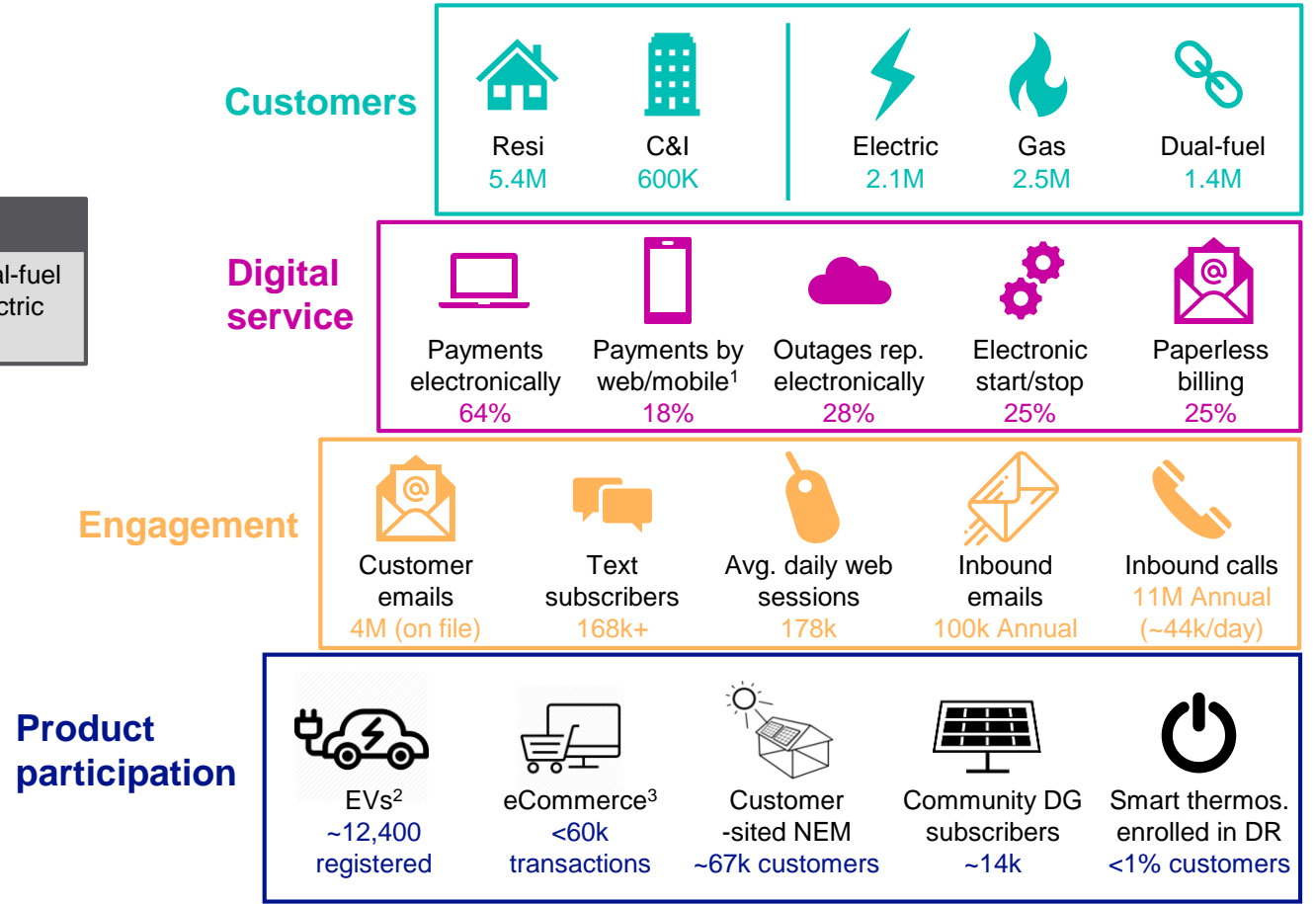


# NGUSA customer fundamentals: We serve 20 million people (6 million accounts) in the US Northeast, interacting with them across many channels

