

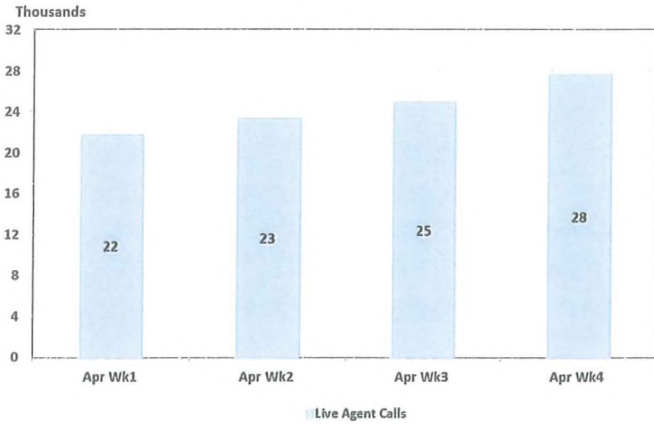
MAYOR'S DASHBOARD

Focus Area: LADWP Customer Service Metrics

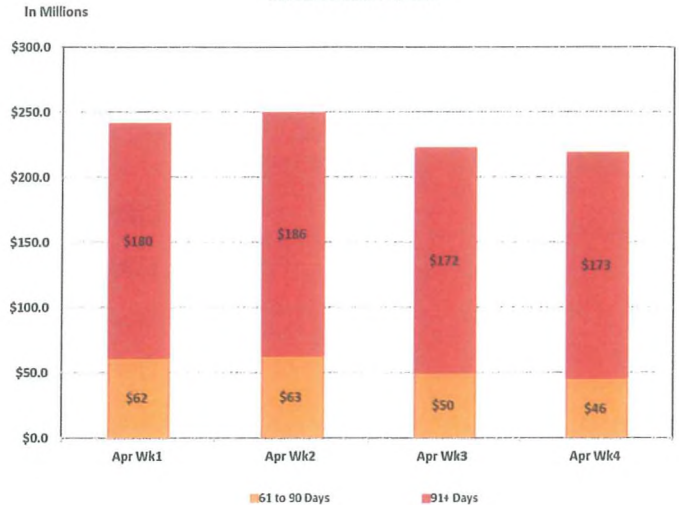
Presented: May 02, 2014

Initiative: Improving Customer Experience and Revenue Management

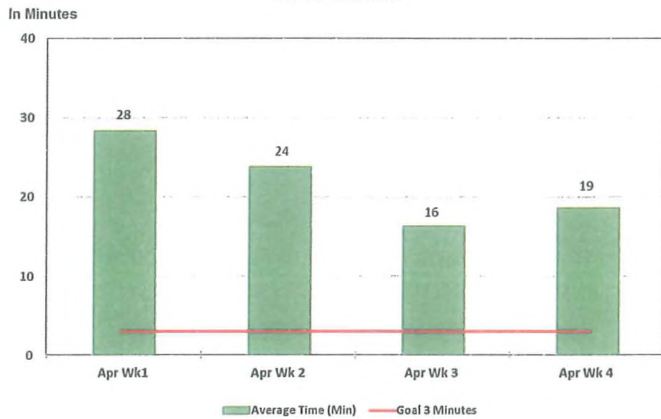
Customer Calls to DWP



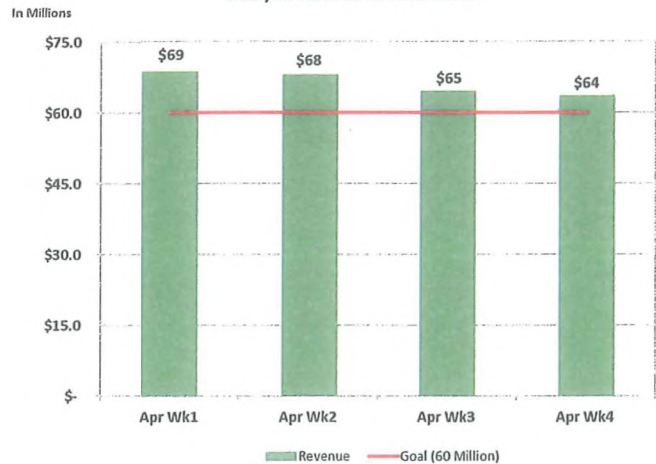
Billed Awaiting Payment



Live Call Wait Time



Delayed Bill Estimated Revenue



STATUS - Unacceptable

- Wait times still too high due to long call handle times
- Call volumes are tracking to historical levels
- Receivables decreased \$3M for this reporting period

