

**FINANCE, ADMINISTRATION, & PROCUREMENT COMMITTEE**

**MARCH 10, 2021**

# **Aging Account Status**

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# Some Definitions:

Aging Accounts fall into three categories:

1. Customer accounts with an outstanding balance prior to due date
2. Customer accounts with an outstanding balance beyond the due date
3. Net Energy Metering (N.E.M.) accounts for customers with solar

For the purposes of this discussion, we will focus on the second category. These are also referred to as “late”, “past due”, “arrearage”, and “aged”

“Uncollectables” are second category aging accounts where collection on the outstanding balance is deemed impossible and will be written off the books.

Aging Bucket is a period of time to measure how long the account has been aging past the bill’s due date

# How Aging is Determined

Traditionally, aging can be defined in terms of “Bill Date” (the date of issuance on the bill), or “Due Date” (the date the payment is due).

For our purposes, we are measuring aged accounts by Due Date

How the billing process works:



# How Aging is Determined

If all, or any portion, of the current bill is not paid by the due date, it will fall into an aging bucket. These buckets are measured by 30 day increments as from the Due Date method as:

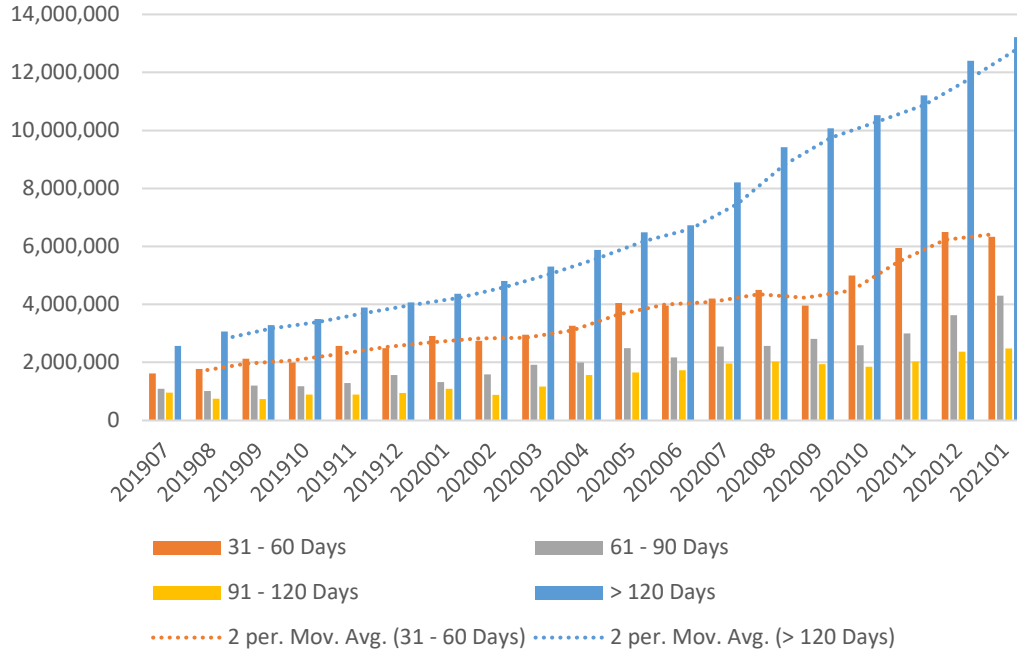
- Current: Not past due
- 0 - 30 Days Late
- 31 - 60 Days Late
- 61 - 90 Days Late
- 91 - 120 Days Late
- 120+ Days Late

While EBCE tracks all buckets, the most relevant of interest are the 31-60 Days and the 120+ Days.

Most late payments are usually resolved within 30 days of being late, so the 0-30 days late bucket is not a good indicator of whether it will be a materially outstanding balance.

