



City of Independence, MO

**Utility Billing System
Conversion Review**

**Legacy System
to
Advanced Utility System
CIS**

September 2018

Review of Billing Calculations

- Electric billing – 26 rate codes
- Water billing – 33 rate codes
- Sewer billing – 30 rate codes
- Miscellaneous billing – fire protection, irrigation, private lighting, etc.

Customer Complaints

- Higher bills than expected
- Bill cycle lengths
- Bill delivery
- Level pay reconciliation recovery

Higher bills than expected

- May 2018 CDD three times more than May 2017 and two times more than May 2016
- June 2018 CDD 30% more than June 2017
- May 2018 City electric sales up 24% more than May 2017
- May 2017 City electric sales up 5% more than June 2017
- Fuel Cost Adjustment for May and June 2018, lower than in 2016

Bill cycle lengths

- Typical bill cycle ranges from 29-31 days.
- CIS allows for 26-34 days.
- CIS scales blocks and fixed charges with bill cycles outside of 26-34 days.
- Some customers experienced up to an additional 4 days included in their May 2018 bill.
 - Accelerates up to 13% of the next month's usage into present month's bill.
 - May 2018 all-in rates were less than June 2018 due to seasonal rates and FCA. June 2018 all-in rates were less than July 2018 due to FCA. Therefore cost/kWh would have been lower for that usage, however it was billed earlier than expected.

Bill Delivery

- Mail delivery was delayed or bills were returned undeliverable.
 - Address formats were not similar.
 - Post office commercial bulk mail automation.
- Existing customer data was imported into CIS from the legacy system.
- Moratorium on late fees and cut-offs until mail delivery issues are resolved.

Level pay reconciliation recovery

- Approximately 4800 customers are on level pay.
- CIS has a tighter algorithm than the legacy system.
- Legacy system had no reconciliation period for level pay customers.
- CIS system recovered reconciliation balances over 10 months.

Summary of findings

- Rates are set up correctly and calculating correctly.
- Non-system related issues caused the May-July customer bills to be higher than customer expectations.
- System conversion blamed for higher bills due to timing.
- Customer frustrations concerning bill delivery, bill cycle lengths and level pay reconciliation recovery.
- Consider simplifications to the electric rate structure.