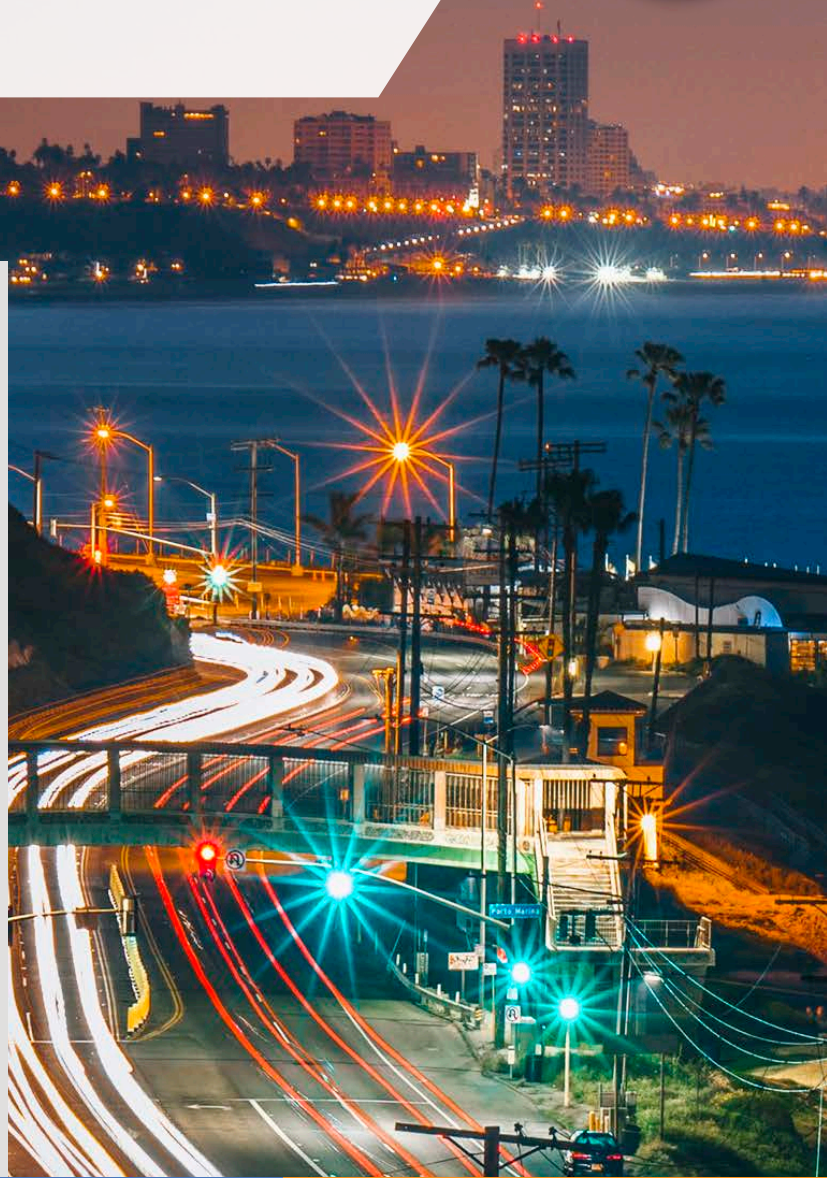


Revenue recovery and credit risk prevention



Key highlights

- A large West Coast municipal utility needed help improving revenue management and meter-to-cash functions after issues with a CIS implementation held up billing for 18 months
- E Source's customized collection strategies recovered **\$44.7 million** in direct revenue
- Targeted customer segmentation and return mail enhancements also reduced outstanding payments by **25%**



The challenge

A large West Coast municipal utility had to hold bills for 18 months because of complications following a CIS implementation. Once these issues were resolved, the utility needed help defining a strategy for customer outreach and payment collection.

Revenue recovery and credit risk prevention

The solution

The utility contacted E Source, who had a team of utility consultants with expertise in data analysis, revenue management, customer segmentation and payment stimulation.

E Source helped the utility analyze arrears data and segment customers by payment behavior and credit risk before redesigning the credit and collections process, developing outreach and collection strategies customized to each segment.

This redesigned process mitigated arrears inventories and settled outstanding payments through:

- A defined bill collections process
- Credit risk behavioral modeling and risk segmentation
- Improved address accuracy, reducing return mail
- Increased cash flow from arrears reduction and write-off recovery

E Source also fixed the utility's workflow management inefficiencies and implemented a change management process to train their staff on the new procedures to sustain results.

The results

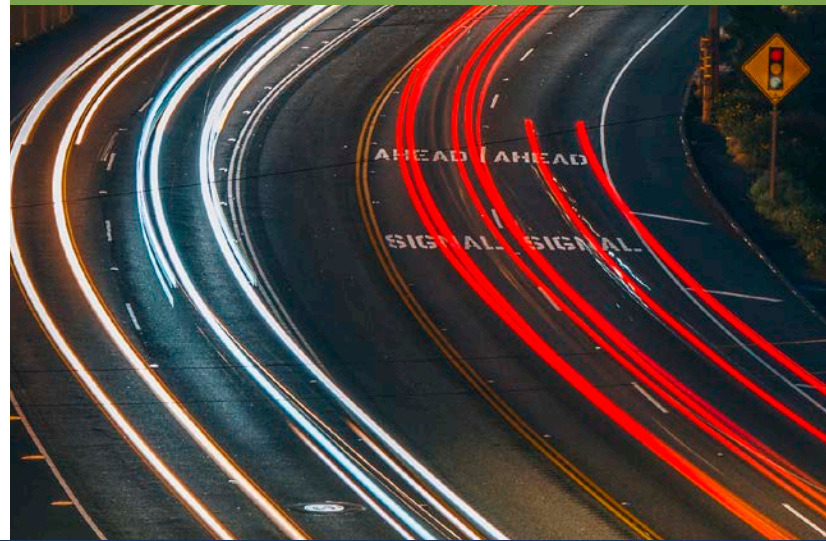
E Source's customized strategy led to:

| **25%** reduction in arrears

| **\$24 million** recovery from a return mail campaign that made sure bills reached customers

| **\$17 million** in collections from large corporations that hadn't paid their bills

| **\$2.6 million** in recovered payments from small claims court process



To learn how E Source can help your utility move from being a payment collector to a payment enabler and generate immediate results, contact us at esource@esource.com. For more information about E Source's consulting services, visit www.esource.com/consulting.