MILESTONES / ACHIEVEMENTS

- Delayed revenue bills at an all-time low – cut in half since go-live
- Collection activities for non-residential customers with balances over \$3,000 continue
- Manual severance process started April 1 with disconnected notices issued
- Meter Reading hiring list has been established, so hiring and training now an ongoing process to maintain operational levels
- Customer Service Representatives (CSRs) hiring list now established (May 1)
- 49 new CSRs transitioned to the floor during April, refresher training proceeding for existing CSRs
- We are actively contacting customers prior to them receiving a delayed bill
- Responding to Solar Hotline requests within 48-hours

ISSUES

- Average customers wait times too high due to insufficient number of CSRs and long call handle times

RECOMMENDATIONS

- Support permanent hiring and longer retention of emergency hires
- Support collections at a rate that doesn't overwhelm call volumes
- Review and implement measures associated with recently completed Contact Center strategic assessment, including changing Contact Center hours effective May 1, 2014
- Move forward with residential severance

NEXT STEPS

- Clean up remaining solar billing backlogs
- Promote self-service customer options for routine business
- Resume collections for residential customers
- Complete credit card payments at Service Centers

Date: 5/7/14
Submitted in ESB Committee
Council File No: 14-0161
Item No.: 1
Deputy: Adam R. Lid



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City Council Motion 14-0161

LADWP's Revenue Collection Update

Date: 5/7/14
Submitted in EE Committee
Council File No: M-0161
Item No.: 1 Deputy: Adam R. Lid

Joint Budget /
Energy & Environment Committee Meeting
May 7, 2014



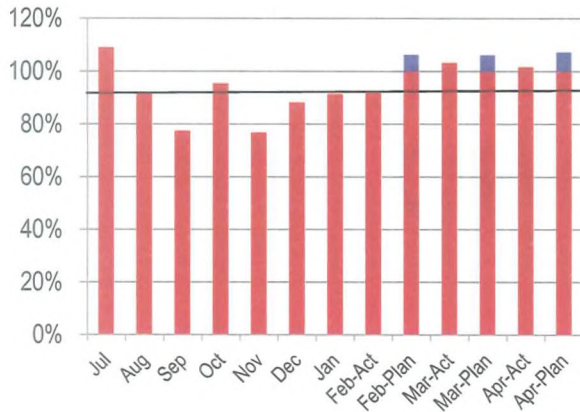
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Water and Power Collections Back on Track for March, April

Since the implementation of the collections action plan, collections for Water and Power have improved significantly, exceeding the budgeted amount for March and April.

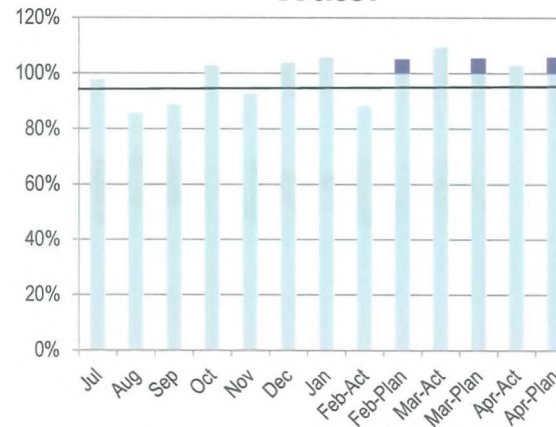
	<u>March</u>	<u>April</u>
Power	103%	102%
Water	110%	103%

Electric



Avg: 91.9%

Water



Avg: 95.4%



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Collections Status of Other Services

Utility Users Tax: YTD revenues of \$266 million vs. expected \$297 million, leaving gap of \$31 million. Analysis underway.

Sewer: Projected yearly revenues of \$493 million vs. \$513 million in billings or 96%. Collections through April were \$410M, versus expectation of \$434M.

Solid Waste: Projected yearly revenues of \$272 million vs. \$290 million in billings or 94%. YTD revenue is \$233 million.

