
Protecting Customers During Extreme Weather

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***Austin Energy
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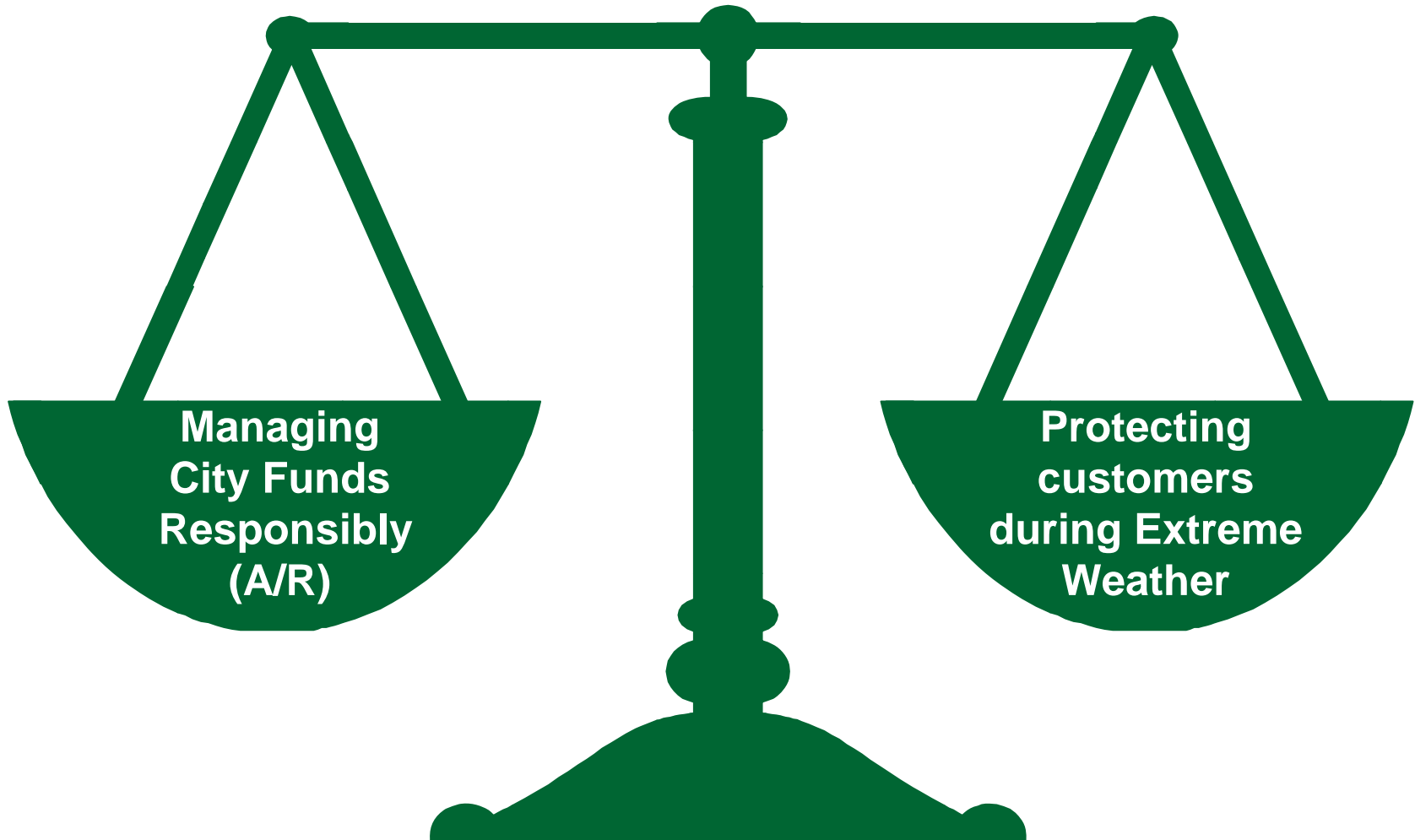


Topics

- **Revising Extreme Weather Collections Policy**
- **Improving Deferred Payment Agreements**
- **Expanding Customer Assistance Programs**



