

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE INSPECTOR GENERAL**

**AUDIT OF RESIDENTIAL CUSTOMER
BILLING FOR WATER USAGE AND
THE CUSTOMER COMPLAINT PROCESS**



**AUSTIN A. ANDERSEN
Interim Inspector General**

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Inspector General



June 1, 2004

Jerry N. Johnson
General Manager
D. C. Water and Sewer Authority
5000 Overlook Avenue, S.W.
Washington, D. C. 20032

Dear Mr. Johnson:

Enclosed is the final report on the *Audit of Residential Customer Billing for Water Usage and the Customer Complaint Process* (OIG No. 03-2-13LA(b)). The audit was performed in response to requests from you and Councilmember Adrian M. Fenty to review the accuracy of residential water meters and the efficacy of the billing and customer complaint processes. This report addresses the issues of billing and the complaint process. Our previous report, *Audit of the Accuracy of the D.C. Water and Sewer Authority's (WASA) Residential Water Meters* (OIG No. 03-2-13LA(a)), addressed meter accuracy and was issued on December 23, 2003.

The Office of the Inspector General engaged the independent auditing firm of Bert Smith & Co. to determine: (1) whether WASA is accurately billing residential customers for water usage; whether WASA's process for resolving customer complaints is effective and efficient; and (3) the average cost of processing a complaint to completion. The auditors determined that WASA accurately processed residential customer billings that reflected the water usage reported electronically from the water meters. The auditors also concluded that WASA needed to improve the complaint process and obtained from WASA the costs of processing complaints.

In response to the recommendations, WASA advised that it had completed a reorganization of its customer services area and those changes should result in improved documentation and faster turnaround of customer issues.

We concluded, based on this report and the prior report, that WASA accurately bills its residential customers for water usage recorded by its meters and that the meters accurately measure water consumption.

Mr. Jerry N. Johnson
OIG No. 03-2-13LA(b)
June 1, 2004
Page 2 of 3

Should you have any questions about this report, please call William J. DiVello, Assistant Inspector General for Audits, or me at (202) 727-2540.

Sincerely,

A handwritten signature in cursive script that reads "Austin A. Andersen". The signature is written in dark ink and is positioned above the printed name and title.

Austin A. Andersen
Interim Inspector General

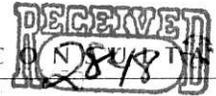
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Enclosure

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BERTSMITH
& Co.

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May 25, 2004

Mr. Austin Andersen, Esq.
Interim Inspector General
Government of the District of Columbia
Office of the Inspector General
717 14th Street, N.W., Suite 500
Washington, D.C. 20005

Dear Mr. Andersen:

Bert Smith & Co., is pleased to provide the Office of the Inspector General with the final report of the Audit of the District of Columbia Water and Sewer Authority's Residential Customer Billing for Water Usage and the Customer Complaint Process for the period January 1, 2003 through April 30, 2003.

This final report incorporates the District of Columbia Water and Sewer Authority's response to the finding and recommendations that resulted from the audit and our comments to their response.

We would like to take this opportunity to thank the staff of the Office of the Inspector General for their significant assistance during the conduct of this engagement and look forward to continuing our professional relationship with the Office of the Inspector General.

Sincerely,

Abdool S. Akhran, CPA
Partner

*Member of the American Institute of Certified Public Accountants
Member of the Independent Accountants International*

**AUDIT OF RESIDENTIAL CUSTOMER BILLING
FOR WATER USAGE AND
THE CUSTOMER COMPLAINT PROCESS**

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EXECUTIVE DIGEST

OVERVIEW

This is the second Office of the Inspector General (OIG) audit report conducted to address issues related to the District of Columbia Water and Sewer Authority (WASA) residential water meters. The first issue concerned water meter accuracy, and we engaged a firm, Hydrotech Mechanical Services, Inc. (Hydrotech), to conduct the necessary tests of water meters. The results of that audit were reported in *Audit of the Accuracy of the D.C. Water and Sewer Authority's Residential Water Meters* (OIG No. 03-2-13LA(a)), dated December 23, 2003.

