



**Meeting Date:** February 27, 2025      **Agenda Type:** Consent Items for Action

**From:** Jenna Mathis      **Reviewed by:** Sheila Lavender  
 Customer Service Assistant      Chief Customer Officer  
 Manager

**Submitted by:** Sheila Lavender      **Approved by:** Ryan Kelso  
 Chief Customer Officer      Chief Executive Officer

**RECOMMENDED ACTION:** Approve 2024 Third Quarter Charge-Off Accounts

**BACKGROUND**

Charge-offs for the third quarter of calendar year 2024 (July, August, and September) netted \$121,940.35 for NBU accounts that have unpaid balances. New Braunfels Utilities applied \$65,571.15 in customer deposits to the delinquent account balance of \$187,511.50, which reduced the total unpaid balance by 35%.

When compared to total revenue billings for the same quarter, the charge-off balance amounts to 0.14%. For every \$100 billed to our customers, we received \$99.86.

The number of residential accounts included in the charge-offs decreased by 5.52% compared to the previous 3 years' average for the same quarter, and the dollar amount increased by 6.90%. Residential customers accounted for 99% of the number of charge-off accounts.

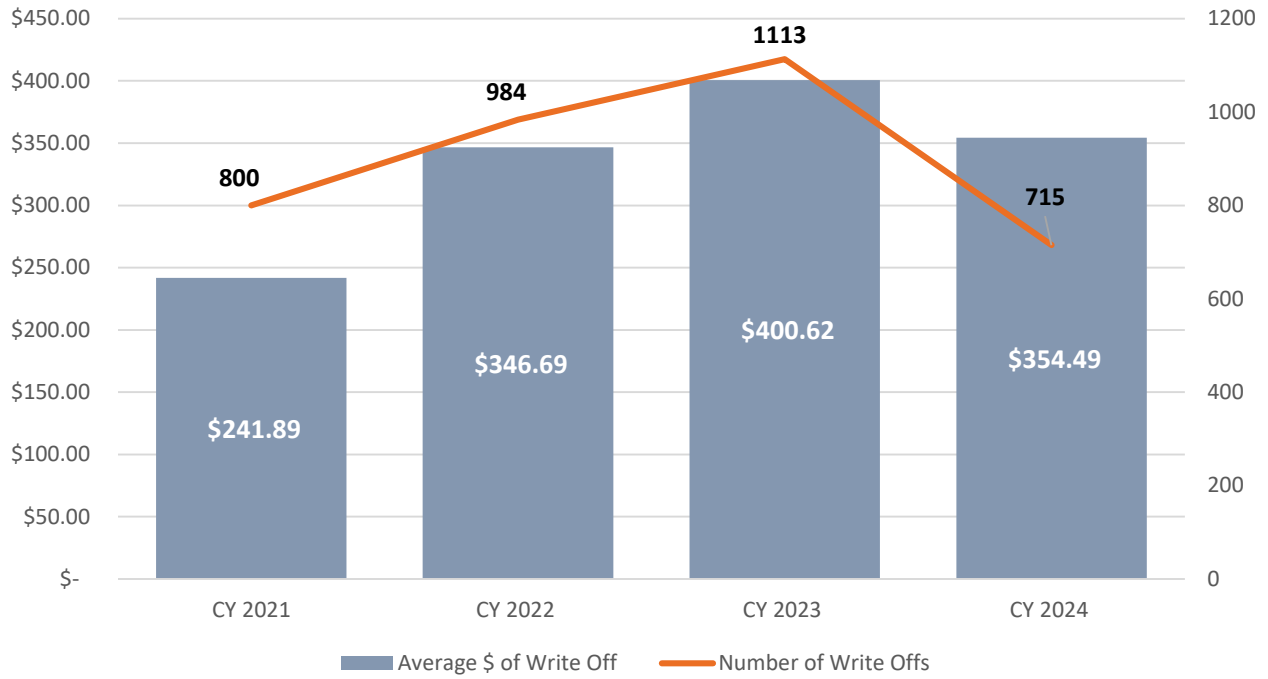
The main factors in the charge-offs for Q3 of 2024 include failure to comply with payment extensions, moratorium of disconnects for nonpayment due to high-temperature indexes, and account deposits calculated on previous rates and not equaling a two-month annual average.