# Historical Aging

All Buckets 30+ Days

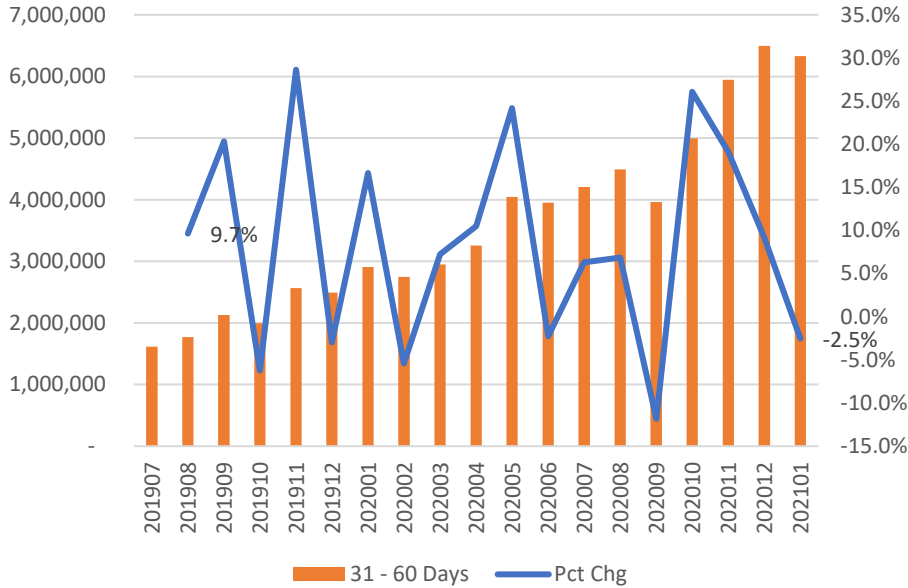


July of 2019 - January of 2021

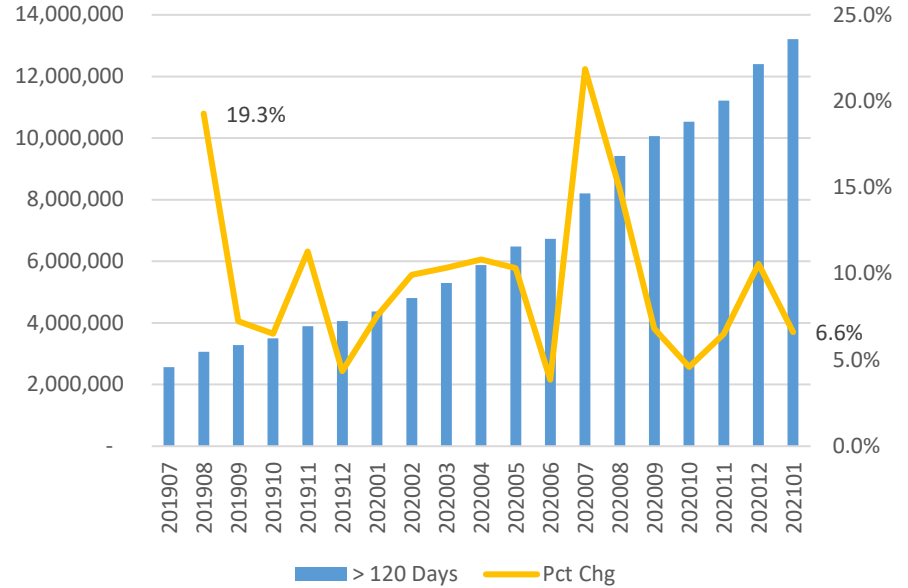
Generally, bucket amounts rise over time, but have some moments of decline