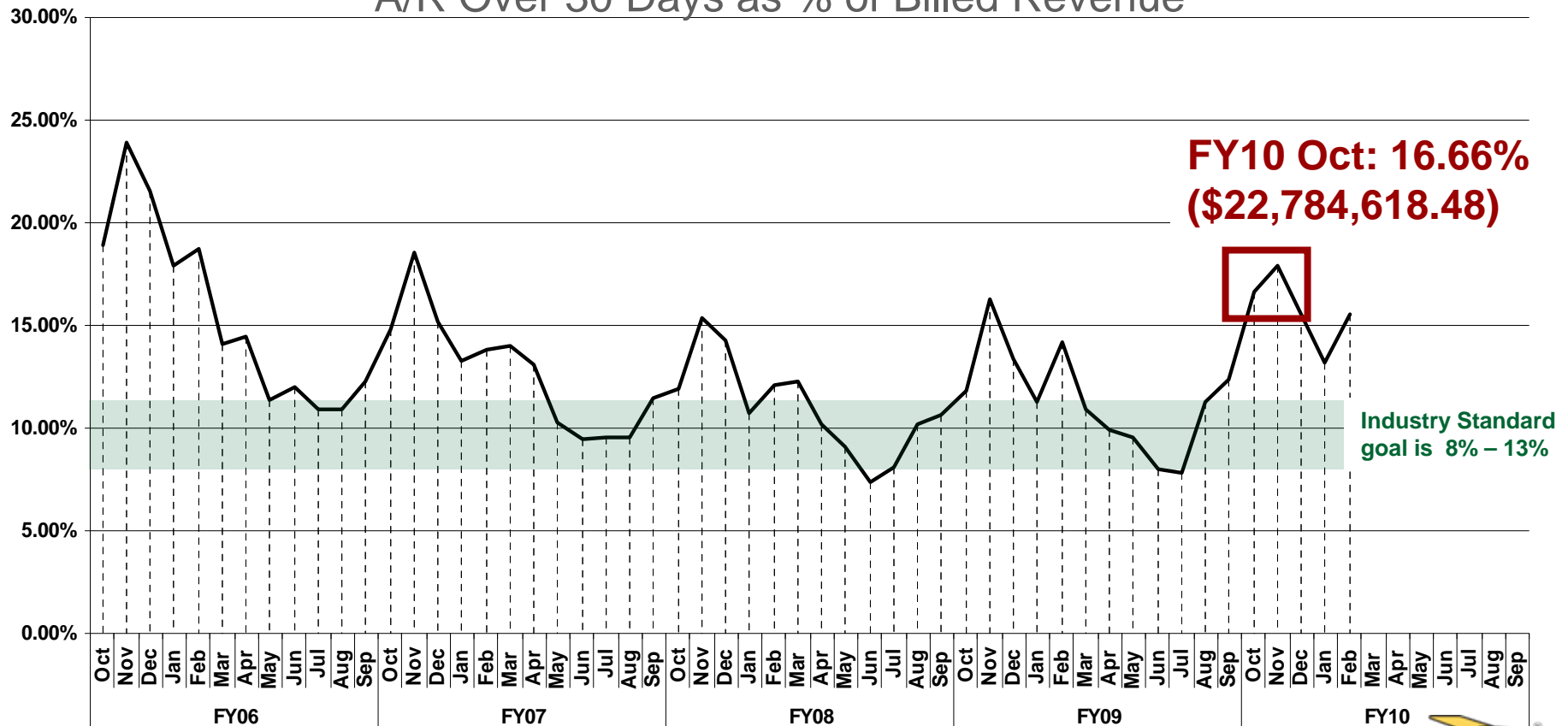
Maintaining a Critical Balance



Maintaining a Critical Balance

Extended suspensions of disconnections result in excessively large unpaid electric bills once the suspension period is over, making it even harder for the customer to pay the outstanding debt.

Effects on Active A/R Over 30 Days:
A/R Over 30 Days as % of Billed Revenue



FY10 Oct: 16.66%
(\$22,784,618.48)

Industry Standard
goal is 8% – 13%



Extreme Weather Disconnection Policy

Objectives

- Offer better protection for customers during extreme weather events while still maintaining acceptable A/R
- Address concerns of Stakeholders and Customer Advocacy Groups
- Address need for revisions based on 10-Year Case Study
 - Total Days COA policy *required* suspension of disconnections in 2009 : 0
 - Total Days COA *elected* to suspend disconnections in 2009: 40



Extreme Weather Disconnection Policy

Current

The City may place an extreme weather moratorium on disconnecting residential utility service for nonpayment if:

The NWS reports a temperature or temperature forecast is at or above 100 degrees Fahrenheit for five consecutive days and the temperature is forecast to reach or exceed 100 degrees Fahrenheit for the next five days.

