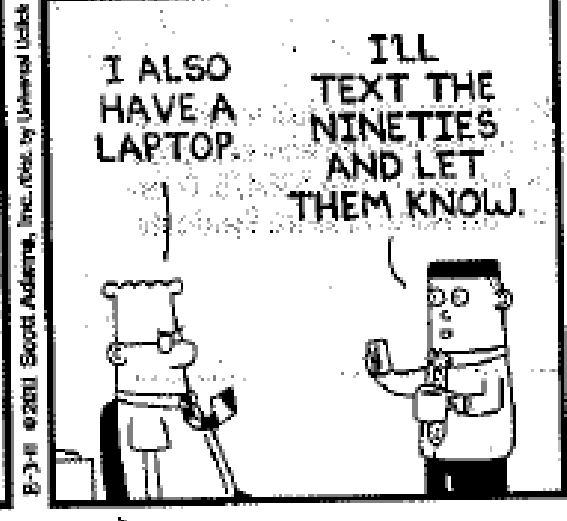
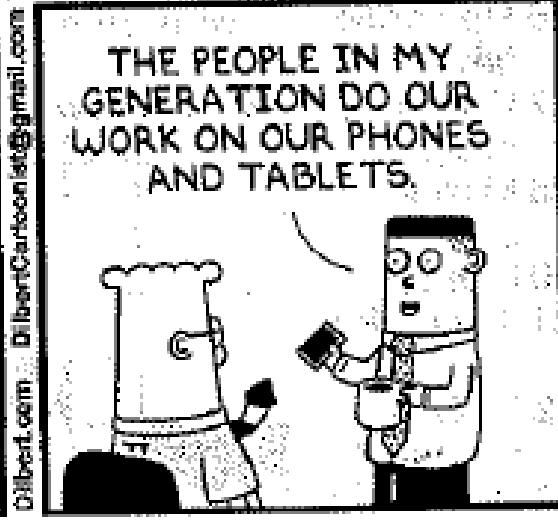
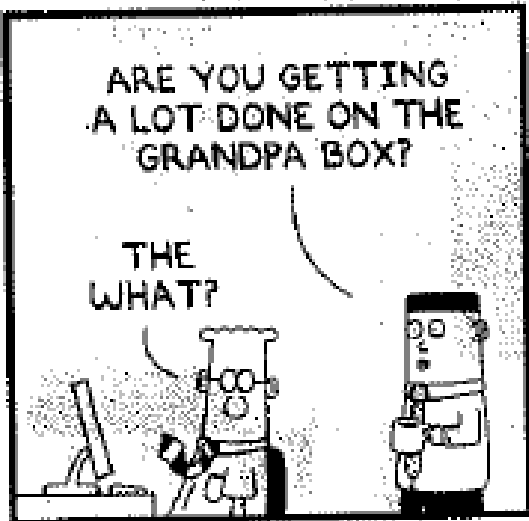




