



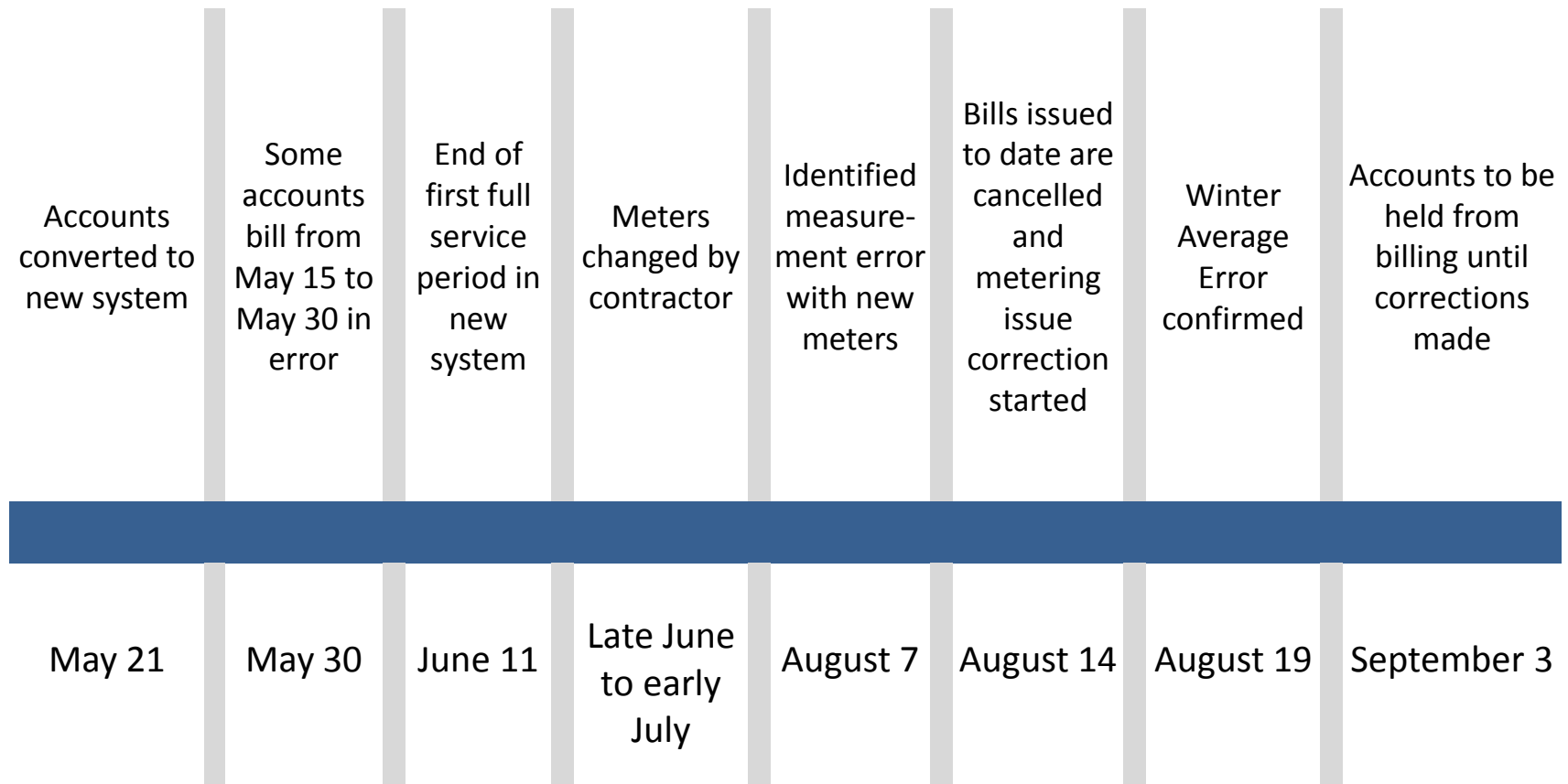
AMERICAN WATER

Stonebridge Billing

Summary of Issues and Resolution

November 21, 2013

Timeline of Events



Summary

- **The correction process has not gone smoothly**
 - Employees working with new technology and processes
 - Multiple issues increasing the complexity
 - Not all affected accounts could be corrected in the same way
- **Customers may have been affected by one or multiple issues**
 - Meter exchange with unit of measure error
 - Prorated billing periods
 - Estimated billing
 - Winter averaging calculation error
 - Additional invoices received after errors were confirmed
- **Customers with inquiries may have received incorrect or incomplete information**
- **Customers have received many different invoices resulting in confusion and lack of confidence in accuracy and amount due**

How Accounts were Corrected

- **Bills issued between May and September were cancelled**
 - Fixes applied to meter unit of measure and winter average calculations
- **Billing recalculated by period between May and August**
 - Invoice issued during first week in November
 - Contained rebilled charges by service period
 - Payments received to date were reapplied to corrected billing
 - Customer service representatives made calls to affected customers
- **Billing issued for combined September / October period**
 - Will be closely followed by November billing
 - Extended payment terms offered
 - December and billing going forward will be generated monthly on regular cycle
- **85% of accounts confirmed corrected at this point and billed through November**
 - Remaining are being manually reviewed and action taken daily to resolve

Understanding Your Billing

Billing Period and Meter Reading

BILLING PERIOD AND METER READINGS

- Billing date: October 30, 2013
- Due Date: **November 21, 2013**
- **Billing period: May 14 to Aug 12 (91 Days)**
- Next reading on or about: Sep 06, 2013
- Customer Type: Residential
- Meter Reading Measurement:
1 unit = 1000 gallons of water
- Billing Measurement: 100 gallons (CGL)