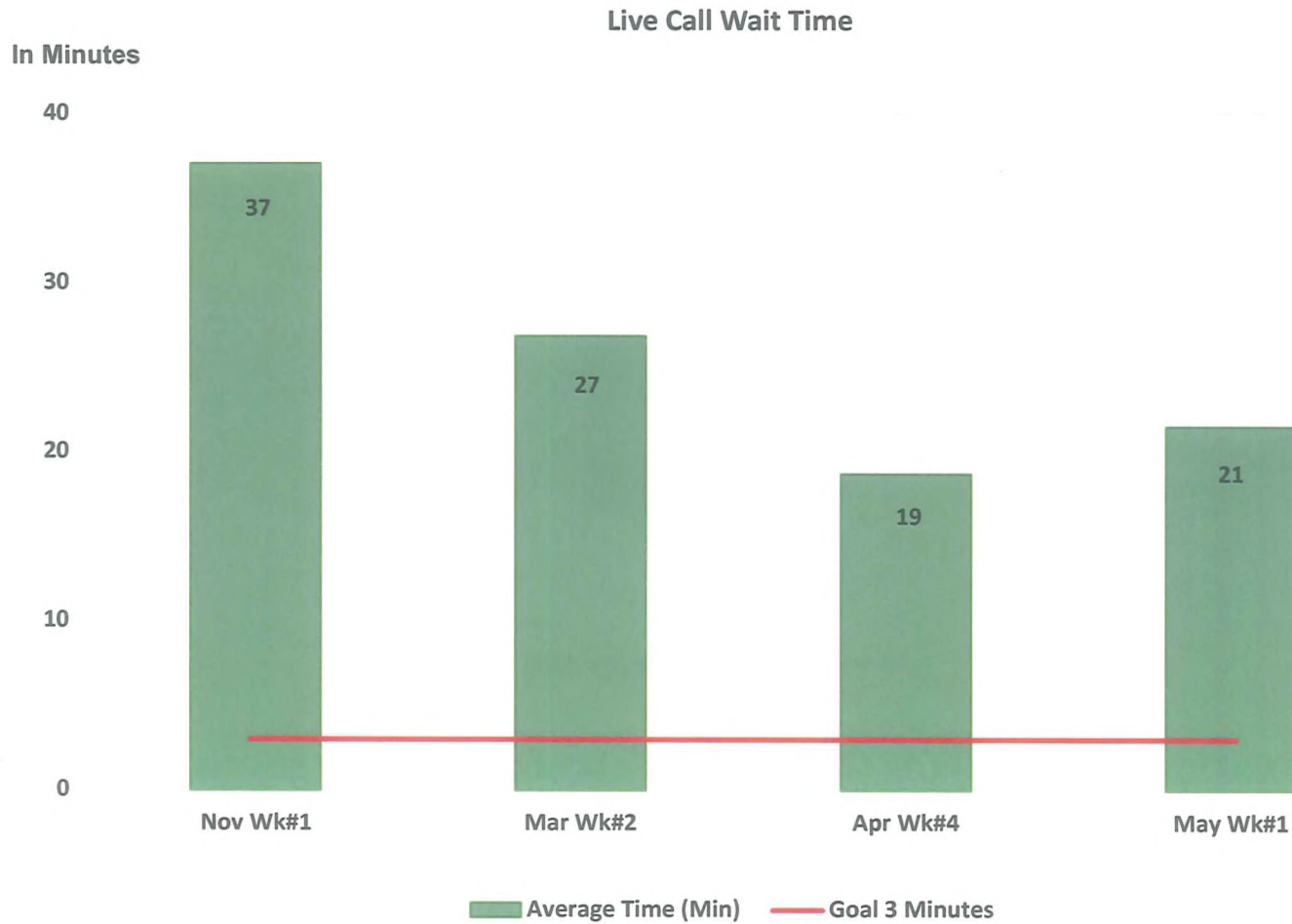


Impact on City Finances

- Collection of utility user's tax appears to be \$20 million below the budgeted amount and about \$31 million below estimated fiscal year to date through April.
 - Annual collection will depend on progress towards closing collection gap.
- DWP does not anticipate, at this time, an impact on the City Transfer payment, in the current year, or for next year (which is based on this year's financial results).
 - City Transfer based on accrued revenues not cash collections.
 - Other DWP metrics which must be met in order to make full transfer are not anticipated to be negatively impacted by outstanding collections.