Customer Service Model of the Future

DILBERT

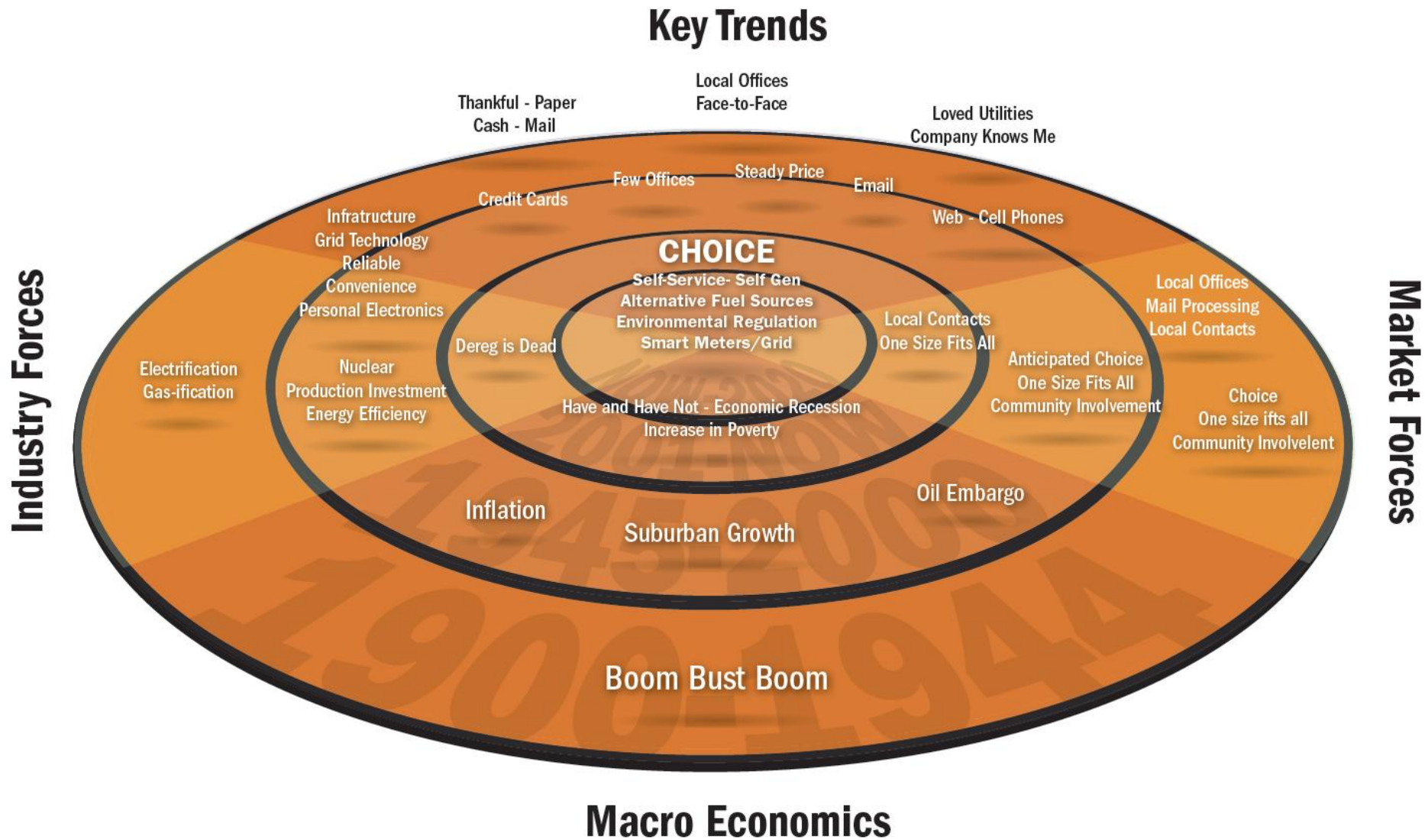


Dilbert.com DilbertCartoonist@gmail.com

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1. What our customers value is changing
2. One or more technology game changers are on the way
3. To be successful in the future we have to understand our customers and systems better

Shifting Customer Expectations



Trends In Customer Behavior

Researching products on mobile phones while shopping has doubled in one year

2009 (14%)



2010 (30%)



E-filing taxes has more than doubled in the last 10 years

2001 (30%)



2011 (70%)



99% of people in the United States over the age of 5, have a mobile phone (as of March 2010)

Social media and smart devices “there is an app for that” are not going away



Facebook Statistics in our service territories

- **Of the people who live in locations where we have utility services:**
- **981,520** have Facebook accounts and of those...
- **889,400** are 18 years or older
- **535,040** are women
 - *According to JD Power statistics, 62% of our customers are women*
- **513,760** use mobile technology
- **434,620** are men
 - *According to JD Power statistics, 38% of our customers are men.*
- **332,780** are 45 or older
 - *According to JD Power statistics, 56% of our utility customers are 45 or older.*
- **127,480** are college grads

Customer Behavior Transforms Business Models



A New Approach To Serving Customers



Vision: Customers have simple,
powerful and personalized options to
manage energy in their life