## NGUSA customers by service territory and fuel type

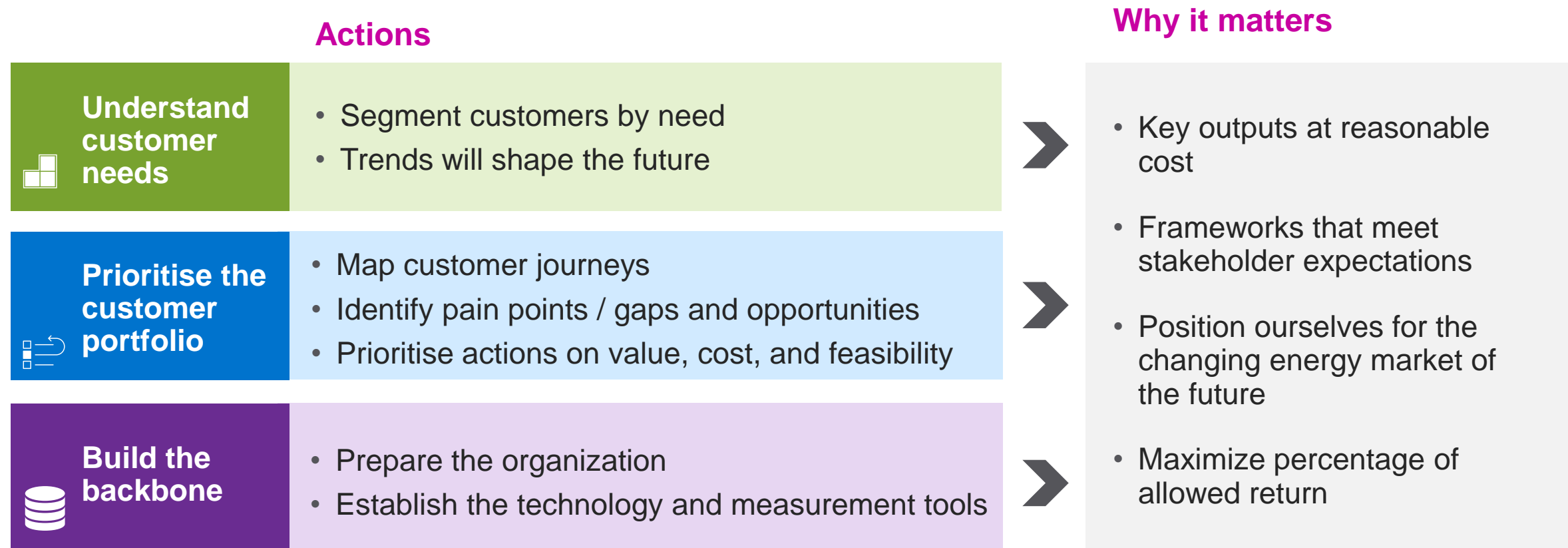


## NGUSA customer interactions



# Our customer centric approach

Achieving mutually advantageous outcomes for customers and Regulators drives performance and growth



# We know our customer base and what they care about

Customers Surveyed: 50k/year

Customer Panel: 6,000 Residential "Advisors"

## Residential segmentation

	EDUCATED ECO-FRIEND	AFFLUENT CONSERVER	HELP WANTED	YOUNG GREEN MOVER	MATURE BASIC	EFFORTLESS INDEPENDENT
Differentiated needs	<ul style="list-style-type: none"> <li>Energy management solutions</li> </ul>	<ul style="list-style-type: none"> <li>Mobile app, real-time outage info</li> </ul>	<ul style="list-style-type: none"> <li>Bill clarity / predictability</li> </ul>	<ul style="list-style-type: none"> <li>Socially responsible</li> </ul>	<ul style="list-style-type: none"> <li>Being able to reach a person</li> </ul>	<ul style="list-style-type: none"> <li>Ease of business</li> </ul>

