

# Your Utility Bill Format as a Communications Tool

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Water Finance Assistance

The  
Utility  
Management  
Conference™  
AWWA | WEF



American Water Works  
Association



Water Environment  
Federation  
the water quality people®

ATLANTA, GEORGIA

2021

AUGUST 3-6

#UMC21

# Agenda

- Discuss how rates and rate structures are ways of “communicating” with our customers
- Identify what elements we can include on utility bills to encourage conservation

# Water Rates Generate Revenue



# Water Rates Help Us Communicate with our Customers

- Rates and rate structures reflect our priorities as utilities and as communities
- Rates and rate structures can give customers clues about the type of behavior we want from our customers
- Remember! Rates are a policy decision

# What Priorities? What Behavior?

	<b>Single Family Residential</b>	<b>Multi-Unit Residential</b>	<b>Non-Residential</b>	<b>Agricultural</b>
Tier 1	\$3.79	\$3.70	\$5.01	\$3.79
Tier 2	\$4.46	\$4.35	\$5.01	\$4.46
Tier 3	\$5.06	\$4.95	\$5.01	\$1.95
Tier 4	\$8.46	\$5.90	\$5.01	\$1.95

# What Priorities? What Behavior?

Base Rate	\$15.50 per month
1 <sup>st</sup> 2,000 gallons	\$2.50 per 1,000 gallons
2,001 to 6,999 gallons	\$7.20 per 1,000 gallons
7,000 + gallons	\$9.00 per 1,000 gallons

# But Are Customers “Listening” to the Rates?



How we think we are doing



How we are *actually* doing

# Do Most Customers Know Their Rates?

# NO!



## Also Remember

- Most customers have very little contact with you as a utility unless they are having some type of problem...
- ...with one notable exception

# The Utility Bill

# Goal: Use Utility Bill to Encourage Conservation



CITY OF ANYTOWN  
PO BOX 42  
ANYTOWN, USA 12345

PRESORT  
FIRST CLASS MAIL  
US POSTAGE PAID  
ANYTOWN, USA  
PERMIT NO. 1

FROM	TO	BILLING DATE	PREV BALANCE	
11/21/16	2/27/17	3/10/17	0.00	
READINGS		EST CONSUMPTION USED	CODE	CURRENT CHARGES
PREVIOUS	PRESENT			
3190	3841	6510	MC	2.00
			SE	36.30
			SW	50.00
3190	3841	6510	WA	33.03
			TX	2.31
ACCOUNT NUMBER		DUE DATE		
111111121		4/6/17		
AMOUNT DUE AFTER DUE DATE		AMOUNT DUE NOW		
129.82		123.64		
PROPERTY LOCATION				
123 Grand Ave				

ACCOUNT NUMBER	DUE DATE
111111121	4/6/17
AMOUNT DUE AFTER DUE DATE	AMOUNT DUE NOW
129.82	123.64

Mollie Doe  
123 Grand Ave  
Anytown, USA 12345

# The Premise

- Bills are the most common communications between utilities and customers
- Bills can be designed to promote conservation more effectively
- Science has things to teach us  
(in particular behavioral economics)

# My Rockstar Researchers



Cat  
Chang



Carlisle  
Harris



Radhika  
Kattula



Ian  
Mayes



Noah  
Upchurch



Trey  
Van Ness



Asad  
Yusuf

# Three Ways to Promote Conservation

- Priced-based approach
- Information approach
- Comparison approach

# Priced Based Approach

- Customers don't often radically alter their usage just because we raise rates
- But providing total usage and total bill only doesn't help customers understand the nuance of our rate structures—base rates and non-uniform prices

# Priced Based Approach

Water Service Charge - 5/8" Rate on 10/1/11	\$14.70
Water Usage Charge - Block 1 - 2000 gal X \$2.63 Rate on 10/1/2011	\$5.26
Water Usage Charge - Block 2 - 3000 gal X \$6.39 Rate on 10/1/2011	\$19.17
Water Usage Charge - Block 3 - 5000 gal X \$7.83 Rate on 10/1/2011	\$38.40
Water Usage Charge - Block 4 - 4000 gal X \$10.94 Rate on 10/1/2011	\$42.92
Sewer Service Charge - 5/8" Rate on 10/1/11	\$12.00
Sewer Usage Charge - 14000 gal X \$6.48 Rate on 10/1/2010	<u>\$90.72</u>
<b>Current Charges</b>	<b>\$224.76</b>
<b>Total Amount Due</b>	<b>\$224.76</b>



# Information Approach

- Giving advice about how to conserve is far more effective than just telling people they should conserve
- Be more suggestive and less assertive—“Please consider conserving” vs. “Stop using water!”