Customer Value Drivers



Simple



**Shared
Understanding**



In Control



**Company
Knows Me**

Online Self-Service Focus

- Full service experience on my time, in my way
- Access to all systems CIS, OMS, MDMS, CAS
- Choice of payment options; schedule and channel
- Evolving solutions
- Personalized preferences – Amazon example of book suggestions
- Personalized opportunity – Upsell for additional products and services

Refocused Assets

- Bricks to clicks
- Integrated systems provide additional scalability and flexibility for evolving business models
- Customer service at high-value consultant approach

Draft Example Of Future Customer Portal

John Smith (Customer ID: #johnsmith2) My Info | Other Tools | Help

Did You Know: The proposed EPA Boiler Rules could increase your monthly bill by approximately \$89.78? What can you do? X Close This Message

Customer Service

Keith Mustard is your current Black Hills Customer Contact and can be reached directly at 605-567-8967

[Schedule Service](#)

Overall Energy Use

Actual Temp: 47° 34° 42° 32° 57° 72° 67°
10 Year Avg. Temp: 33° 32° 32° 32° 37° 32° 37°

Energy Budgeting ● Budget ■ Actual

Heating: 33%
Cooling: 18%
Lights: 12%
Appliances: 11%
Entertain.: 2%
Other: 5%
EnergySave: 19%

1251 kw Est. Use / Month [Update Budget](#) [Cancel Changes](#)

Energy Source Portfolio (Electricity)

Wind: \$0.27/kw
Solar: \$0.38/kw
Gas: \$0.19/kw
Hydro: \$0.23/kw
Coal: \$0.09/kw
Self: 0.42/kw

Pick your profile: Pure Green, Middle, Lowest Cost

\$0.28 / kw Expected Cost [Update Source](#) [Cancel Changes](#)

My Account & Services

\$275.89 CREDIT CARD PAYMENT Scheduled for: 4/28/11
CURRENT BALANCE [Payment Options](#) [Account History](#)

Services & Programs **Suggested Services**

Service Guard Gold Spring AC Tuneup
Black Hills Cares

Improving Life With Energy Opportunities

- + Your friend Jake S. just challenged you to replace 10 light-bulbs this month
- + Black Hills Energy is planting trees this weekend at the Newton Fair Grounds -- would you like to volunteer?