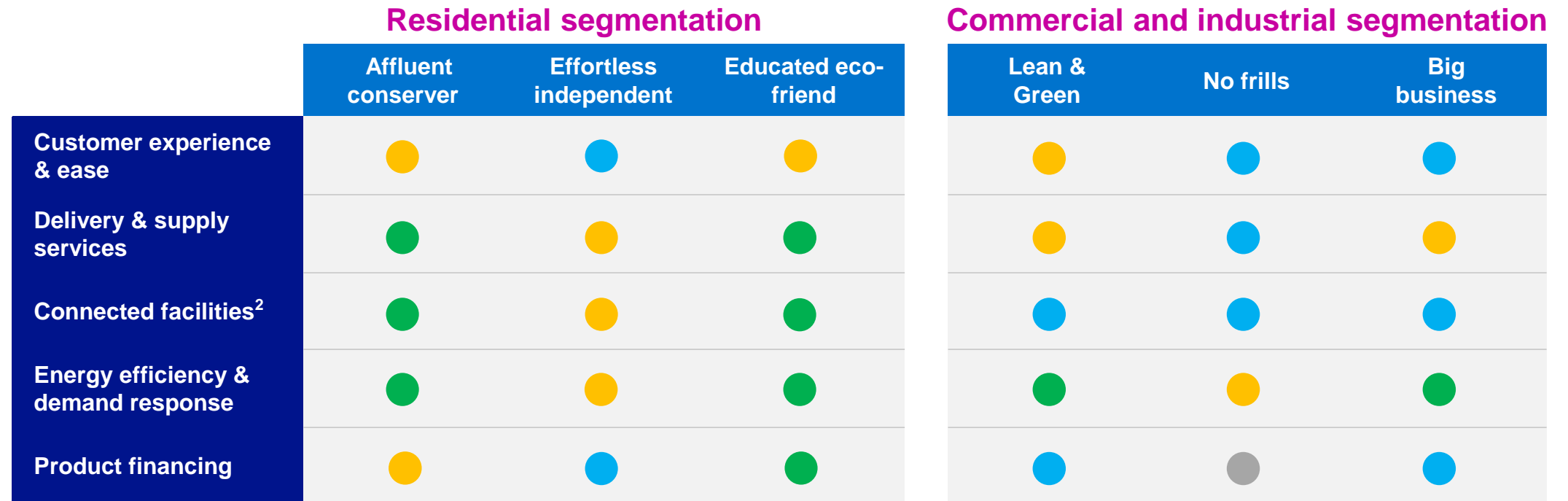
## Commercial and industrial segmentation

	LEAN & GREEN	SMALL & SEAMLESS	SEEKING SOLUTIONS	NO FRILLS	BIG BUSINESS
Differentiated needs	<ul style="list-style-type: none"> <li>Tools to reduce peak power usage</li> </ul>	<ul style="list-style-type: none"> <li>Account management, online &amp; mobile tools</li> </ul>	<ul style="list-style-type: none"> <li>Advice and info to track usage, savings</li> </ul>	<ul style="list-style-type: none"> <li>Effective customer service</li> </ul>	<ul style="list-style-type: none"> <li>Commercial solutions</li> </ul>

# Some customers seek more value in a customized way

- Our analysis has identified certain themes that matter more to some customer categories