The NBU internal credit rating summary for this report is as follows:

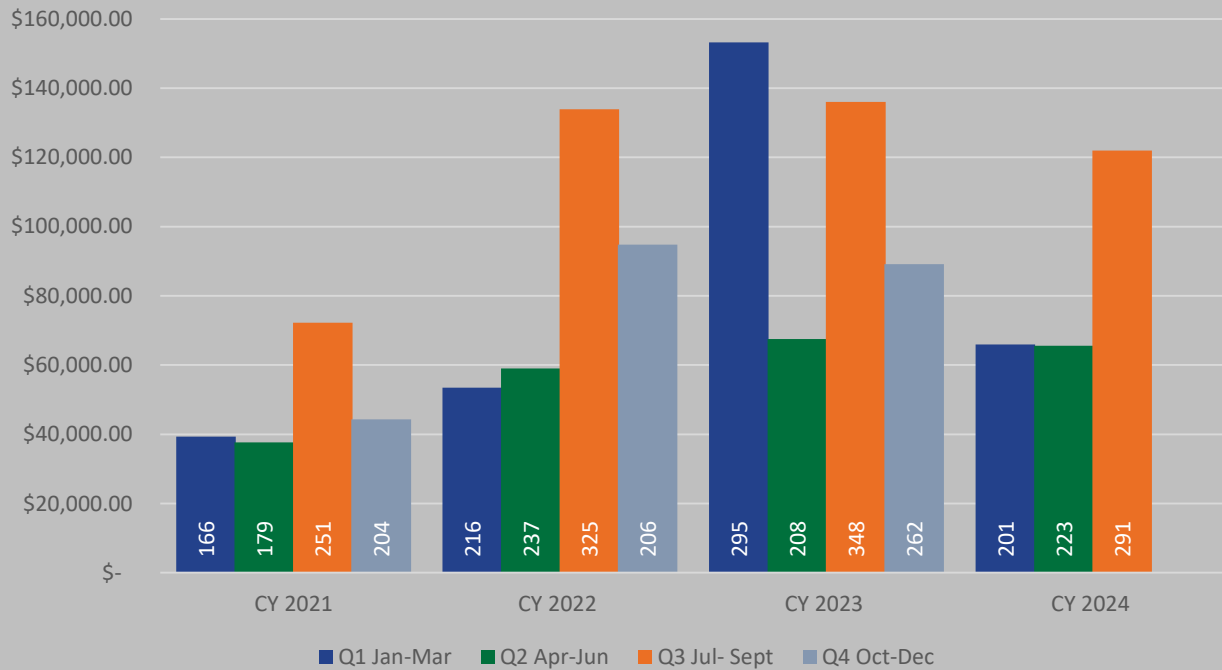
NBU Credit History	Number of Active Customers	Number of Charge-off Customers	Percentage of Charge-off Customers
Satisfactory Credit*	54,946	16	0.03%
Unsatisfactory Credit	11,759	281	2.39%

\*Satisfactory Credit: No more than two (2) late payments, no disconnects for non-pay, and no returned items.