The second issue and the subject of this report relates to the accuracy of the customer billing system for the new electronic water meters and the efficiency and effectiveness of the customer complaint process. We also report the average cost of processing a complaint to completion. The firm of Bert Smith & Company performed the audit work and tests conducted under contract with the OIG, the results of which form the basis of this report.

The General Manager, WASA, and a D. C. City Councilmember requested that the OIG conduct these audits.

CONCLUSION AND CORRECTIVE ACTIONS

We verified the accuracy of residential customer billings by taking a statistical sample of 383 billings, from a universe of 92,598, representing the same customer locations used in the tests for water meter accuracy. The results showed that WASA accurately processed residential customer billings that reflected the water usage reported electronically from the water meters. We found minor irregularities in some customer billings attributed to errors induced by the testing process. These irregularities did not materially affect the audit results.

In performing a limited evaluation, based on a judgmental sample of 35 of 1,609 customer complaints, we concluded WASA could improve the process for responding to customer complaints. Of the 35 customer complaints examined, we found 7 separate instances where WASA did not inform customers of the results of the investigation, did not adequately document the resolution and investigation of customer complaints, and needed to more closely monitor customer accounts to achieve timely resolution of customer complaints.

WASA gathered summary data for us regarding the costs for WASA to investigate each customer complaint (\$123.33) and the cost to conduct a hearing relative to a customer complaint (\$344.13). Although we did not review the documentation and cost elements supporting these WASA costs, the amounts may be useful in future decision-making. If deemed necessary, WASA may opt to establish procedures for labor distribution to capture data that are more precise.

This report makes two recommendations addressing the deficiencies in the customer complaint process. We recommend closer monitoring of complaints and customer accounts

EXECUTIVE DIGEST

to ensure timely resolution of the complaint and timely adjustment to customer accounts, when warranted. Second, we recommend more accurate record keeping and complete documentation be maintained for each customer complaint.

A summary of potential benefits resulting from the audit is at Appendix A.

INTRODUCTION

BACKGROUND¹

WASA provides retail water and wastewater services to residential and commercial customers in the District. WASA establishes its own rates, fees, and other charges for its services, which generates the revenue that pays for operating costs. In recent years, WASA has undertaken a number of projects to improve its internal operations and customer service.

In the spring of 2002, WASA began the process of changing all water meters to an electronic network. This program, the Automated Meter Reading (AMR) Project, will cost \$36 million and is expected to take 3 years to complete. When completed, WASA will be able to read all water meters via electronic transmission, thereby reducing operating expenses, and will have the capability of billing customers for exact water usage based on accurate meters that transmit daily readings. Their electronic customer billing and information systems have been integrated with this meter reading system.

The AMR Project consists of two phases: Phase I began in March 2002 and involves replacing approximately 110,000 residential water meters with new electronic meters. Phase II involves exchanging approximate 20,000 meters in commercial establishments. As of March 31, 2003, WASA has installed 92,598 electronic residential water meters under the AMR Project, or approximately 84% of the total planned residential water meter replacements.

The new ABB C-700 meters comply with the American Water Works Association's C-700 standard. Hexagram, Inc., of Cleveland, Ohio, supplied the electronic transmission technology, and the meters are manufactured by AMCO. The installation is contracted to United Metering Incorporated. The meter utilizes a piston that rotates in a chamber as water flows through. Each piston movement is the measurement that becomes the basis for a meter reading. Attached to each new meter is a meter transmission unit, which transmits an electronic reading to a data collection unit, known as the Network Collection Center (NCC).

The Billing Process

In fiscal year 2003, the Customer Service Department continued its reorganization and the billings were converted from quarterly to monthly billings for the metered accounts.

Ten days before an account is billed, the accounts in a specific billing cycle are downloaded. This download process accesses the information supplied by the NCC meter transmission unit and performs certain code checks. If the transmission produces error messages, the account is flagged for a manual meter reading. Once all of the information is gathered and verified, the usage information is supplied to the customer billing system.

¹ All background information was taken from the published WASA Comprehensive Annual Financial Report for 2003, the WASA website, and data supplied by WASA.

