

Case Study

Xcel Energy

Like the endangered falcons it protects, Xcel Energy uses visionary prowess to improve services



Xcel Energy is America's fourth largest utility company, providing both electricity and natural gas to nearly four million customers. Formed by a merger of Northern States Power Co. and New Century Energies, Xcel Energy's more than 13,000 employees serve 12 states and record annual revenues in excess of \$11 billion. But what sets this energy goliath apart is its concern to improve the lives it touches, from the customers it serves to the wildlife that lives within its service areas.

As part of that effort, beginning in 1989, Xcel Energy has placed wooden boxes near the tops of its power plant smokestacks to provide protected nesting areas for endangered peregrine falcons and ospreys. Since then, more than 100 young peregrines have hatched and fledged. Xcel Energy has even equipped three of its seven nesting sites with Web cameras, nicknamed "bird cams," to give its corporate Web site surfers an unprecedented view into the life of nature's fastest animal, the "top gun" peregrine falcon. But that's not all Xcel Energy is offering its customers over the Internet.

Giving customers options

In 1999, as part of its overall e-business strategy, Xcel Energy began to strengthen its Web site offering with ways to provide its customers with a self-service approach to managing their personal utility account information. The goal was, first, to give customers 24x7 flexibility to access their account information. A secondary, and equally attractive goal was to reduce the volume of transactions coming through its customer call center. Because the principal inquiries driving Xcel customers to its call center involved billing records and payment history, high priority was placed on incorporating electronic billing and payment services into its overall Internet initiative.

After reviewing the services of various providers, Xcel Energy contracted with CheckFree i-Solutions and, in June 2000, extended the ability to both view and pay bills via the Internet to more than 1 million of Xcel Energy's customers. Xcel Energy purchased CheckFree i-Utility software to create the electronic bills and store the bill detail. Xcel Energy also uses CheckFree i-Solutions' distribution services to deliver its electronic utility bills to more than 300 Consumer Service Provider (CSP) Web site destinations. Now, Xcel Energy customers can view and pay their electric bills any time of day from anywhere in the world.

Giving access anytime, from anywhere

An Xcel Energy customer can enroll in the electronic billing and payment service at either the Xcel Energy Web site or at any one of the CheckFree CSP Web sites, including most major banks and Internet portals, such as Bank One, Bank of America and Yahoo!. For example, when a Bank One customer enrolls in online billing services, Xcel Energy is included in the list of more than 200 billers from which a customer can receive e-bills. So when an e-bill is created, Xcel Energy forwards it to the customer's chosen CSP rather than mailing a hard-copy bill through traditional "snail" mail.

When the CSP has received the customer's bill, an email notification is sent to the Xcel Energy customer informing them that their energy bill is available. Through the email, customers are linked to their bill-summary information hosted at the CSP location. There, customers can also pay their bill.

Resident on the summary page is a "bill insert" space where Xcel Energy can place marketing messages or teaser advertising to use as a cross-selling tool. The bill insert can even include a link directly to the Xcel Energy Web site. In addition, should customers

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Debbie Mukherjee
Product Portfolio Manager
Xcel Energy

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- Payment Services
- Customer Care

Xcel Energy

elect to view their bill-detail, they are instantly routed to the Xcel Energy site where billing detail and historical information is housed using CheckFree i-Utility software. To pay the bill, customers simply click "Pay" and choose the date the funds should transfer — CheckFree does the rest, complete with a delivery guarantee.

Giving and getting in return

So far, the initiative has been a great success. According to Debbie Mukherjee, product portfolio manager at Xcel Energy, "Since its introduction, we have seen e-bill enrollment grow anywhere from 10 to 17 percent month over month. In addition, when we ran a paper-bill insert promoting the service, we saw an immediate upswing in enrollment growth. Our customers were clearly ready for the service."

Planning to run similar and more extensive marketing campaigns promoting the service, Xcel Energy has rebranded their electronic bill delivery and payment product and produced customer brochures for future promotions.

Mukherjee believes that the savings and benefits from the program will also continue to grow through economies of scale as more customers enroll. What's more, because Xcel Energy suppresses its paper bills for customers enrolled in e-bill, Xcel Energy is further benefiting the environment. With nearly four million potential e-bill customers that would otherwise receive a monthly paper bill — suppressing paper billings will surely have a great impact.

As anticipated, call center volumes have also been positively affected by the implementation, "Not only are we receiving fewer calls from the customers that view their bill detail online, it gives e-bill customers greater flexibility in their own personal financial management," says Mukherjee. "For instance, when a customer receives an email notification, they can either pay the bill then or schedule it to be paid in the future." In addition, for recurring bills, such as utility statements, a customer can schedule automatic payments depending on predefined maximum limits. The scheduling capability allows for a customer to "touch" the e-bill only once and then forget it. No more late payments due to customer timing errors.

Giving more services in the future

When initially launched, Xcel Energy provided the online billing service only to its consumer accounts. However, Xcel Energy is considering extending the capability to its business customers in the future. CheckFree i-Series software will give Xcel Energy B2B customers the same Internet viewing and payment capabilities, but with drill-down research functionality and review-tracking features that business accounts payable and purchasing departments require. "Our experience with CheckFree has been first-rate. They are very responsive to our needs, both operationally and from a marketing perspective. They have even assisted with our internal systems issues that related to the e-billing initiative. I expect CheckFree and Xcel Energy will continue to enjoy a strong business relationship well into the future," anticipates Mukherjee.

To learn more about how CheckFree i-Solutions can improve your services offering, visit our Web site at www.checkfreeisolutions.com. Or, call 1-800-964-4552.



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