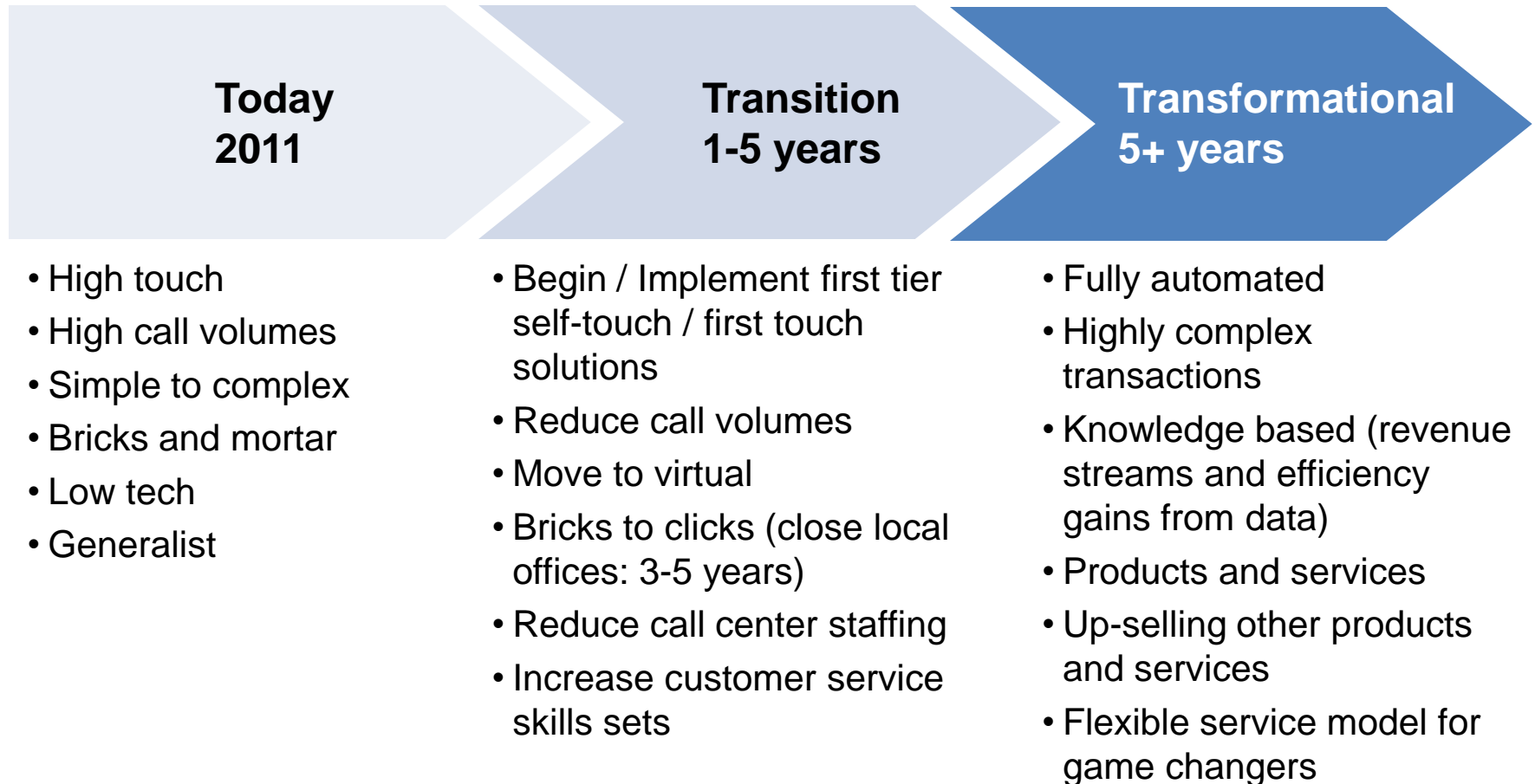
NOTES:

- + Link to additional level of home automation tools; better help them manage time of use
- + Customer service representative assigned based on when they are in the dashboard
- + Ability to manage multiple meters and commodities
- + News bar to feature key information
- + EnergySave -- savings is a part of budgeting; this would be a program where they could save for future use the energy they save (efficiency)
- + Ability to set comparables for all the data at one time
- + Each customer to manage their own energy resources portfolio and be able to see the various impacts from their choices
- + See the current payment option being used for the account; also have option to change; Payment Options: Budget Bill, Pre-Pay, Max-Pay, etc
- + All data downloadable' Data API for future partnerships?
- + Upselling -- could also customize upsell based on data and promote in the top info bar
- + How to get "reliability" message across?

Key Enabling Systems

OMS	CAD	AMI/AMR	Ebill	Cust. Knowledge	EA	CAS
MDMS	CIS	SCADA	IVR	GIS	Storms	EFT

Traditional To Transformational



Evolving Customer Service Model



Phone Call *

Per customer interaction: \$5.50

Customer Satisfaction: High



Online Self-Help *

Per customer interaction: ~\$0.10

Customer Satisfaction: High

Current Service



80%
Phone



10%
Bricks & Mortar



7%
Field Services



3%
Personal Devices

Shift from O&M
to capex
opportunity
from shifting
customer
expectations

Future Service (by 2020)



75%
Third Screen



10%
Video Chat



10%
Phone



5%
Field Services

Guiding Principles

- Invest capital to reduce O&M
- Cost per customer interaction significantly decreases
- Increased customer satisfaction (neutral to better)
- Turn data into knowledge
- Justify investment based on traditional business and maximize investment returns through transformational opportunities
- Strategically position for market game changers

Evolving Customer Expectations

1900-1945: The company knows me, I know the company and I am in control

1945-Now: I am 1 of a million customers and I don't have any control

Future: The company knows me, I know the company and I am in control