# Historical Aging

## 31-60 Day

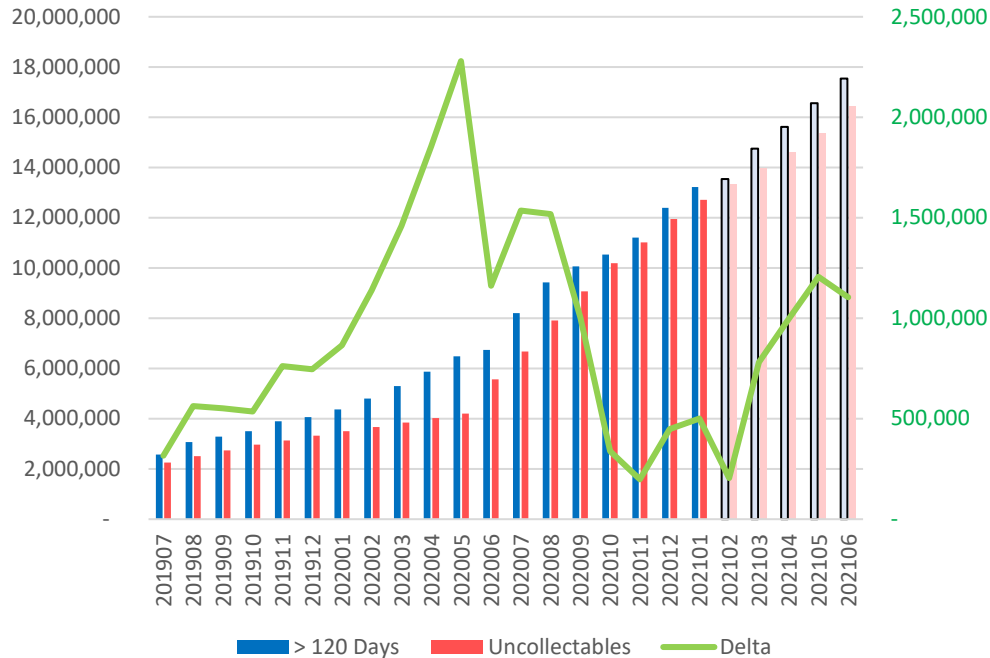


## 120+ Day



# Historical Aging

120+Day to Uncollectable Balance



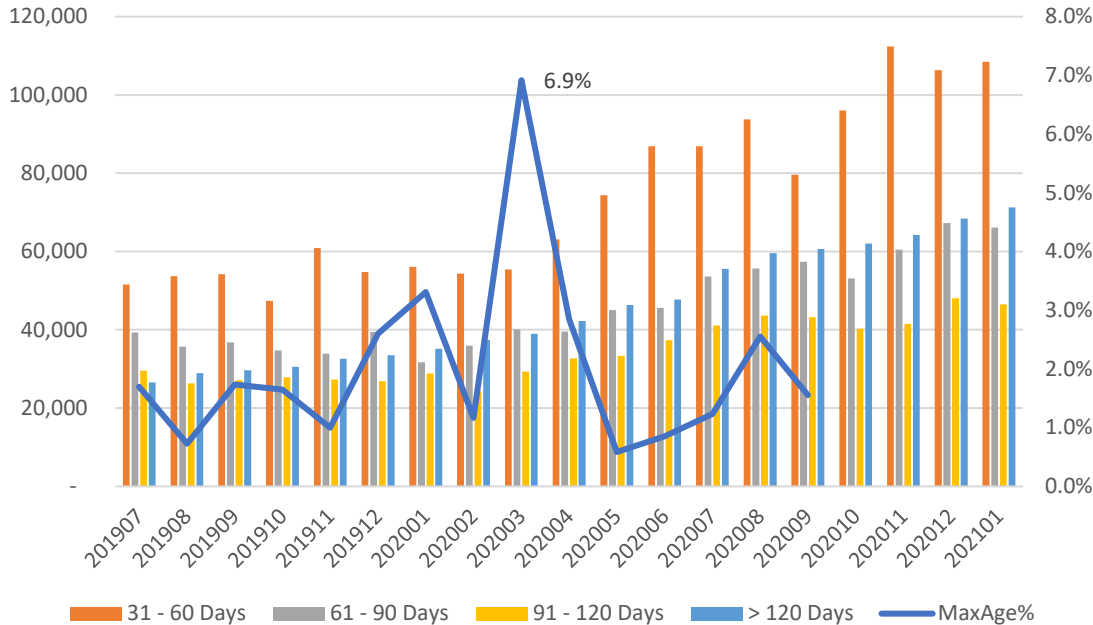
Not all accounts in the 120+ Days Late bucket are uncollectable

Catch up by Uncollectables is due to EBCE increasing estimate to 2.5% of revenue

Faded bars are projections

# Number of Accounts

Number of Accounts per Bucket



More accounts with arrearages in 31-60 Day bucket







On average, 98% of 31-60 Day accounts get current before hitting 120+

MaxAge% is the amount of accounts initially late that migrate to the 120+ bucket. For example, 6.9% of the accounts that became late in March aged to 120+









# Aging by Customer Class for January 2021

## Total Aged Amounts 30+ Days

	Customer Class	Arrearages (\$) ▾
1.	RES	11,746,577.48 
2.	COM/IND	9,270,754.38 
3.	RES CARE	5,895,321.76 
4.	RES DAC	1,983,153.65 
5.	RES PayPlan	1,363,564.94 
6.	RES MedAlloc	732,119 
7.	AGR	153,299.07
8.	RES FERA	149,094.36
9.	ST GOV	46,923.29

## Total Aged Amounts 120+ Days

	Customer Class	Arrearages (\$) ▾
1.	RES	6,346,073.11 
2.	RES CARE	3,555,957.18 
3.	COM/IND	2,402,976.94 
4.	RES DAC	1,160,707.17 
5.	RES PayPlan	625,924.54 
6.	RES MedAlloc	448,001.16 
7.	RES FERA	76,323.58
8.	AGR	50,100.29
9.	ST GOV	12.2

# Arrearage Management Plan

## A.M.P.

- Residential CARE/FERA only
- Each month paid reduces outstanding by 1/12<sup>th</sup>
- Went live Feb
- Qualifications for Eligibility:
  - Have 1 on-time payment to PG&E in last 24 months
  - Owe at least \$500
  - 12 months from point of entry
  - No stated end date for rolling entries
  - Will be evaluated later for efficacy

More information available from October 21, 2020 Board Meeting, Item 20 EBCE's Participation in the CPUC-approved Arrearage Management Plan

- Can be found here: <https://res.cloudinary.com/diactiwk7/image/upload/item-20-ebce-s-participation-in-the-cpuc-approved-arrearage-management.pdf>

# Thank You!



**Questions? Give us a call:**

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