

# Utility Billing Delivery Options

## ISSUE

The City of Saskatoon (City) currently provides utility service customers with an option to receive either a physical bill or an electronic copy (eBill). Neither option carries a financial incentive or additional charges, despite the associated costs of the physical bill option. This report provides options and a recommendation on the potential implementation of mandatory eBilling for utility service customers.

## BACKGROUND

### History

At its [2024/2025 Preliminary Business Plan and Budget meeting](#), City Council resolved that Administration report back on the following:

- “Changing utility billing defaults from paper to eBill; and.
- Charging a monthly fee for paper utility bills. Include information about the possibility of some people receiving paper bills at no charge upon request including customers who self-identify as persons with disabilities, customers without home Internet access or mobile data services, and seniors aged 65 or older.”

### Current Status

The City bills approximately 102,000 utility accounts monthly, with 34% of these bills being delivered via eBill. eBill participation has steadily increased over the past eight years, with an increase from 11% participation in 2016. This growth can be attributed to several initiatives, including marketing campaigns, Revenue Customer Service Representatives promoting eBill at account creation, the launch of SmartUtil (the online customer portal for utility consumption) and changes in customer behavior.

In 2023, paper bills accounted for printing and mailing costs totalling \$863,522 (Appendix 1).

It should also be noted that Canada Post has proposed a rate increase of 7.61%, subject to regulatory approval, which if approved would come into effect in May 2024, and would further increase Utility billing costs by approximately \$56,000, assuming 2023 volume.

### City of Saskatoon’s Current Approach

Customers who apply for City utilities are given the option of receiving a paper or electronic copy of their utility bill. If a customer chooses eBill, they must create a My Utility account. Instructions to create an online My Utility account are emailed to customers and once completed, Corporate Revenue staff assign eBill as the method of bill delivery. Customers are required to login to their My Utility account to access account balance information. There is a current project underway to enhance the user

## Utility Billing Delivery Options

---

friendliness of the email notification by including the account balance information with the goal of increasing eBill participation.

The City's My Utility portal allows utility customers to freely switch between paper and electronic bill delivery.

### Approaches in Other Jurisdictions

Many utility service providers were contacted to determine best practice for utility billing delivery options, including SaskPower, SaskEnergy, City of Edmonton, City of Calgary, City of Prince Albert, City of Regina, City of Vancouver and BC Hydro. All Utility services contacted provide both eBill and Paper billing options with no additional charge for paper bills. Please see the chart below for details of their responses:

Utility	eBill	Paper	Paper Charge	eBill %
Saskatoon	Yes	Yes	No	34%
Regina	Yes	Yes	No	35%
SaskPower*	Yes	Yes	No	60%
SaskEnergy	Yes	Yes	No	35%
Prince Albert	Yes	Yes	No	34%
Vancouver	Yes	Yes	No	Unavailable
BC Hydro	Yes	Yes	No	Unavailable
Calgary	Yes	Yes	No	Unavailable
Edmonton	Yes	Yes	No	Unavailable

*\*SaskPower is the only utility service provider that has eBill as their primary/default billing option, although customers can request paper billing if they meet SaskPower's criteria to do so. By implementing this change in 2021, SaskPower has seen a significant increase in their eBill participation over the past few years.*

## OPTIONS

### **Option 1 – Maintain the Status Quo**

Under this option, the City would continue to provide customers with the choice of eBill or paper billing at no cost. Paper billing would remain the default option and eBill promotion would still occur as normal.

#### Pros:

- City utility customers continue to receive utility bills via their preferred method.
- No additional City resourcing required to update software systems associated with billing.

#### Cons:

- Existing and increasing costs will continue to be absorbed by the City's Utilities which has an impact on future rates and the Utilities ability to address other priorities such as asset management.

### **Option 2 – Make eBill the Default Option for Customers**

Under this option, the City would make eBill the default option for any new utility account. This would also apply to existing customers who require services at a different location. Criteria would need to be developed and implemented by the Administration to allow for customers to continue receiving a paper bill should they require it (i.e., customers without access to internet, customers with accessibility concerns, etc.).