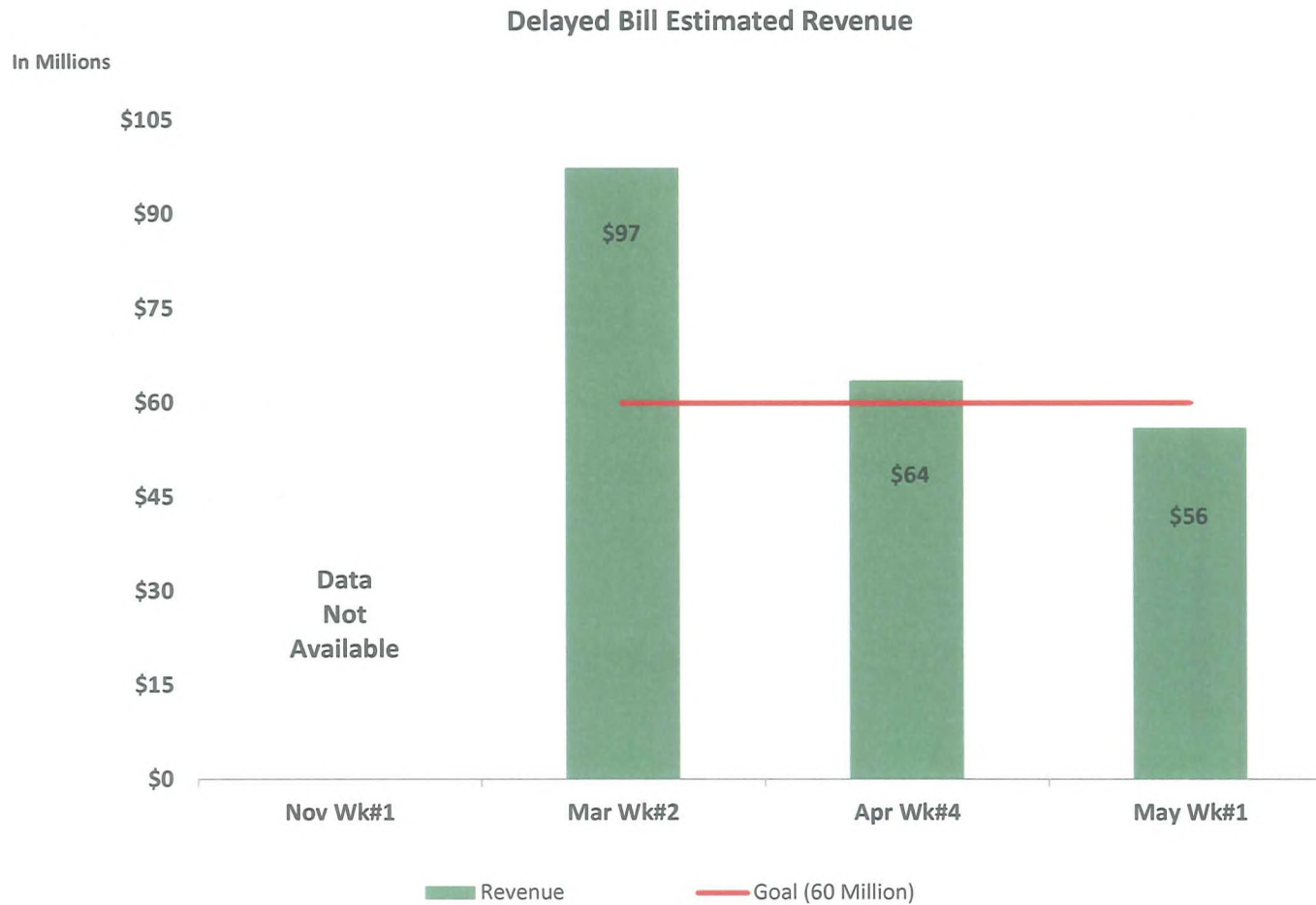


Customer Call Wait Time



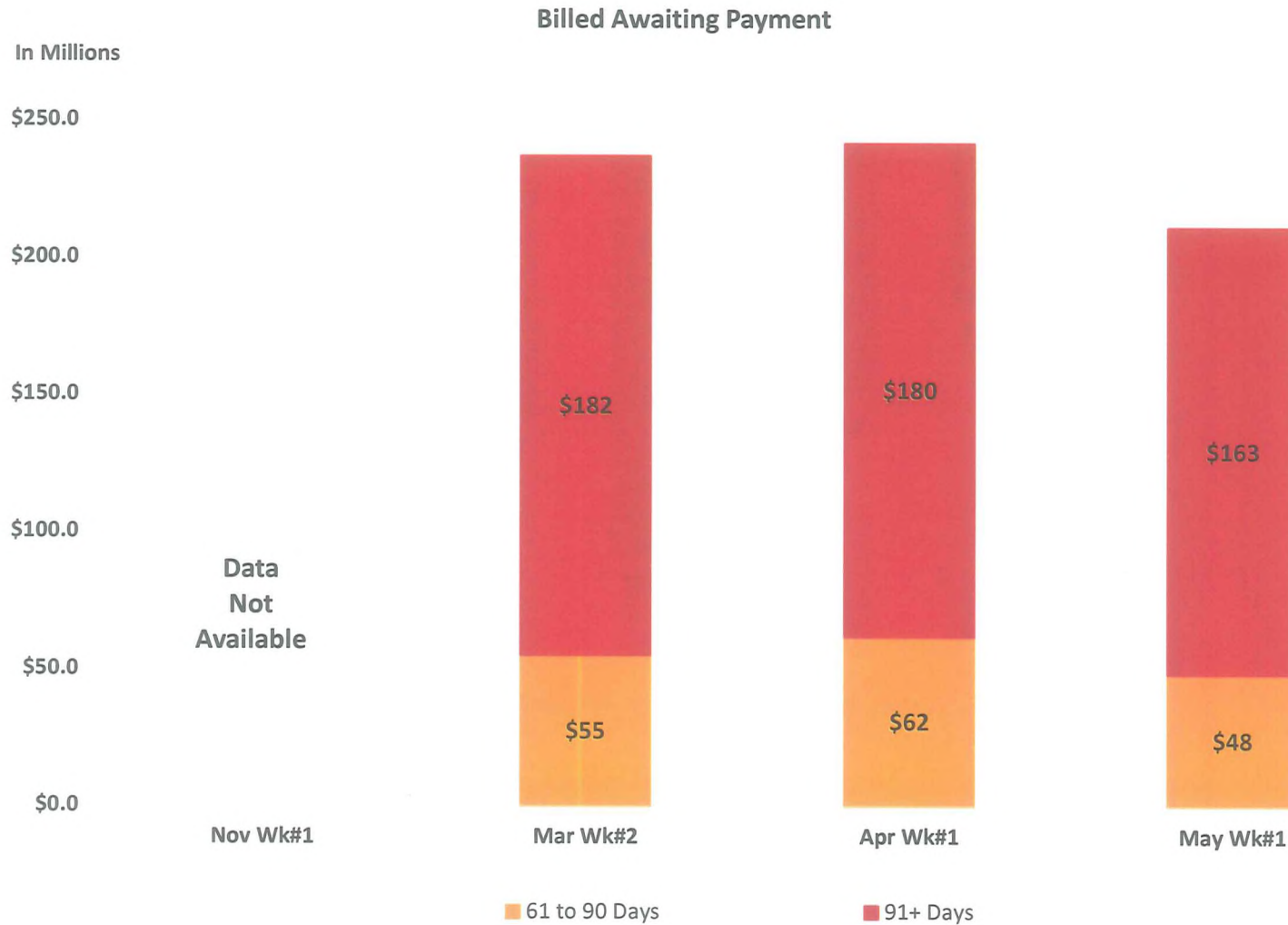


Unbilled Estimated Revenue





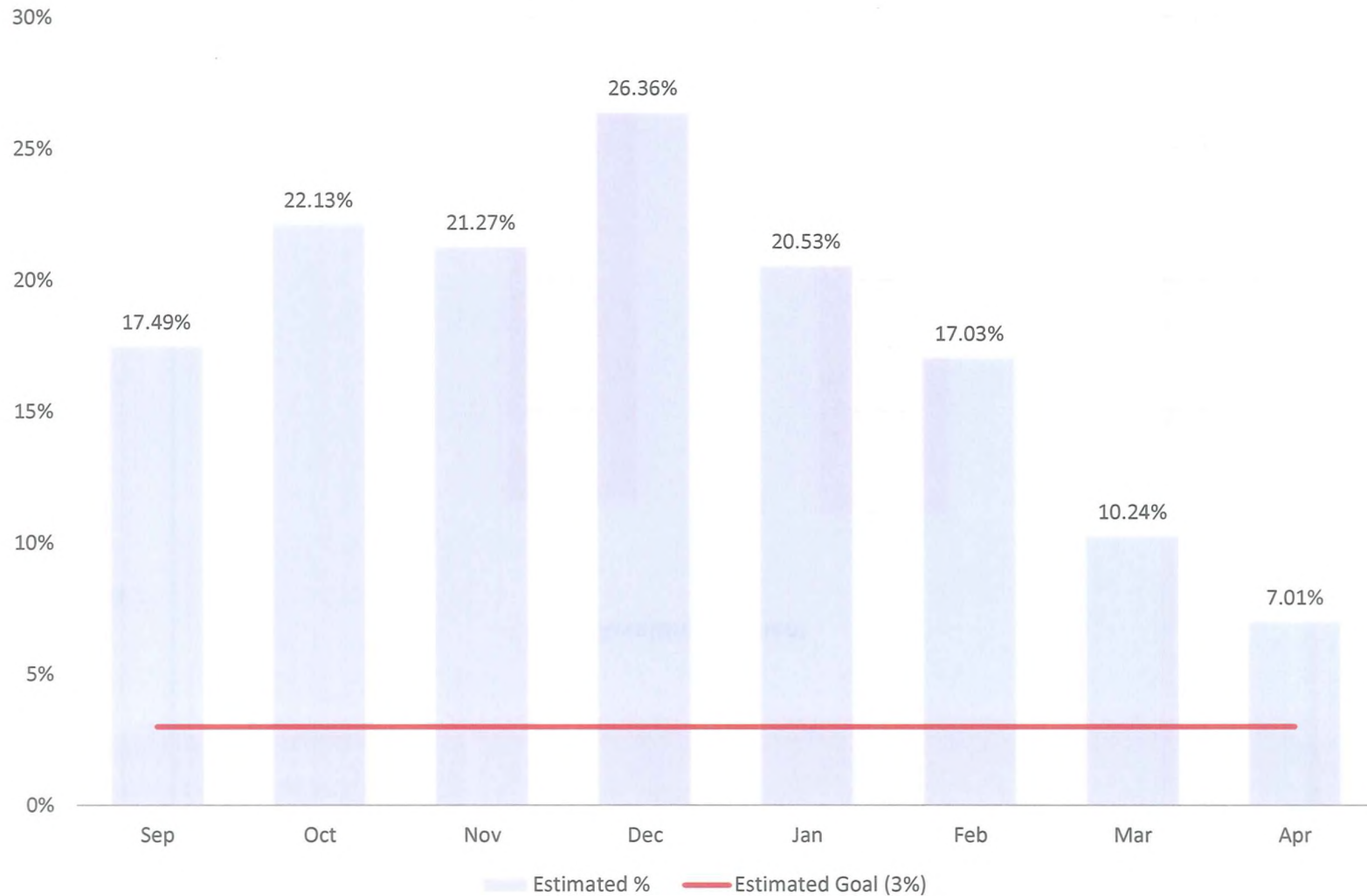
Billed Awaiting Payment





Percentage of Estimated Bills

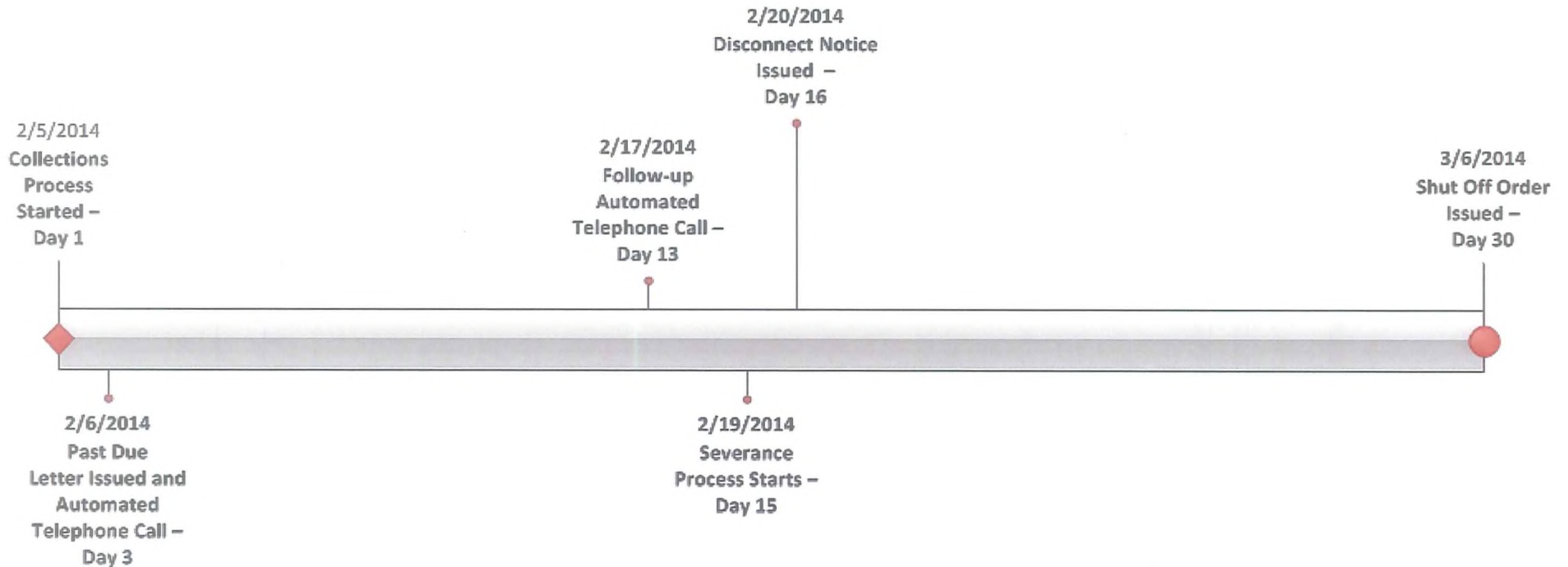
Percentage of Estimated Bills by Month





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Collections and Severance Timeline



Note: Dates are for illustration, and account for weekend days, so they may not align with the defined duration days. Collection and severance parameters are continuing to be optimized to ensure customer service objectives are met, and may be changed slightly.

