

2.8 AR-8: Pay Utility Bills on Time

[ITAC Database ARC: 2.8123 PAY UTILITY BILLS ON TIME]

2.8.1 Summary

Currently, the facility pays interest on overdue water and sewer charges. It is recommended that the facility implement controls to avoid needing to pay these charges. By paying these invoices on time, the company is expected to save \$141.82 per year. Since there is no implementation cost, the payback is immediate.

Table 22: Summary of the savings for AR-8: Pay Utility Bills on Time

Consumption Savings	Demand Savings	Annual Savings	Implement. Cost	Payback
–	–	\$141.82	–	–

2.8.2 Current Practices and Observations

The review of the facility's utility bills indicated that several water and sewer bills that were not paid by the due date, resulting in \$141.82 in interest charges in accounts ending in [REDACTED] over the past year. Although small compared to general utility expenses, these charges are entirely avoidable.

2.8.3 Recommended Actions

To address this issue, it is recommended that the facility implement stronger controls to ensure all utility bills are paid on time. A system should be set up to flag upcoming due dates, with designated personnel responsible for monitoring and verifying payments.

2.8.4 Anticipated Savings

Avoiding late payments will eliminate recurring interest charges. Based on the billing history for the past year, the facility will save \$141.82 annually.

Table 23: Water and Sewer Late Fees and Potential Annual Savings

Date Range	Water Interest	Sewer Interest	Total
Apr 2024 – Jun 2024	\$0	\$0	\$0
Jul 2024 – Sep 2024	\$12.30	\$7.92	\$20.22
Oct 2024 – Dec 2025	\$35.72	\$29.60	\$65.32
Jan 2025 – Mar 2025	\$31.68	\$24.60	\$56.28
Total	\$79.70	\$62.12	\$141.82

2.8.5 Costs and Payback

No capital cost or significant labor is required to implement this recommendation. Since there is no implementation cost, the payback period is immediate.