#### Pros:

- eBill participation will steadily increase over time.
- Printing and mailing costs will decrease over time as eBill participation increases.

#### Cons:

- Customers may want a paper bill regardless of the criteria set.
- The City will continue to have significant printing and mail costs in the short to medium term.
- Current utility billing processes would require updates.

### **Option 3 – Additional Charges for Paper Bills**

Under this option, the City would implement a charge for any customer who chooses to exercise the paper bill option. The amount of the charge would need to be approximately \$13 annually per customer to cost recover the printing, postage and envelope costs. As in Option 2, the City would develop criteria to allow for customers to not be charged this amount should they satisfy the internal criteria (i.e. customers without access to internet, customers with accessibility concerns, etc.).

#### Pros:

- Utility printing and mailing expenditures would be cost recovered, which could have positive impacts on future utility rates and/or provide additional capacity to address other priority areas such as asset management.
- Increase in eBill participation and associated environmental, efficiency and cost savings benefits as customers now have a financial incentive to do so.

#### Cons:

- Some Customers are likely to be opposed to this option as no other utility service provider surveyed charges for paper billing.
  - This is especially relevant for Saskatoon Light & Power customers as the City has historically matched SaskPowers rates and charges.
- Current utility billing processes would require updates. This option would require the most significant system changes as the billing system would need to be customized to create a new transaction type (Paper Utility Bill Charge).

#### **Option 4 – Provide an Incentive for eBill Customers**

Under this option, the City would implement an incentive for any customer that chooses to exercise the eBill option. The incentive would match the cost the City currently incurs to provide a paper bill, meaning the incentive would be approximately \$13 annually.

Pros:

- An incentive may cause existing paper bill customers to switch to the eBill option, which provides positive environmental and efficiency impacts.
- Printing and mailing costs may decrease over time provided the incentive drives an increase in eBill participation.

Cons:

- An incentive would carry an additional cost, as it would be necessary to provide the incentive to customers already on eBill (at current participation, this cost would be approximately \$465,000 per year).
- There's no guarantee that an incentive would lead to the desired outcome of higher eBill participation.
- No other utility service provider offers an incentive.
  - This is especially relevant for Saskatoon Light & Power customers as the City has historically matched SaskPowers rates and charges.
- Current utility billing processes would require updates to allow for a financial incentive to be applied to utility bills.

#### **RECOMMENDATION**

That the Standing Policy Committee on Finance recommend to City Council that the City of Saskatoon proceed with Option 2 – Make eBill the Default Option for Customers.

#### **RATIONALE**

The recommended option, making eBill the default option for utility billing, provides the City with the best opportunity to see a significant increase in eBill participation over time while maintaining similar policies and charges to other Utilities. Increased eBill participation has several benefits, including reduced costs and a better customer experience (i.e. timely bill delivery, online self-access to billing history, etc.). By still allowing customers to receive a paper bill, should they require it, the City would also be consistent with other Utility providers.

#### **FINANCIAL IMPLICATIONS**

Immediate financial implications are presented with each option and therefore vary depending on which option is approved.

#### **ADDITIONAL IMPLICATIONS/CONSIDERATIONS**

Depending on the option selected, amendments to the relevant utility bylaws may be required.

## **COMMUNICATION ACTIVITIES**

Decisions made from this report will be communicated through the appropriate City channels; including but not limited to a news release, the City of Saskatoon website, and social media. A comprehensive communications plan will be developed as part of the implementation of the chosen option.

## **APPENDICES**

1. 2023 Costs for Utility Bills

## **REPORT APPROVAL**

Written by: Carlos Bustos, Utility Revenue Services Manager  
Reviewed by: Mike Voth, Director of Corporate Revenue  
Approved by: Clae Hack, Chief Financial Officer

Admin Report - Utility Billing Delivery Options.docx