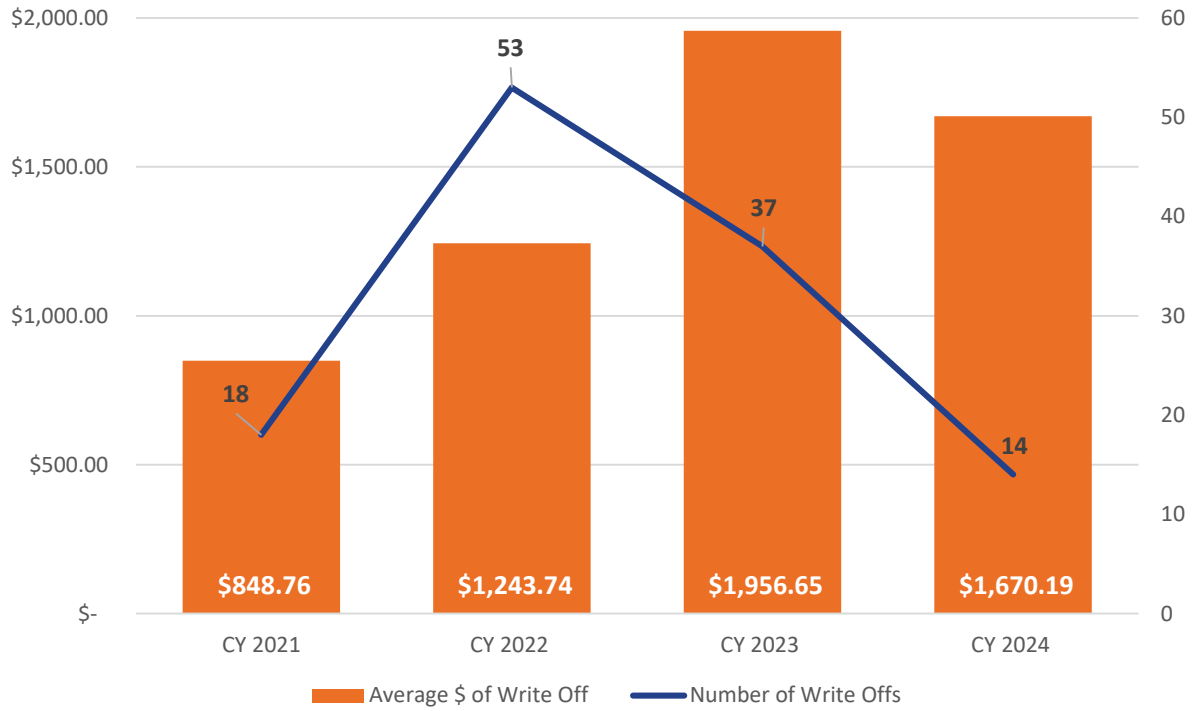
### Residential Annual Write Off Average & Total Write Off Accounts



