

City of Austin Utilities

Commission Briefing on Relief Funding and Standard Operations

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Austin Energy



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Austin Energy 2020 Pandemic Response

March/April
2020

Disconnections and
Late Fees Suspended

Council Approved
Utility Bill Relief
Funding

May 2020 – June 2021

AustinBillHelp.com launched

Multi-channel communication and outreach
Engaged with community partners and
expanded Plus 1

Expanded branch operations and pay
channels

Current State

AustinBillHelp.com
still available

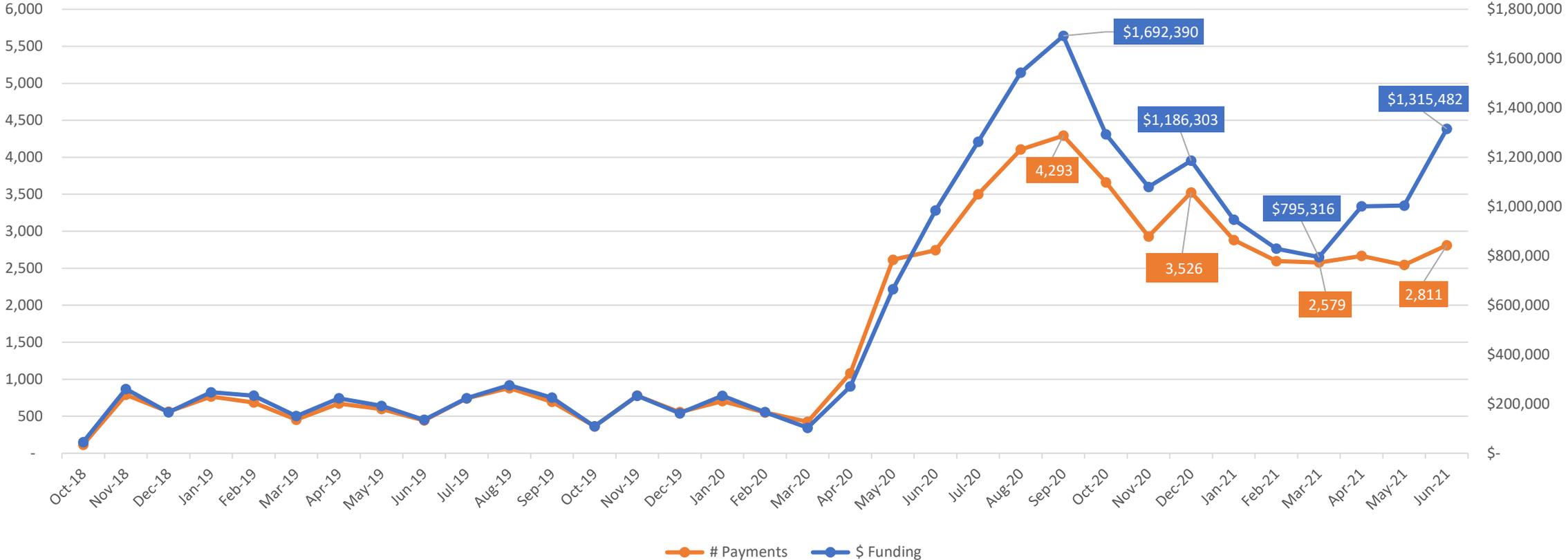
Standard Collection
Practices Resumed



Utility Bill Relief Funding: COVID-19

As part of COA Utilities' COVID-19 response, \$20M was added to the Plus 1 fund

Plus 1 Funding & Payments (FY2019-2021)



COVID-19 Bill Journey from A/R to Utility Expense

Bill Generates with a Due Date

~ **75% of customers are paying their bill** on time or near the due date (typically 90%)

Some payments are not made on time

~ **25% of customers are past due** and receiving either a Late Payment Notice or a Service Disconnection Notice (typically less than 10%)

Some payments are spread out over time

~**1% of customers** are calling to **set up payment arrangements** or requesting extensions (typically 1-2%)

Unpaid Customer Debt accrues

Customers who do not contact the utility for payment options receive escalating notifications up to Disconnect for Non-Pay. Typically, **less than 1% of customers reach this status**. If customers do not pay to restore services, balances due are sent to collection agency.