## Customer interest by portfolio category and segment<sup>1</sup>



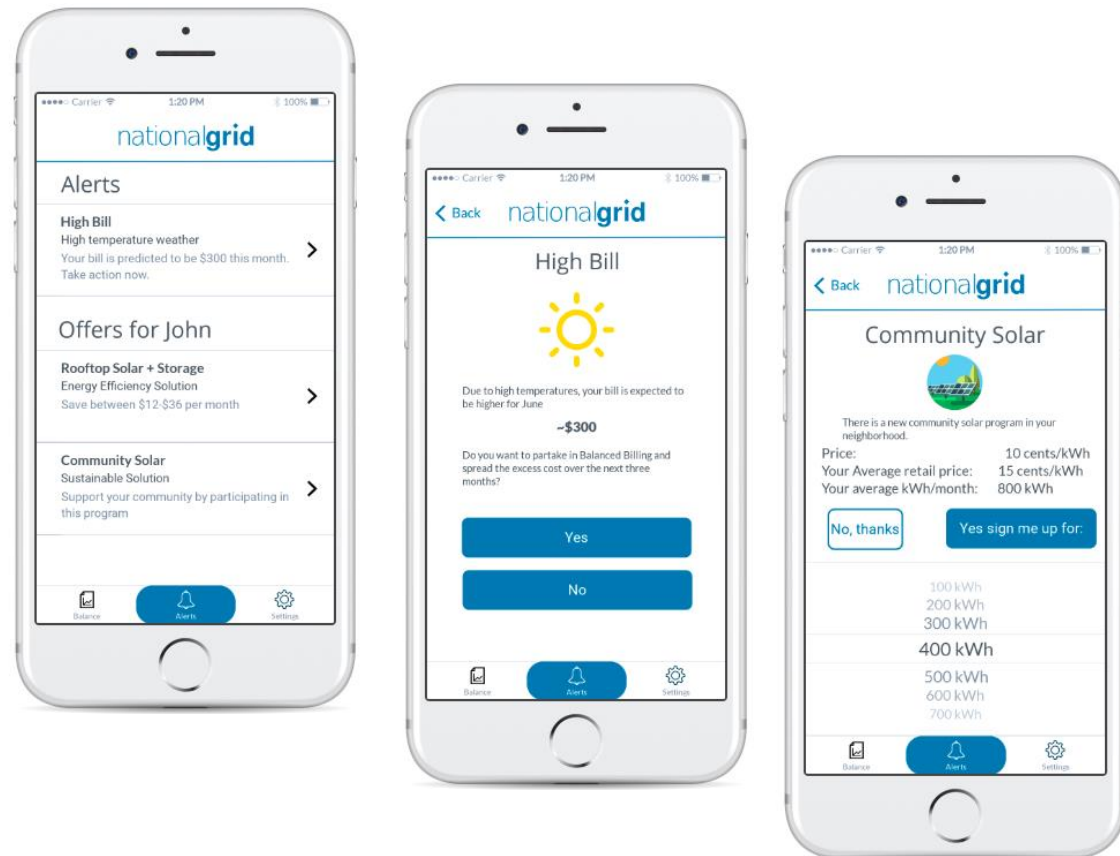
**Customer interest level**  
 ● High ● Medium ● Low ● Negligible

<sup>1</sup> Heat map shading based on ranges of average percent interest in products within the portfolio category  
<sup>2</sup> Includes smart technology-related offerings, e.g. thermostats, appliances and equipment  
 Source: NGUSA Customer Survey results, Oct/Nov 2018

# To be a trusted energy advisor, we must meet customers and stakeholders on their terms

- Online account management options
- Mobile apps and social media
- Real time outage information
- Peak usage tools
- Energy management solutions
  - Comfort
  - Cost
- Want to talk to a real person
- Three year transformation timeline

## Integrated mobile platform



# Investing for customer value and affordability creates value for shareholders: **Personalization**

## We are investing for our customers

- Advance Meter Infrastructure
- Preference Management
- Personalization
- Arrears propensity model

### *Personalization Results:*

- ✓ Program Enrollments ▲ 24% (avg) through call center
- ✓ Call volume ▼ 11% for customers who enrolled in programs
- ✓ ▲ 16% in arrears collection
- ✓ ▲ 5%+ in trust scores among surveyed customers

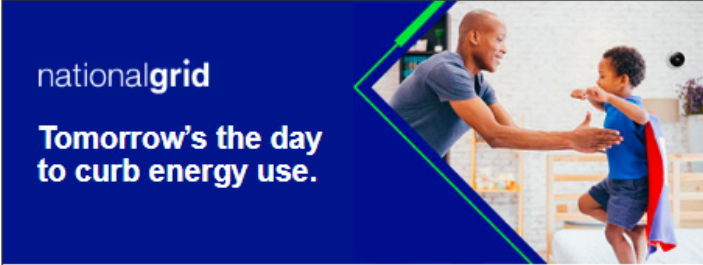
## And we are impacting their lives

Signed up **20,000 more** low to moderate income customers through Personalization than we would have otherwise reached.