The timeline presented is for the expected typical residential customer bill. Current automated collections capabilities are only focused on chronically late paying commercial and multi-residential customers, who far exceed the timeline above.



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Residential Automated Collections Phase In Plan

100% Acceleration – Age Prioritization

Highlights

- \$59M (54%) Collected in 3 Months
- Moderate Field Backlog & Significant Call Center Impact

		Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Direct Collections Action	Accounts	24,000	36,000	36,000	48,000	24,822		
	Revenue Targeted	\$12.3	\$18.4	\$18.4	\$24.5	\$12.7		
	% of Arrears	11%	17%	17%	22%	11%		
	Call Wait Time Increase (min)	18	26	26	35	18		
Indirect Payment Activity	Accounts	2,164	6,493	10,822	12,986	15,151		
	Revenue Targeted	\$1.1	\$3.3	\$5.5	\$6.6	\$7.7		
	% of Arrears	1%	3%	5%	6%	7%		
	Call Wait Time Increase (min)	2	5	8	9	11		



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Overall 2013/14 DWP Spending

Spending Fiscal Year through March and Projected Full Year

FY 2013-14

\$ in millions over/(under) budget	Water		Power	
	YTD March	Full Year	YTD March	Full Year
Capital				
Budget	\$ 572	\$ 769	\$ 1,159	\$ 1,565
Actual/Forecast	\$ 427	\$ 705	\$ 754	\$ 1,234
Variance	\$ (145)	\$ (64)	\$ (405)	\$ (331)
Spending Rate	75%	92%	65%	79%
O&M				
Budget	\$ 332	\$ 443	\$ 760	\$ 1,013
Actual/Forecast	\$ 298	\$ 417	\$ 689	\$ 950
Variance	\$ (34)	\$ (26)	\$ (71)	\$ (63)
Spending Rate	90%	94%	91%	94%
Purchased Water, Fuel, and Purchased Power				
Budget	\$ 216	\$ 288	\$ 1,047	\$ 1,396
Actual/Forecast	\$ 249	\$ 288	\$ 1,093	\$ 1,413
Variance	\$ 33	\$ -	\$ 46	\$ 17
Spending Rate	115%	100%	104%	101%
Net Spend over/(under)	\$ (146)	\$ (90)	\$ (430)	\$ (377)