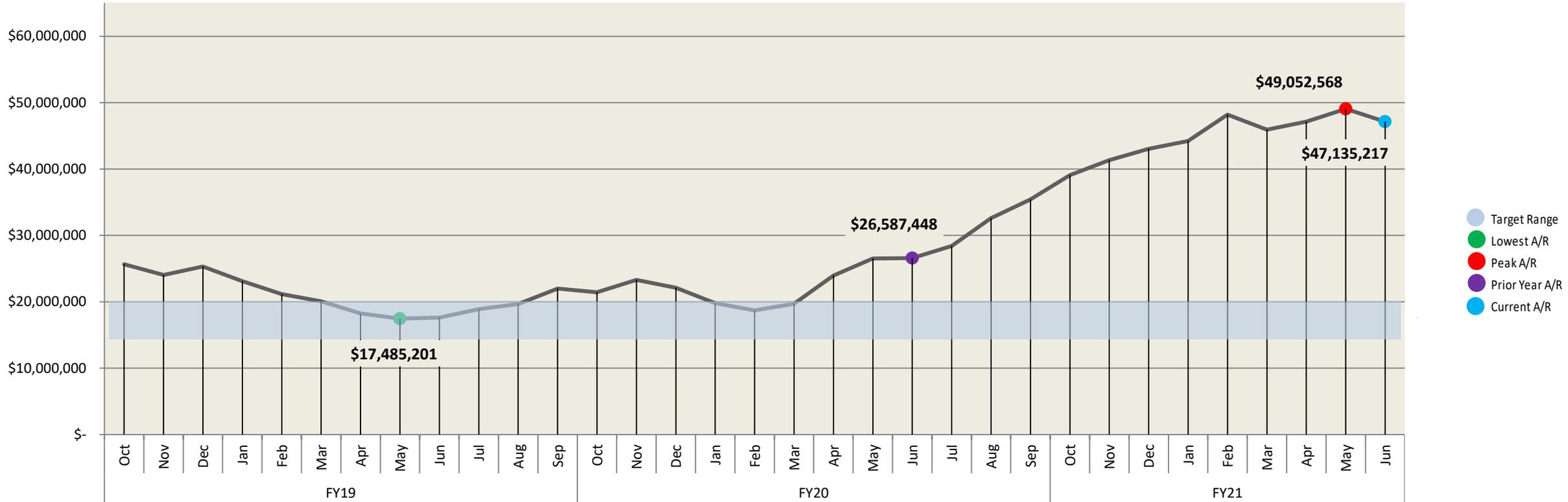
Bad Debt Expense

Unpaid debt eventually becomes Inactive and is difficult to collect. Uncollected debt is then calculated into **Bad Debt Expense**, representing a **loss of revenue to the utility**.



Historical monthly active A/R dollars for all utilities

Total active A/R > 30 Days



• March 13, 2020: Moratorium on soft services began in response to COVID-19

Fiscal Year 2019 offers a view into a typical year for aged receivables management. At the onset of the pandemic in 2020, we began to experience a consistent upward trend.



Debt Comparison

June 2019

-Total Past Due Debt - \$17.5M

- Residential - \$15.3M
- Commercial - \$2.2M

-Average Balance Past Due - \$313

- Residential - \$284
- Commercial - \$1,026

June 2021

-Total Past Due Debt - \$47.1M

- Residential - \$37.3M
- Commercial - \$9.8M

-Average Balance Past Due - \$672

- Residential - \$637
- Commercial - \$2,143



Resuming Standard Collection Operations

May/June 2021

Targeted door hanger campaign to encourage customer contact from those most at risk.

June 2021

Service disconnection notices resumed and email sent to all customers that had past due balances.

July 2021

News release highlighted key dates to resume all standard operations.

July 16, 2021

Resumed standard collections activity including disconnection for customers who had not made arrangements.



2021 Utility Bill Relief funds are still available and there is still time for customers to contact us or a community partner for assistance options.

Engaging City of Austin Utility Customers

Through the end of 2021, we will continue:

- **Outreach:** encourage customer contact through a variety of mediums
- **Utility Bill Relief:** provide utility bill assistance through [AustinBillHelp.com](https://austinbillhelp.com) and local partnerships
- **Flexible Payment Arrangements:** offer payment arrangements with up to 36 months repayment options (24 months for commercial)
- **Waivers:** late fees will be waived for those who receive relief funding or enter into a payment arrangement



Questions?

