Proposed Utility Billing Improvements

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Presented by:
David M. Feldman, City Attorney
Dan Krueger, Director, PW&E
Purpose

Inform Committee on proposed revision to Chapter 47 which would:

1. Add additional exceptional circumstance adjustment for some customer classes

2. Establish a Water Review Board to provide an additional level of review for customer issues.
Utility Customer Service Overview

• Billing and collections arm of the largest water/wastewater utility in Texas
• Annual operating budget of $30.5 million, FY13
• Generates in excess of $900 million in revenue annually
• Over 465,000 meters: 440,000 bills mailed or emailed monthly, serving 2.1 million residents
• 40-50,000 calls received monthly in the Contact Center
UCS Billing Account Accuracy

% Accounts Billed with no adjustments/corrections

% Accounts Billed with no PWE caused adjustments/corrections

TOP 3 CAUSES OF ADJUSTMENTS/CORRECTIONS

- Customer Leaks 00.32%
- Backdates = 00.33%
- Meter Read Errors = 00.35%
# High Consumption - Leading Causes

<table>
<thead>
<tr>
<th>Description</th>
<th>Flow Rate</th>
<th>Volume Per Time</th>
<th>Extra Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Leaking Toilet</td>
<td>@ ½ gallon per minute</td>
<td>21,600 gallons per month</td>
<td>$287.14 extra</td>
</tr>
<tr>
<td></td>
<td>Can be much higher</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Irrigation System Leak</td>
<td>@ 1 gallon per minute</td>
<td>43,200 gallons per month</td>
<td>$577.15 extra</td>
</tr>
<tr>
<td>3. Watering Garden/Grass</td>
<td>@ 5 gallons per minute, 2 hours per day</td>
<td>18,000 per month</td>
<td>$240.24 extra</td>
</tr>
<tr>
<td>4. Hose Left on – 1 Night</td>
<td>@ 5 gallons per minute for 9 hours</td>
<td>2,700 in one night</td>
<td>$27.57 extra</td>
</tr>
<tr>
<td>5. Pool Fill</td>
<td>20,000 gallons (varies from 10,000 to 30,000+)</td>
<td></td>
<td>$259.52 extra</td>
</tr>
<tr>
<td>6. Private Line Break – 1 week</td>
<td>@ 7.5 gallons per minute, 75,600 per week</td>
<td></td>
<td>$1,034.20 extra</td>
</tr>
<tr>
<td>7. Private Line Break – 1 month</td>
<td>@ 7.5 gallons per minute, 324,000 per month</td>
<td></td>
<td>$4,466.00 extra</td>
</tr>
</tbody>
</table>
METER ACCURACY TESTS (5/8-2") – SCATTERPLOT
If the customer is not satisfied with the Administrative Review finding, they have 10 days to request an Administrative Hearing before an independent hearing examiner.

If the customer is dissatisfied with the outcome of the initial investigation, a subsequent field investigation will determine approval or denial. The Administrative Review generally occurs within 90 days of the bill in question.

Contact Center, Service Requests, correspondence, emails, web chats. All cases are tracked from intake to resolution. Up to one billing cycle to approve or deny based upon investigation.
<table>
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<tr>
<th>Type</th>
<th>Who’s Eligible</th>
<th>Eligible Refund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leak Adjustments (LKAs)</td>
<td>Any account where a customer has a leak on customer’s side, customer discovers and repairs leak, and seeks a reduction in the bill. (1 per 12 months)</td>
<td>Customer pays established average consumption plus one half of the excess charges resulting from leak.</td>
</tr>
<tr>
<td>Unusually Large Bill Adjustments (ULBs)</td>
<td>Any single-family residential customer whose bill is inexplicably more than 200% greater than their average usage. (1 per 12 months)</td>
<td>Customer only pays 200% of their average consumption.</td>
</tr>
</tbody>
</table>
Note: In FY 2012 we experienced the most severe months of the citywide drought which increased leaks.

Update as of Jan 31st
Unusually Large Bill Adjustments Applied

Note: In FY 2012 we experienced the most severe months of the citywide drought which increased water usage, leading to more unusual circumstances occurring.

Update as of Jan 31st
Proposed Exceptional Circumstances Adjustment

• An adjustment may be made to a single family residential, multi-family residential, or not-for profit account up to $4,000 for one occurrence (not to exceed a two month timeframe)
  – The usage must be higher than five times the customer’s monthly average
  – Evidence of an investigation (section 47-5) must show that the increased usage was not the result of the customer’s failure to take action to address the problem
• Adjustment will be calculated using as the gross quantity 500% of the customer’s average monthly usage
• A customer may receive no more than one of these adjustments in a 24-month period
• This adjustment may not be combined with any other adjustment for a single incident
• Review of financial impact in one year’s time
Water Adjustment Board

• Three members appointed by the Mayor and approved by City Council
  – One member must hold a master plumber’s license
• Has jurisdiction over appeals of leak adjustments, ULBs, and exceptional circumstances
• Hears appeals of decisions of administrative hearings, based on the record of those hearings
• Appointed board may uphold, reverse or modify the decision of the hearing examiner in conformity with provisions of chapter 47
Customers Have the Technology

• In addition to the current remedies and proposed new remedies (exceptional circumstances and water adjustment board), customers can use the following methods to keep up with their water usage:
  – Customers may sign up for alerts via text or email
  – Customers may monitor water usage online
  – Customers may download an app on a smart phone to monitor water usage/receive alerts
Questions?