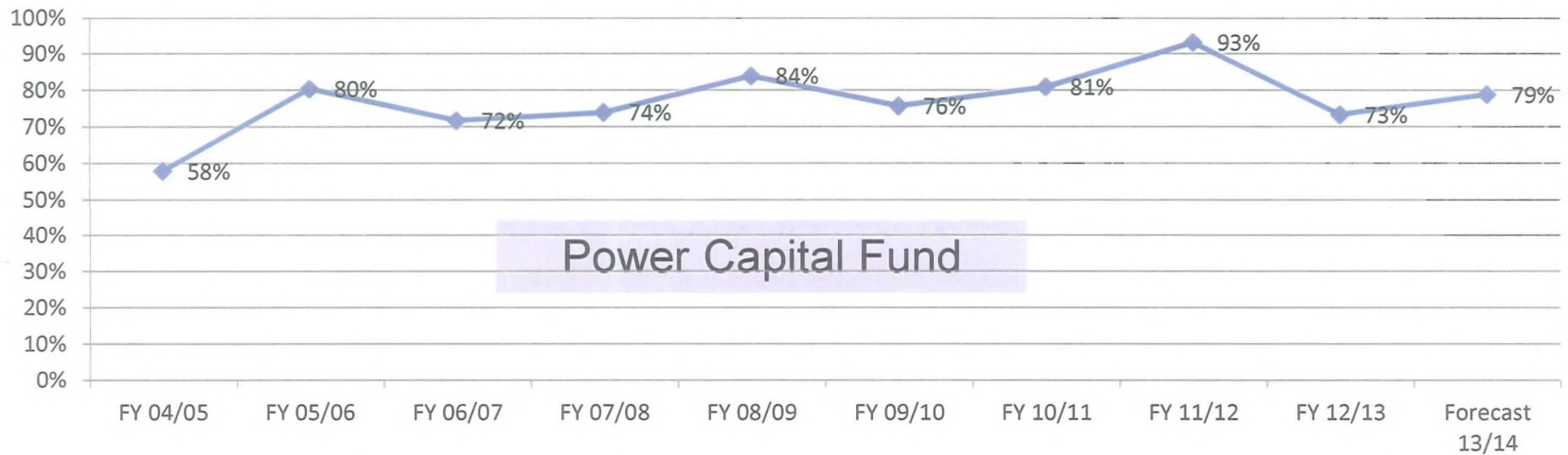
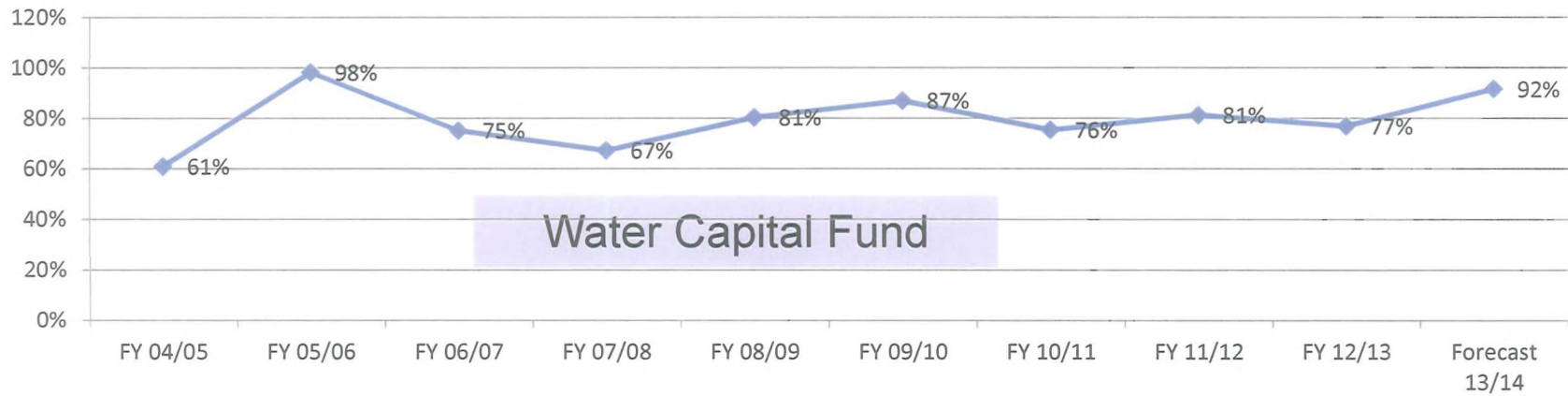




10-year Capital Spending Activity

Fiscal Year Through MARCH 2014

Shortfalls in Capital Spending are not uncommon among most Utilities. Below is in the range of historical capital budget achievement for the LADWP that is on average approximately 20% under budget. FY13/14 is in the range of historical capital budget achievement.





Capital Spending Activity

Capital spending progress has varied by program. Timing issues cause YTD actuals and year-end forecasts to vary. Catch-up by year-end is expected for several programs as a result.

POWER	YTD Variance% (YTD to March)	Forecast Year End Variance%
Power Supply Replacement	(53%)	(25%)
Repowering	(41%)	(1%)
RPS	(69%)	(48%)
Energy Efficiency	(55%)	(46%)
Power Reliability Program	(22%)	(21%)
WATER	YTD Variance% (YTD to March)	Forecast Year End Variance%
Local Water Supply Program (Conservation, Reclamation, Water Supply)	(60%)	(47%)
Safe Drinking Water Program	11%	16%
Water Infrastructure Program	(13%)	12%
Owens Valley Regulatory Compliance	(80%)	(34%)