

## OVERVIEW/CLARIFICATION OF SUNDAY STAR ARTICLE 4.27.08

- 1) (FOR THE STAR) "questions about your water bill" box:

Oddly, first lists lawyers to contact regarding suit rather than utility number to respond to questions. For the second story in a row, the suit---rather than contacting the utility to resolve the issue takes precedence. To the best of my knowledge (pending overall customer list from Joe), customers referred to us by the Star have had their issues resolved satisfactorily.

- 2) Whitmore "could not be reached for comment."

- a. Paul was in the office until after 5 pm on Friday. I was in the office until 8:30 and did not receive any calls or requests for information. I understand that Mr. Murray had several contacts during the day with DOW and city officials, but I am unaware of Veolia receiving a call or follow up effort.

- 3) "Customers pay higher bills from summer months . . . . . reading would have shown use dropping as the weather cooled." Yes, monthly meter reads would have given an accurate monthly read, however the estimated months would still have shown higher values due to the increase summer usage given the existing estimating logic. Approved estimating logic determines how monthly bills are calculated—it is not an arbitrary effort by Veolia or the utility.

- 4) "Neither the City nor the state checked to see that was happening (bimonthly meter reads)". Veolia submits monthly reports to the DOW citing the number of meters reads, among several other data parameters. To imply no one was tracking the information is not correct, as it is reported on a monthly basis.

- 5) "Officials in at least one Indiana city meet monthly with their private water contractor to make sure all rules are being followed".

Veolia meets with DOW staff on a daily basis to review ongoing business activities, upcoming projects, . In addition, Veolia submits more than XXX reports ( X weekly, X monthly and X annually) to the DOW regarding the business activities. (can we provide a list of all of the meetings we have had with DOW staff since January?)

- 6) "If we can prove there have been overcharges, there will be refunds. Period." (Chris Cotterill, Corporation Counsel).
- a. During the entire length of the contract, any time estimates have exceeded actual usage (as confirmed by a meter read) customers' accounts are credited in the appropriate amount. This has been an ongoing process with customers, and is actively being practiced each and every day by the utility. Because there are six months of estimates inherent in the annual billing cycle, there will always be adjustments to customer accounts based on the actual reads.

Refund checks, typically offered to those who may have more than \$100 credit, may be cut to customers who do not want to forward their credits to the next monthly cycle.

- b. Customers' accounts are estimated using an IURC-approved estimating logic, not by an arbitrary choice of the contractor. This logic provides estimates to be calculated on a rolling average of the past 12 months, or the previous 2 reads---whichever is higher. Veolia has been working with the IURC for the past month to consider alternatives which better reflect seasonal usage instead of the existing method which typically raises estimates for those who have higher summer usage. (give example) We will likely share options with the DOW, and then the IURC, sometime later this week (which is within the 6 week time estimate we originally gave to them at our initial meeting to discuss this topic on March 14.)
- 7) 165 complaints have been submitted since July. ( 9 months = less 20 per month out of 320,000 customers) How does that compare with other utilities overall? How many of the other utility complaints are regarding billing/estimate questions?
- 8) "Rules approved by . . . . require bimonthly readings, barring bad weather or difficulty gaining access to a meter."
- a. In December, 2007, Veolia began an internal focus on cleaning up accounts which showed repeated attempts to read meters without success. Homeowners bear the responsibility of maintaining the accessibility of their meter pits, however in more than XXX situations, they had not taken action and met their responsibilities. With the approval of the DOW director, Veolia embarked on a focused effort to determine the rationale/impediment for these long-term attempts in hopes of ultimately resolving the issue and returning them to regular reads.
  - b. Staff focused on locating meter pits covered by lawn, sod, landscaping, natural and artificial rocks, windmills, wheel chair ramps, and various other impediments. On average, meter readers cover 450-600 reads per day. However, this directed focus on eliminating problem accounts and returning them to regular read status required longer stops per meter and thus fewer regular meters were read. These efforts were also impeded by three days of snow in December.
  - c. Results of the clean up provided an additional \$2 million in revenue to the DOW (why is it additional---was it beyond the estimated amounts??) Additional revenue to the DPW was \$XXX.
  - d. Ironically, the previous utility (IWC) had requested on two separate occasions to read meters on a monthly basis to ensure greater accuracy; however the IURC would not approve the increased cost into the overall proposed rate increase. (can we validate with dates/increase petition)
- 9) Both the Gas and electric utilities rely heavily on automatic meter reading, which has also been suggested by the IURC for the Indianapolis Water customers. The estimated cost for implementation is more than \$30 million. The lack of AMR implementation is

one reason water bills are substantially lower to customers than monthly electric or gas costs.

a) The IURC did approve \$8 million (or \$2 M—which is it?) in funds in the latest rate adjustment last May for AMR. However, the DOW determined it would utilize those dollars instead for pressing water supply and demand issues, based on the weather impacts of last summer.

10) Customers who were most impacted by the altered reading schedule include one band in the northwest territory of the utility, and one band in the northeast area of the utility. Reads were missed in December due to the blitz, and then the same routes were impacted by snow days in February (January and March were scheduled to be estimate months for these accounts). ALL CUSTOMERS ON THESE IMPACTED ROUTES HAVE HAD ACCURATE METER READINGS DURING THE MONTH OF APRIL, which is/has been reflected on their April billing statements.

11) There is no financial (or other) benefit to Veolia in the method of estimation calculation, collection of customer payment, or refunding/collection of monies due to the utility.

12) Efforts to clean up past problem accounts resulted in increased revenue to the City utility, however, wound up potentially impacting a small number of customers whose accounts did not receive monthly reads based on the reappropriation of manpower.