



High Water Escalations Update

Presented to Electric Utility Commission

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Agenda

- Analytic Focus: Meter Read Routes
- Restorative Focus: Bill Smoothing
- Escalation Updates
- Next Steps
- Questions



Analytic Focus: Meter Read Routes

Unusual Usage Patterns

- Analysis of escalations cases identified an unusual usage pattern
- Characterized by an unusually low August read followed by higher September read
- Unusual Usage Patterns were identified in 135 routes

AE began with a top down analysis of all routes:
1,080 Routes (~206K Customers)

Of the 1,080 routes, AE identified which routes had an aggregate lower August consumption followed by a higher September:

135 Routes (~32K Customers)

Of the 135 routes, AE identified which individual customers had a **lower August consumption followed by a higher September:**

~17,800 Customers

Of the 17,800 customers, AE identified which customers had a **higher total charge for August + September** than if the consumption had been spread equally over those months.

Higher Tier Effect
These customers will receive bill smoothing:
~7,400 Customers

Lower Tier or Debit
These customers were not overcharged:
~10,400 Customers

Of the 17,800 customers, AE identified customers who may also qualify for a **High Volume Water Bill Administrative Adjustment:**

~700 customers



Restorative Focus: Bill Smoothing

A TALE OF THREE HOUSES

Smoothing will adjust the affected customer's water bill by spreading the amount evenly across the two months, minimizing the effect of the tiered water rate structure and potentially resulting in a credit.

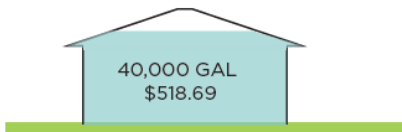
EXAMPLE 1



MONTH 1:

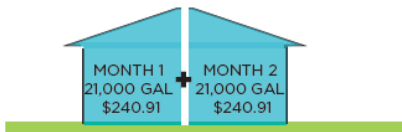


MONTH 2:



Total non-smoothing cost
for months 1 + 2 = \$533.78

SMOOTHING IS:
 $(\text{MONTHS } 1+2) \div 2 \times \text{TIER RATE}$



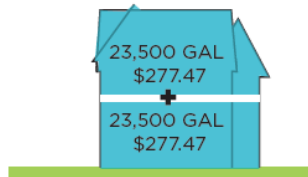
Total for smoothing cost
for months 1 + 2 = \$481.82

✓ **CREDIT = \$51.96**

EXAMPLE 2



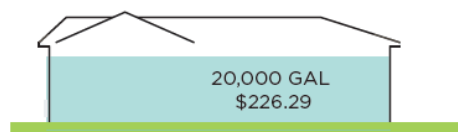
Total non-smoothing cost
for months 1 + 2 = \$559.45



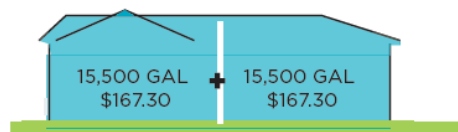
Total for smoothing cost
for months 1 + 2 = \$554.94

✓ **CREDIT = \$4.51**

EXAMPLE 3



Total non-smoothing cost
for months 1 + 2 = \$314.09



Total for smoothing cost
for months 1 + 2 = \$334.60

✗ **NO CHANGE***

**If smoothing results in a higher bill than the original amount, customers will not be charged or receive a credit.*





Restorative Focus: Bill Smoothing

AW & AE working together to “smooth” the consumption between the two months, which will result in a credit for ~7,400 customers.

Bill Smoothing Process

- Average credit of \$20
- Credit not exceeding \$80 in most cases
- Credits total approximately \$138K
- Late fees and other penalties removed
- Some customers also qualify for High Volume Water Bill Administrative Adjustment

Timeline

- Press release issued January 31st
- Bill smoothing began on February 2nd
- Smoothing is worked in order of billing cycle to ensure credits are applied to current bill
- Bill Smoothing will be complete by March 15th



Escalation Updates: EUC Meeting Speakers

*15 individual customers spoke at the December and January EUC meetings.
(2 of the 15 customers spoke at both meetings)*

9 customers had Aug / Sept Unusual Usage:

- **1** received a High Volume Water Administrative Adjustment
- **8** received the bill smoothing correction
 - 2 of the 8 requested instructions on the Administrative Hearing Process
 - These customers have not requested a hearing at this time

6 customers had unrelated issues:

- **3** water meters have been exchanged due to meter malfunction
- **1** customer received a High Volume Water Administrative Adjustment for a different timeframe
- **1** customer had an irrigation audit performed, which determined irrigation settings caused high usage
- **1** customer received an adjustment of \$-12,121.76 due to a water main break



Next Steps

- Continue to case manage individual customer escalations
- Continue to work with Corix to investigate unusual August – September usage patterns
- Increase community engagement through neighborhood meetings:
 - Circle C: March 6th
 - Avery Ranch: March 13th
 - Aspen: TBD
- Complete Bill Smoothing by March 15th



Questions