Summary

- Based on Actual & Forecasted Air Temperature
- Takes into account 10 contiguous days (combination of actual and forecasted)

Proposed Revision

The City may place an extreme weather moratorium on disconnecting residential utility service for nonpayment if:

*The NWS reports a **Heat Index** or **Heat Index** forecast is at or above **102** degrees Fahrenheit for the current day and the **Heat Index** is forecast to reach or exceed **102** degrees Fahrenheit for the **next** day.*

Summary

- Based on Actual & Forecasted Heat Index
- Takes into account 2 contiguous days (combination of actual and forecasted)

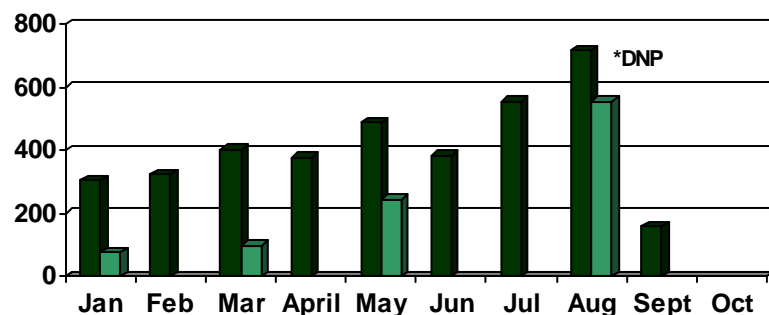


Deferred Payment Agreements (DPA)

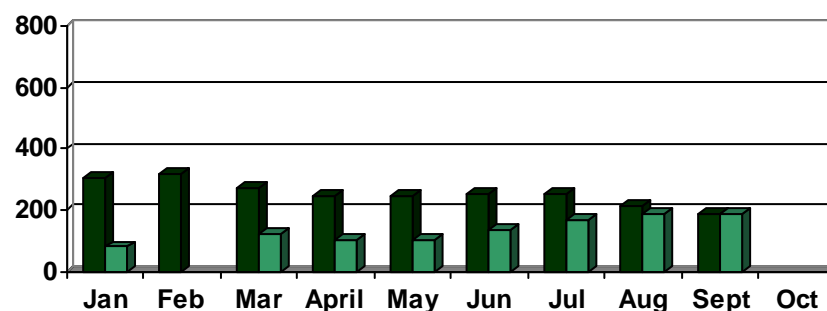
Objective

Achieve a higher success rate for customers with active DPAs while maintaining appropriate levels of A/R

Example Account Debt Growth
Under Current DPA Process



Example Account Debt Growth
Under Proposed Process



■ DPA Payment ■ Account Balance



Deferred Payment Agreement (DPA) Policy

Current	Proposed Revision
Term Length <ul style="list-style-type: none">- 3 months or 4 months	Term Length <ul style="list-style-type: none">- Up to 8 months
Down Payment Amount / Timeframe <ul style="list-style-type: none">- Minimum 25% or 30% of balance within 7 calendar days	Down Payment Amount / Timeframe <ul style="list-style-type: none">- Minimum 25% of balance within 15 calendar days
Number of regular DPAs per customer <ul style="list-style-type: none">- Limited to 2 per calendar year	Number of regular DPAs per customer <ul style="list-style-type: none">- Unlimited, when previous DPA is successfully completed or account is brought to zero balance after broken agreement



Current Programs for Customer Assistance

- **Levelized Billing (Budget Billing)**
- **Deferred Payment Agreement**
- **Low Income Discount Program**
- **Financial Contributions available through the Customer Assistance Program**
- **Case Management approach by Community Service Coordinators**
- **Life Support Program**
 - Site visits
 - One on one consultation
 - Special payment arrangements



Expanding Customer Assistance Programs

Objectives

- Austin Energy currently has a longer and more flexible collection cycle than other comparable utilities
- Austin Energy's Customer Assistance Programs currently provide additional assistance above and beyond industry standards
- Expansions include additional eligibility options and more flexible payment agreements for customers with serious or chronic illnesses



Expanding Customer Assistance Programs

	Life Support	Chronically III*	Seriously III*
Certified Life Support Equipment Required for Enrollment	Yes* (to include add'l equipment)	N/A	N/A
Medical Certification Required for Enrollment	Yes	Yes	Yes
Site visits and consultation with Community Solutions Coordinator	Yes	Yes	Contacts handled via Call Center
Emergency Notification	Yes	Yes	Yes
Eligible for a Medical Deferred Payment Agreement (MDPA)	Yes	Yes	Yes

***Proposed Revisions**



Next Steps

RCA in May Council Meeting

- Extreme Weather Collections Policy revision
- Customer Assistance Program expansions

Council Briefing

- Deferred Payment Arrangement revisions in preparation for new billing system