

# Monthly Billing

## Utilities Customer Billing Frequency

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# Policy Issue

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Should Utilities transition to monthly billing?



# Information

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- This is an informational briefing. No action by the Commission is required at this time.
- July 7 – Commission recommendation.



# Background

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Traditional billing - bimonthly

National trend toward monthly billing

Monthly billing has been requested as a service by customers

Current state:

- Meter reading and billing system limitations

Future state:

- Automated Metering Infrastructure (AMI)
- Customer Information and Billing System (CIBS) Project – 2023

# Evaluation

## Why bill customers monthly?

- Enhanced customer service
- Easier household budgeting
- Promotes water conservation
- Reduces risk of delinquencies
- Improved revenue stability



# Evaluation (cont.)

What keeps a utility from moving to monthly billing?

- Cost of meter reading
- Cost of monthly billing
- Billing system limitations
- Administrative burden
- Change management



# Evaluation (cont.)

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## ***This is an opportune time***

- Automated Metering Infrastructure (AMI)
- Customer Information and Billing System Project



# Fiscal Impact

## Current cost - bi-monthly billing (status quo)

Category	2023	2024
Bill print	\$66,982	\$68,757
Postage	\$100,000	\$102,650
Check payment processing	\$25,000	\$25,663
Merchant fees	\$776,872	\$818,046
Total	\$968,854	\$1,015,116





# Fiscal Impact (cont.)

## Additional cost of monthly billing

Category	2023	2024
Bill print	\$33,491	\$66,982
Postage	\$42,500	\$85,000
Check payment processing	\$12,500	\$25,000
Merchant fees	\$151,813	\$319,718
Total	\$240,304	\$496,700



# Policy Issues

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Two policy options are considered:

1. maintain the status quo, with billing on a bi-monthly cycle; or
2. establish a policy to transition to monthly billing.

Staff recommendation: Option 2



# Next Steps

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- Jul 7 – ESC Recommendation
- Oct 2022 – Council direction
- Q2 2023 – Customer communications
- Q3 2023 – Implementation



# Information

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Staff will ask for a recommendation from the Commission to Council regarding this policy issue at the Commission's July 7 meeting.



# Questions?

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