

Investigation into KCWA's High Bill Complaints

Alberico Mancini - Chief Regulatory Analyst

RI Division of Public Utilities and Carriers
89 Jefferson Blvd. Warwick, RI 02920

Complaints Filed with the Division

- Total complaints received to date 127
- Total complaints reviewed 127
- Total complaints closed 87
- Total complaints pending 40

Total Complaints Reviewed

- All 127 complaints have been reviewed by the Division.
- The Division first verified that KCWA had previously reviewed each complaint prior to the Division's review.
- The Division then requested account information from KCWA and conducted a second independent review for each customer's account.

Division's Review Process Included

- Compared past summer consumption history.
- Reviewed 90-day hourly data log meter readings.
- Verified final meter readings.
- Tracked usage patterns comparing summer to winter consumption.
- Contacted customers to discuss complaint.
- Verified actual bill was calculated correctly.
- Test meters for accuracy.

Complaints Closed

- Each customer was given a detailed explanation.
- A complaint is closed when the Division has determined that the customer was billed correctly and the customer is satisfied with the Division's explanation.
- Some customers requested meter tests to verify their consumption.
- 15 meters to date have been tested and all were found to be within AWWA and RIDPUC standards.
- To date, 87 customer complaints have been resolved and closed by the Division.

Complaints Pending

There are 40 complaints still pending further review.

- 14 complaints are pending meter tests.
- 13 complaints are pending site visits.
- 8 customers have not responded to the Division.
- 5 complaints are pending further review.

Division's Findings Relating to Billing Issues

- Billing cycle depicted on customer's bills did not coincide with summer consumption period.
- Billing cycle was longer than avg. 90-day billing period.
- New meter replacements added confusion to customers bills.
- Accounts with 1-inch meters were rounded down and then trued-up when meters were replaced.

Billing Cycle not Coinciding with Consumption Period

The period referenced on all customer's bills was Aug. 1 through Oct. 31 but the consumption period varied depending on when that customer's meter was read.

- Previous reads between June 17 and July 1.
- Current reads between September 20 and October 10
- Bill does not reveal actual meter readings.

This created a 4-6 week lag between when the water was actually used vs. the billing cycle.

Billing Cycle Longer than 90 days

KCWA's normal billing cycle is usually 90 days but several factors may shorten or extend the number of days in the cycle.

- When the meter readings were obtained.
- New meter replacement coinciding with the end of a billing period.
- Meter reading was unobtainable.

In some cases, billing cycles could be extended to as many as 114 days which would add almost 4 weeks to a cycle.

New Meter Replacement

KCWA is in the process of replacing all meters as mandated by the Division. Many customers did have meters replaced during this billing cycle which added more confusion to an already confusing bill.

- New meter consumption shown as an adjustment on the bill.
- Bills did not reveal final meter readings or state that a new meter was installed.

1-Inch Meter Readings were Trued-up when Replaced

- Older 1-inch meters had stationary “0”
- Meter readings were rounded down to the nearest 1000.
- Customers were billed for same consumption level for several cycles.
- Created a carry forward consumption up to 999 cf that would be billed in the next cycle.
- Final readings when these meters are replaced would include any carryover from previous billing.

Division's Findings Relating to Other Causes of High Bills

- 80% were caused by excessive lawn watering from preset irrigation systems.
- 15% due to extra summer consumption in general.
- 5% due to leaking toilets as confirmed by customers.

Excessive Lawn Watering

Approx. 80% were the result of preset irrigation systems. Data log information available on new meters revealed consumption patterns which verified daily consumption and directly resulted in customers receiving high water bills.

- Irrigation systems running between 2 - 5 hours per day.
- Sometimes running twice per day.
- Avg. consumption 100 cf to as high as 300 cf per day.
- Avg. 200 cf/day for 90 day cycle would result in a \$1,200 water bill.
- Irrigation systems on through Sept. and into mid Oct.
- Consumption drop to normal levels after watering ends.

Extra Summer Consumption

Approximately 15% was caused by overall summer consumption due to the warmer than average summer in 2020 which extended into the fall season.

This was verified as KCWA's water production was 16% higher in this period compared to last year's summer period.

Leaking Toilets

Approx. 5% were due to leaking toilets. This was confirmed by each customer after discussing the high bill with them and some were confirmed by the data log readings. Leaking toilets are a common cause for high bills and can go undetected.

- Small leak -1 cf per hour adds 2160 cf to a quarterly bill.
- Medium leak - 5 cf per hour adds 10800 cf to a bill.
- Large leak - 10 cf per hour (1.25 gallons/min) adds 21600 cf to a bill.

A large leak not repaired for 90 day would add \$1,300 to a bill.

Billing Errors By KCWA

KCWA did find 17 billing errors due to data entry errors. These errors occurred as a result of manually entering the final meter reading when a meter is replaced.

- 14 accounts were overcharged and adjusted.
- 3 accounts were undercharged and adjusted.

These errors were found and adjusted by KCWA prior to the Division's review.

How is KCWA Addressing the Division's Concerns?

- Future bills will include the actual consumption period and not the billing cycle.
- KCWA is in the process of updating to a new billing format which will be much more customer friendly.
- KCWA will transition to monthly bills as they complete their meter replacement program which will enable them to read all meters monthly.

Moving Forward

The Division will continue reviewing the remaining 40 complaints.

Once the Division has completed each complaint, the customer will receive confirmation of the results and that the review process is completed.

The customer may then request a formal hearing before the Division if they disagree with the results.

A hearing officer would then review the complaint and may grant a hearing if he/she finds probable cause.