

## Utility Bills: Prepay Before Vacation!

If you think a disaster is at hand, and you leave town ("bug out"), you may come home to find the electricity, water, and phone turned off in your absence. Why? The bills came in the mail, and you weren't there to pay them!

There's a simple answer to keep the lights, water, and phone turned on. Pay in advance. Specifically, pay enough in advance to cover the largest bill you think you might receive, and the longest time period you expect to be absent.

Let's try some examples. The Electric Company's bill is \$64.37 for the month of May, with 523 kilowatt hours used. In January, 2,274 kilowatt hours were used, at a cost of about \$277.14. If you prepaid \$300, there would still be a \$22.86 credit left in your account after the most expensive electric bill of the year. You pay the \$227.14, increasing your credit back to \$300 in your account. That \$300 would keep the electricity on for 1 to 3 months.

Your Water Company's bill is \$31.66 for 1,200 gallons in June. The \$31.66 is a typical bill year-round. If you prepaid \$100, there would be a credit balance of \$68.34 before you paid the current \$31.66 bill. Once you pay the current bill, the credit balance goes up to \$100 again. That \$100 would keep your water flowing for 3 months.

You don't have to put all the extra money into the account at once. Instead of putting in \$300, just add \$60 to your current electric bill for 5 months.

There doesn't have to be a disaster. Try going on a long vacation - the results can be the same: electricity, water, and phone get turned off in your absence. Now you know what to do to fix that!

While this DisasterGuy Tip is specifically aimed at utility bills, it works just as well for any other monthly payments whose amounts you can anticipate. These include rent, house payments, car payments, charge card payments, alimony, child support, etc.