

ACXIOM EMPOWERS ENERGEX FOR FUTURE GROWTH

CUSTOMER

ENERGEX Limited

SOLUTION

Acxiom helped ENERGEX gain customer insight for enhanced predictive and analytic capabilities.

RESULTS

Acxiom has helped ENERGEX to create a number of tangible results:

- 70% reduction in handling time of customer information reports and requests
- 15% improvement in automatic matching for CLI recognition
- Development and integration of 6 customer segmentation models into business processes for enhanced decision making capability
- New process development allowing customer reliability impact priority modelling and forecasting (asset management decisions now quantify customer impact, resulting in 35-40% improvement)
- Analytical framework enabling queries over 1 million customer records in seconds, including attribute, network, demographic and consumption data
- Ability to assess and quantify customer impacts and relationships to peak electricity demand for targeted demand-side management strategies
- Global benchmarking (gaining corporate reputation on par with top 10% of European and USA utility companies)

ACXIOM CLIENT

ENERGEX Limited is a government-owned electricity network and one of the largest electricity companies in Australia, currently serving more than 1.3 million homes and businesses in South East Queensland. For more than 85 years, ENERGEX has delivered electricity to South East Queensland.

CHALLENGE

By 2031 SE Queensland's population is expected to grow to 4.4 million people, requiring an additional 754,000 dwellings¹.

To support this new populous and the businesses that will employ them, ENERGEX needed to enhance network reliability whilst achieving sustainable regulator and economic outcomes.

When planning how best to allocate funds, energy distributors must demonstrate consideration for the potential customer impact of network improvements and grid upgrades.

The Australian Energy Regulator (AER) maintains vigilance over how energy providers spend their capital. Failure to meet agreed minimum service standards or excessive customer complaints can result in large penalties.

With \$6 billion scheduled for expenditure on infrastructure over the next five years, ENERGEX's ability to illustrate its positive strategy for development and increasing customer-centricity was crucial. So, too, was the ability to predict where its network was most at risk and the most likely areas of rapid growth; both short-term and for forward planning.

By discovering more about the make-up of its customer base ENERGEX could determine the most inconvenient time for a group of consumers to be without

electricity, and so actively work to minimise the disruption caused by any power outages or necessary works. By ensuring that customers have power at times most critical to them, regulatory standards can be maintained and levels of customer satisfaction increased.

SOLUTION

ENERGEX turned to Acxiom for help deriving insight into its customers' economic, behavioural and attitudinal information on electricity supply in an effort to better predict these, and other, variable details.

By implementing a Business Intelligence platform and marketing database Acxiom provided ENERGEX with a comprehensive Single Customer View, helping standardise and integrate data previously housed in 10 different operational systems.

Acxiom developed an analytics platform that allows ENERGEX to provide demographic projections of customer purchase decisions, project demographic growth and segment its customer base into various energy profiles, and to prioritise and plan to mitigate the impact of power outages.

"One of Acxiom's greatest differentiators is its ability to apply in-depth knowledge about customers, including attribute data and behavioural information to the complexities of managing an electricity distribution business. Traditional marketing solutions do not meet our business requirements. Acxiom understands our needs and tailors its solutions accordingly."

Andrew Hager, Customer Analytics Manager,
Customer Services Division, ENERGEX Ltd.



positive energy

APPROACH

By gathering customer attribute information and feedback, Acxiom drew on its industry-leading customer data integration processes and analytic capabilities to interpret, analyse and predict customer behaviour and requirements.

Acxiom provided ENERGEX with a non-traditional view of its network by linking additional customer information to existing data. By appending premise and occupant attributes to over 85% of households and 70% of businesses from its own data source, Acxiom put a “face” to many anonymous customers, giving ENERGEX greater insight into energy consumption.

Using existing ENERGEX data in tandem with Acxiom’s extensive data enhancement and analytics-driven insight, Acxiom classified all customers to allow ENERGEX to more effectively calculate “Value of Customer Reliability” (VCR).

Customer classifications and all attribute information were assigned to the network infrastructure and linked to ENERGEX’s GIS system for grid analysis and customer impact.

RESULTS

More accurate forecasting gives ENERGEX better operational control of its CAPEX programme. For example, determining that an area won’t need an expensive substation upgrade for a number of years allows reallocation of those funds to areas of the business with more urgent requirements.

Similarly, ENERGEX can now assess the customer impact of load-related (and other) power outages and employ strategies to mitigate levels of exposure and risk, enhancing supply reliability for regulatory service standards and improved customer satisfaction.

Far more detailed and accurate energy usage forecasting allows ENERGEX to plan both short-term and long-term upgrades, with improved predictive capabilities through more precise and reliable data.

ENERGEX’s customer-oriented analytical capabilities now exceed the scope of its previous potential. With monthly updates of data and processes identifying population behavioural trends, ENERGEX can flag forecasts that begin to differ from predicted models. Being alerted as early as possible to deviations from forecast standards permits a rapid response.

“In addition to providing both business and consumer coverage, Acxiom allows ENERGEX to analyse and forecast ‘top down and bottom up’, providing knowledge from the perspective of understanding peak substation load down to identifying individual connected properties, businesses and their make up.”

**Andrew Hager, Customer Analytics Manager,
Customer Services Division, ENERGEX Ltd.**

Today, complex queries and requests are turned around in a matter of minutes via a self-serve platform, delivering immediate information that was previously unavailable and unknown to key stakeholders across multiple departments. All data is now immediately available, stored in a single, fast, efficient and integrated platform that meets all business integration requirements and serviced over 2,000 requests enterprise-wide in the first four months of release.

ENERGEX staff can identify and group customers to understand their effect on a portion of the grid – be it at distribution transformer, switching point, feeder, customer substation, or zone substation. The inherent value of this information lies in the ability to apply data and insights at any geographical level based on business requirement. Network planners therefore have access to information that is linked to the electricity infrastructure boundaries, as well as being able to select information sources based on more traditional geographical areas, such as post code, suburb or council to assist in corporate communications and community liaison strategies.

As power outages are unavoidable, accurate VCR calculations will, in time, help ENERGEX to both devise the optimal strategies to lessen client impact and avoid the potential implications of the electricity regulator flagging excessive works. By minimising flat VCR fees incurred by energy providers and credited to end consumers, ENERGEX can also incorporate reduced customer economic costs into cost-benefit decisions for future investment planning.

From a commercial perspective, the Acxiom solution allows ENERGEX to answer theoretical questions related to changing customer consumption profiles. For example, ENERGEX can now determine how many customers are considering or have recently installed solar PV, or now show a propensity to purchase energy-efficient appliances.

1. Queensland Government Department of Infrastructure and Planning, Friday, 26 March 2010.