# Information Approach

## Looking for More Ways to Save Water?



Sign up for MyAccount to track your home or building's water use online. Customer rebates for washing machines are available.



Repair plumbing leaks, frequently found in toilet tanks. Customers are eligible for free standard toilet replacement parts.



Install efficient showerheads and faucet aerators, available free to all SFPUC customers.



Water landscapes no more than twice a week at night or early morning only. Adjust sprinklers to avoid sidewalk runoff. Only use water to clean hardscapes when necessary to maintain public health and safety.

**For more water conservation tips, information on rebates, and free conservation site evaluation services, visit: [www.sfwater.org/conservation](http://www.sfwater.org/conservation) or call (415) 551-4730.**

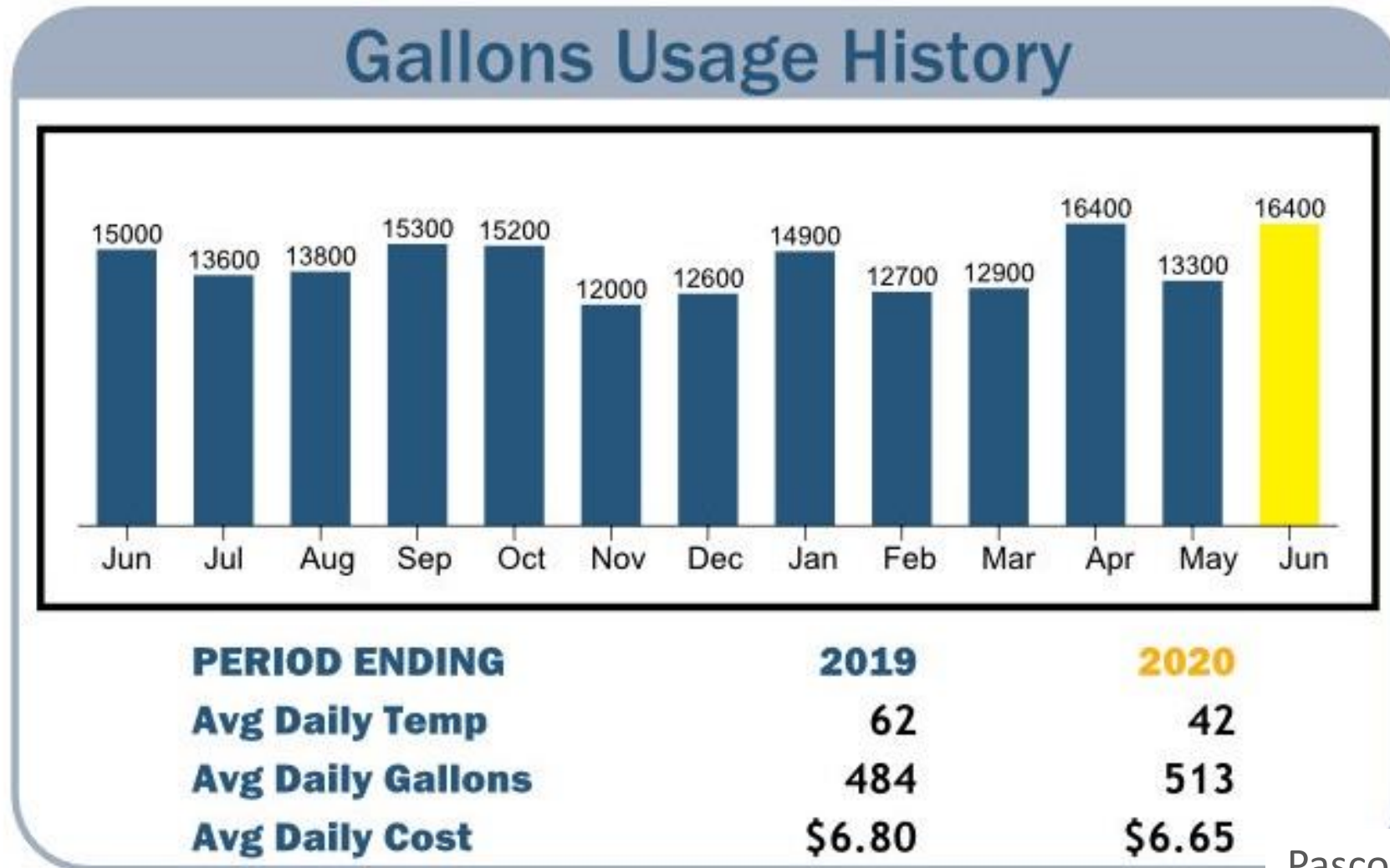
# Comparison Approach

- How much water are you consuming compared to those around you
- Be careful not to give “permission” to a low user to use more
- Technical term for this is “social norms”

# Comparison Approach

- In water, comparisons are often to ourselves

# Comparison Approach



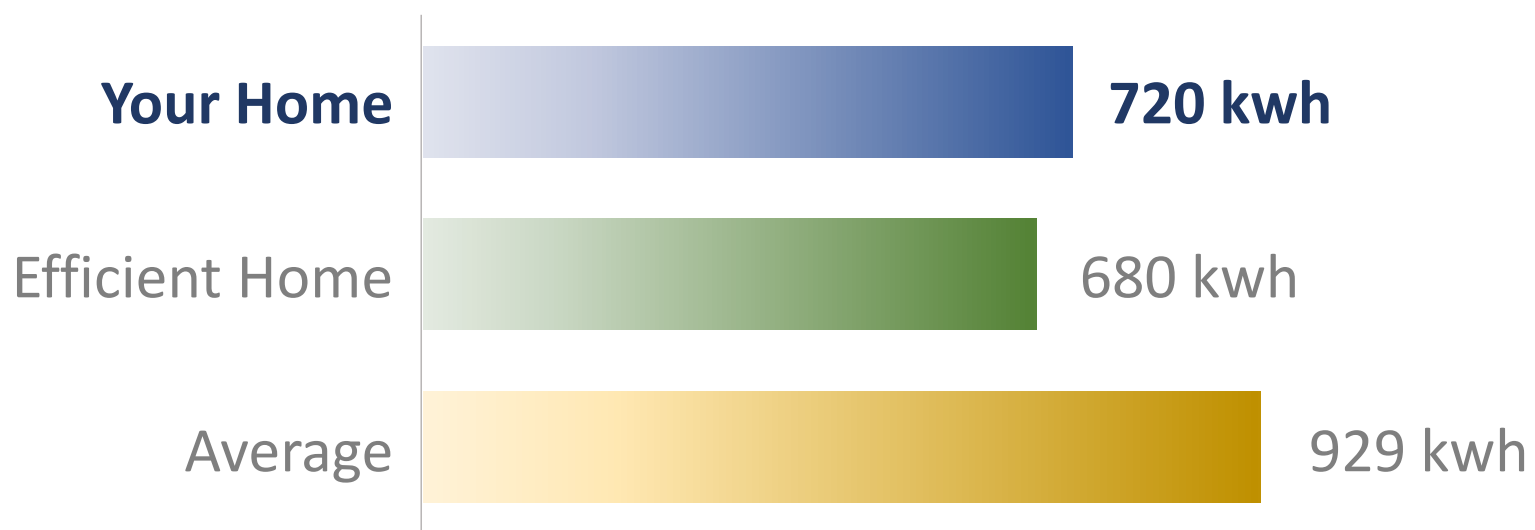
# Comparison Approach

- In water, comparisons are often to ourselves
- Energy is better at comparing us to our neighbors