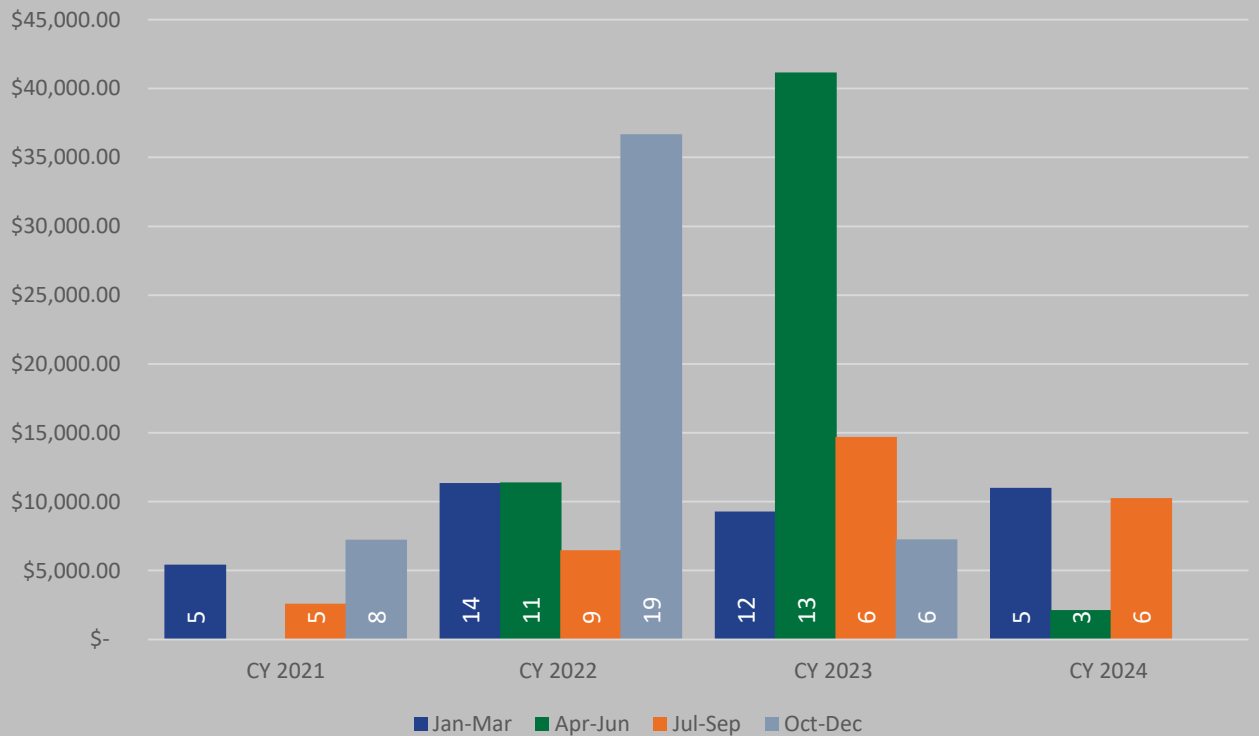
### Quarterly Residential Write Offs

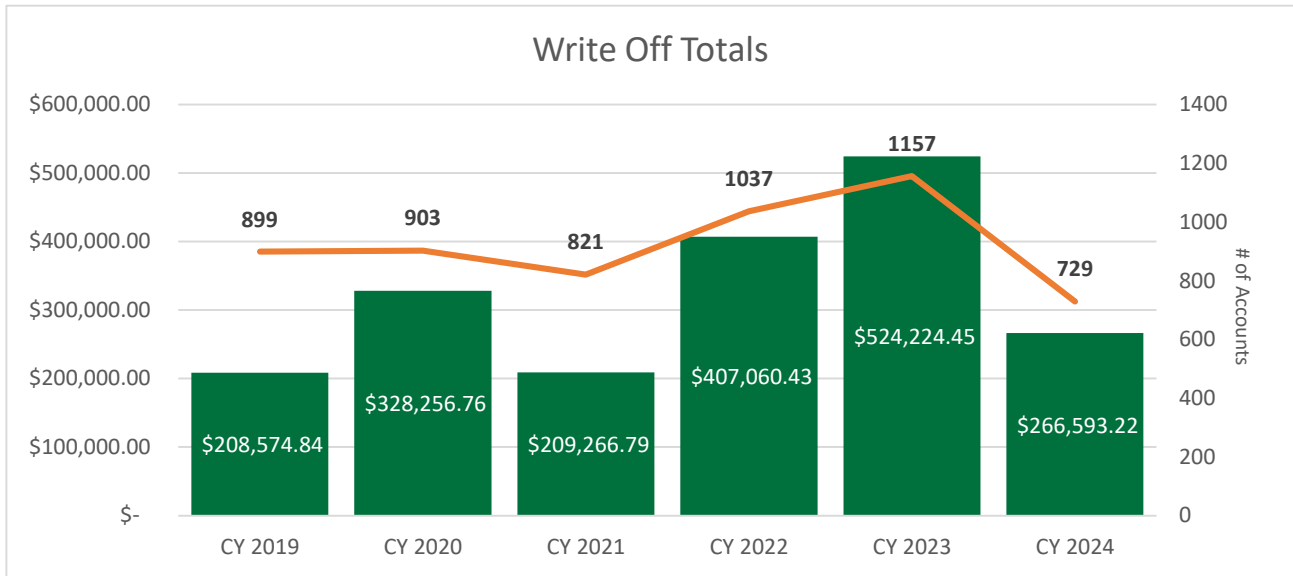


### Commercial Annual Write Off Average & Total Write Off Accounts



### Quarterly Commercial Write Offs





**FINANCIAL IMPACT**

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NBU has an estimate included in the Financial Operating Plan for charge-off amounts and updates the estimate annually.

**LINK TO STRATEGIC PLAN**

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**Financial Excellence**

**EXHIBITS**

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1. Charge-off Summary