# Investing for customer value and affordability creates value for shareholders: Demand Response

## Behavioural Demand Response in Upstate NY

- Launched “Peak Reduction” Earnings Adjustment Mechanism (EAM) in 2018
- Developed behavioral demand response program for electric customers
- Simply shifting customer behavior significantly lowers peak electricity demand, saving customers money and reducing carbon emissions
- Created \$54m in gross benefits for customers
- National Grid earned on EAM



**nationalgrid**





**Tomorrow's the day to curb energy use.**

We're anticipating a high energy demand day tomorrow. It's time to unleash your energy-saving super powers!

Voluntarily saving energy during the hottest days of the year is good for you, the environment and our communities.

**Let's do this!**





**Limit your use between the peak hours of 3-7 pm. Here are some ideas:**

 Turn up your thermostat a few degrees	 Reduce use of window air conditioners by pre-cooling your home
 Use large appliances during non-peak hours	 Use fans to help spread cool air around

**For extra power and cool cash rewards, enroll your qualifying thermostat in Connected Solutions.**

**Enroll today!**



















**IMPORTANT SAFETY REMINDER:** Prolonged temperatures of 90°F or higher can lead to heat-related illnesses, especially for the elderly, young children and those with chronic illnesses. More information on heat stress can be found at [nationalgridus.com](https://nationalgridus.com).



# To establish enabling technology, systems and tools, in-flight programmes will help us fix what is broken and build a foundation for the future

## Programmes to establish enabling technology, systems and tools, and their status

“Fix it” programmes	“Foundational” programmes	“Advanced” programmes	<b>Delivery status:</b>  Completed  In progress / planned  Not yet planned
<p data-bbox="114 482 728 554"><i>Get the basics right, e.g. the bill, customer interactions and basic systems</i></p> <ul style="list-style-type: none"> <li data-bbox="101 578 715 649"> Work management, e.g. collections and customer interactions (GBE)</li> <li data-bbox="101 664 700 706"> Replace failing backend systems (CIS)</li> <li data-bbox="101 721 662 806"> Agent and Interaction Management: integrated voice recognition (CXT)</li> <li data-bbox="101 821 675 863"> Telecom infrastructure rebuild (CXT)</li> <li data-bbox="101 878 649 921"> Appointment visibility (GBE / CXT)</li> </ul>	<p data-bbox="789 482 1403 554"><i>Install necessary tools to provide incremental customer benefits</i></p> <ul style="list-style-type: none"> <li data-bbox="777 578 1159 621"> Establish service (CXT)</li> <li data-bbox="777 635 1312 678"> DG / new connections portal (CXT)</li> <li data-bbox="777 692 1388 735"> 2-way / proactive communications (CXT)</li> <li data-bbox="777 749 1388 835"> Agent and Interaction Management: self service and breadcrumbs (CXT)</li> <li data-bbox="777 849 1210 892"> Personalisation pilot (CXT)</li> <li data-bbox="777 906 1337 992"> Customer relationship management (GBE)</li> <li data-bbox="777 1006 1388 1049"> Advanced metering infrastructure (AMI)</li> </ul>	<p data-bbox="1465 482 2079 554"><i>Enable the company to capture additional customer value</i></p> <ul style="list-style-type: none"> <li data-bbox="1452 578 1860 621"> 360 customer view (CXT)</li> <li data-bbox="1452 635 1949 678"> Advanced personalization (CXT)</li> <li data-bbox="1452 692 1911 735"> Pre-emptive communications</li> </ul>	

### Major in-flight programmes

- **Customer Experience Transformation (CXT):** Systems for customer infrastructure shortcomings
- **Gas Business Enablement (GBE):** Systems for gas operations, safety, and customer service
- **Customer Information Systems (CIS):** Future-proof back-end billing infrastructure
- **Advanced Metering Infrastructure (AMI):** Future-proof customer data interface enabler

# National Grid Program Coordination

- Gas and Electric
- All Gas and Electric Jurisdictions
- Scope:
  - Replace CRIS, CSS
  - "Core" CIS (e.g. Contact Center, Billing, Credit & Collections, Payments)
  - "Future" CIS (e.g. Distributed Generation, Retail Choice, Products & Services)
  - Retrofitting of GBE and CXT solutions implemented on top of CRIS and CSS → integration from two legacy systems to one modern CIS
  - Future foundation: Additional capabilities implemented to benefit from modern CIS' capabilities