# Comparison Approach

THIS TIME PERIOD COMPARED TO LAST YEAR\*

▲ **\$4** higher energy costs



# Comparison Approach

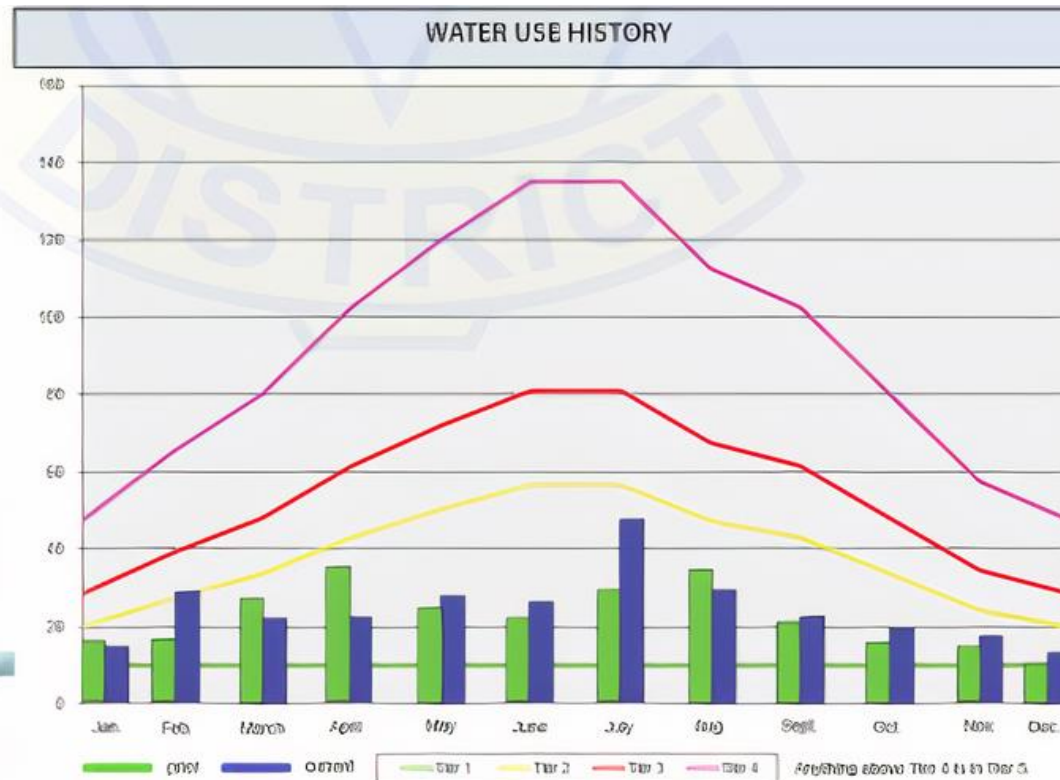
- In water, comparisons are often to ourselves
- Energy is better at comparing us to our neighbors
- Consumption goals are also helpful



# Comparison Approach

**Thank you for being an efficient water user!**

Your water use last month shows you stayed within your personalized water budget. Your efficiency helps reduce the water demand on the environment and the need to import additional water to the valley. Efficient water users save money with tiered rates. For more information about water conservation and how to improve your efficiency even more visit Coachella Valley Water District's web site at [www.cvwad.org](http://www.cvwad.org).



Your water efficiency rating this month is:

**Efficient**

Water Usage	This Year	Last Year
Dec.	12	10
Nov.	18	4
Oct.	20	6

# Comparison Approach

- In water, comparisons are often to ourselves
- Energy is better at comparing us to our neighbors
- Consumption goals are also helpful
- Emojis (yes, emojis)

# Comparison Approach

¡También en Belén el agua se agota, cuidémosla!

**¡Tu hogar consumió menos agua que el promedio de casas en tu barrio!**

**¡Buen trabajo!**



Si tiene alguna duda, puede contactarse con la Dirección de Servicios Públicos al teléfono 2587-0200 / 2587-0201 o al correo electrónico [servicios@belen.go.cr](mailto:servicios@belen.go.cr)

*Your home consumed less water than the average home in your neighborhood. Good job!*

**¡OJO! Tu hogar consumió más agua que el promedio de casas en tu barrio.**

Algunos consejos para reducir su consumo:

- Dúchese con menos tiempo.
- Utilice menos agua para regar el jardín; el zacate no necesita agua!
- No lave el carro a menudo.



**¡También en Belén el agua se agota, cuidémosla!**

Si tiene alguna duda, puede contactarse con la Dirección de Servicios Públicos al teléfono 2587-0200 / 2587-0201 o al correo electrónico [servicios@belen.go.cr](mailto:servicios@belen.go.cr)

*Look out! Your home consumed more water than the average home in your neighborhood.  
(+ conservation tips)*

# Don't Forget That It's 2021

- These tips can help, but...
- The future is real-time usage updates through apps, texts, and email with data from smart meters



# Thank You!

**Glenn Barnes**

Director

Water Finance Assistance



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