Meter No.	19658459
Size of meter	5/8"
Current Read	482 (Actual)
Previous Read	480 (Actual)
Total water used this billing period	2 units (2,000 gallons)

Meter Changed: 06/28/2013

Meter No.	13365026
Size of meter	5/8"
Current Read	145 (Actual)
Previous Read	0 (Estimated)
Total water used this billing period	145 units (14,500 gallons)
Total water used this billing period	147 units (16,500 gallons)

Total Water Use Comparison (in 100 gallons)

- Current billing period 2013: 165.00 CGL
- Same billing period 2012: 0.00 CGL

- Provides detail on water consumption and days of service used to calculate your bill
- Displays the old meter information as well as new meter information and date meter changed
- Total water used in gallons and number of units
- 1 unit on old meter = 1000 gallons
- 1 unit on new meter = 100 gallons



Total water used between old and new meter for the billing period referenced

Bill Reversal and Rebill

BILLING SUMMARY

For Service To: [REDACTED]
For Account 1017-210011570498

Prior Balance

- Balance from last bill 68.97
- Payments as of May24. Thank you! -313.00

Balance Forward -244.03

Totals
payments
received

Cancelled Bill

- Cancelled Invoice Period 05/14/2013 - 06/11/2013
- Cancelled Invoice Amount 21.91
- Reason for Reversal: Billing Error Correction

Cancelled Bill

- Cancelled Invoice Period 06/12/2013 - 07/08/2013
- Cancelled Invoice Amount 93.85
- Reason for Reversal: Billing Error Correction

Represents
invoices
received that
were cancelled

Total Amount Reversed 115.76

Total
amount of
cancelled
invoices

Rebilled Charges

- Detailed by bill period

Rebill **05/14/2013 - 06/11/2013**

Water Service

• Water Service Charge	22.06
• Water Usage Charge (\$0.23700000 x 10.00)	2.37
• Total Water Service Related Charges	24.43



Water service charge and usage charge

Wastewater Service

• Wastewater Service Charge	40.97
• Wastewater Use Charge (\$0.60324000 x 10.00)	6.03
• Total Wastewater Service Related Charges	47.00



Wastewater service charge and usage charge

Other Charges

• Water Primacy Fee	0.27
• Total Other Charges	0.27



Primacy fee

Rebill **06/12/2013 - 07/08/2013**

(Continued on next page)

- Continues on additional pages as needed

Taxes

• County Sales Tax	1.04
• Total Taxes	1.04

TOTAL CURRENT CHARGES **248.14**

TOTAL AMOUNT DUE



\$4.11

- Taxes are applied against total rebilled charges
- Prior payments are subtracted from total current charges

Understanding Winter Averaging for Wastewater

- Concept based on using winter months water consumption to calculate the wastewater charges during the summer months
- Water consumption billed in the months of January, February and March are averaged to arrive at the winter average value.
- A zero winter average is allowed
- If no history is available the system will use a default value of 6,000 gallons

As example:

January	February	March
1,000	2,000	zero usage

$$1,000 + 2,000 + 0 = 3,000$$

$$3,000 \text{ divided by } 3 = 1,000$$

Winter Average value is 10 units (ten hundred gallons)

How Winter Averaging appears on the Invoice

Water Service

- Water Service Charge
- Water Usage Charge (\$0.23700000 : 44.00)
- **Total Water Service Related Charges**

Wastewater Service

- Wastewater Service Charge
- Wastewater Use Charge (\$0.60324000 : 10.00)
- **Total Wastewater Service Related Charges**

Other Charges

- Water Primacy Fee
- **Total Other Charges**

Bill (07/09/2013 - 08/12/2013)

Current Water Service

- Water Service Charge
- Water Usage Charge (\$0.23700000 : 111.00)
- **Total Water Service Related Charges**

Current Wastewater Service

- Wastewater Service Charge
- Wastewater Use Charge (\$0.60324000 : 10.00)
- **Total Wastewater Service Related Charges**

Other Charges

- Water Primacy Fee
- **Total Other Charges**

	22.06
	10.43
	<hr/>
	32.49

	40.97
	6.03
	<hr/>
	47.00

	0.27
	<hr/>
	0.27

For this bill period
water use is 4,400
gallons
...wastewater is
1,000 gallons

	22.06
	26.31
	<hr/>
	48.37

	40.97
	6.03
	<hr/>
	47.00

	0.27
	<hr/>
	0.27

For this bill period
water use is 11,100
gallons
...wastewater is
1,000 gallons

Other Questions you may have about billing.....

- Why was I billed with estimated readings after the meter was changed ?

Meter exchanges were performed by a contractor and the information recorded on paper. It took some time to get this information manually entered into our billing system. In the meantime, the meter number in the meter reading equipment did not match the new meter installed, therefore no reading was captured.

- Why wasn't the customer service representative able to answer my questions?

The issues experienced with this billing were not typical and complicated by the meter change and incorrect winter averaging. Also during this time employees were working in a new system . We have since implemented the ability to place an 'alert' on an account which links the CSR to specific information about that event.

- Am I expected to pay for all these months of service by the due date on the corrected invoice?

Not necessarily, if requested, we will be happy to provide you with the same number months to repay as covered in your corrected billing. Just contact us at the toll free number on your bill and we will help to set up this payment plan.

- What if I still don't understand my bill. Who can help me?

We have customer service specialist who have received training in understanding the complexity of the issues experienced by Stonebridge customers. Appointment times are available for you to schedule a call at your convenience.

- How can I be assured we won't have more billing problems?

The issues experienced have not been typical. Now that the meters are changed and programming corrected you should expect to receive monthly billing on schedule and based on actual meter readings. We are focused on making things right and providing you with the quality of service you expect.