INTRODUCTION

WASA has a subcontractor, Orcom Systems (ORCOM), which performs its billing function. ORCOM receives the downloaded information and performs a meter reading edit in order to ensure correct meter readings and identify exceptions prior to billing. Several controls are used within the system to identify exceptions that require further research prior to billing. ORCOM resolves most of the customer billing issues. Exceptions are placed on hold to prevent customer billing until the issue is resolved, and material issues are transferred electronically to WASA for resolution.

WASA receives daily information that allows them to monitor the quality of the ORCOM billing procedures. To ensure that policies and procedures are followed, weekly and quarterly reviews of billing issues are conducted between ORCOM and WASA. As part of the AMR Project, WASA has also taken steps to evaluate significant variances in customer usage patterns and conduct water audits.

Customer Complaints

Recently, citizens in the District of Columbia complained about the AMR Project, alleging that certain consumption increases were the result of the new meters and not increased usage. The District of Columbia City Council conducted a hearing in response to the complaints on February 5, 2003. On February 12, 2003, WASA's General Manager requested the Office of the Inspector General to conduct an independent review of the AMR Project and its impact on the customer billing and customer complaint issues. A D.C. City Councilmember also requested an audit.

OBJECTIVES, SCOPE, DATA RELIABILITY, AND METHODOLOGY

Objectives

The objectives of the audit were to determine: (1) whether WASA is accurately billing residential customers for water usage; (2) whether WASA's process for resolving customer complaints is effective and efficient; and (3) the average cost of processing a complaint to completion.

Scope

The audit covered the period from January 1, 2003 through April 30, 2003. We conducted the audit in accordance with generally accepted government auditing standards and included such tests as we considered necessary under the circumstances.

INTRODUCTION

Data Reliability

The WASA subcontractor, ORCOM, uses an electronic system known as their Enterprise Customer Information System (E-CIS) that supports customer service, billing, remittance, credit, and collection processes. E-CIS interacts with the electronic meter collection system, NCC, to obtain transmitted readings from the residential units and to create billings.

We relied on E-CIS for on-line customer account information and on NCC for the meter readings. Although we did not perform a formal reliability assessment of the computer-processed data in E-CIS and NCC, we determined from our review of the on-line account information that it agreed with the information in the computer-processed data and there was no indication of unreliability.

We reviewed all data used in assessing the customer complaints because this data is manually entered into the electronic system. Our audit revealed minor clerical errors that we determined did not materially affect the integrity of the data.

Methodology for Reviewing Customer Billings

Procedures. We compared the electronic meter reading from the E-CIS system to the NCC system to ensure that the readings were reflected accurately. The readings for the last two billing cycles were compared to the readings recorded in the NCC system.

In order to do this, we requested and obtained a statistically determined random sample of billing information for 383 customers out of the universe of 92,598, who had already been converted to the new electronic meters. Hydrotech selected this sample from the NCC system. Hydrotech performed concurrent testing on the functionality of each meter and we tested the meter readings for accuracy in the billing.

In order to determine the accuracy of each meter, the premise number was entered into the E-CIS billing system. The account information indicated the replacement meter and the original meter identification numbers, which were compared with the NCC sample records. The account also reflected the monthly meter readings used for billing purposes. We identified the annual water units used and the usage history chart for each account and performed an annual trend analysis to ensure that the water usage is customary for the selected account.

We then selected the most recent bill from the E-CIS system. The bill was reviewed to ensure that the correct units were used, that an accurate rate was applied, that it had the proper meter number, and that it had the proper meter reading. Finally, we reviewed the billing history for the account to ensure that the continuity of the meter reading was accurate. Customer comments were also reviewed for each account to identify problems or billing disputes.

INTRODUCTION

We also reviewed the adequacy of the transmission of the electronic meter readings because there were situations that could cause an error in the transmission from the meter. During our testing, no exceptions were noted.

Exception Reports. Our audit procedures anticipated that we would be able to review exception reports from the billing cycles to determine if any of the exceptions related to the customer billings selected in our sample. However, the exception reports provided by ORCOM to WASA are electronic, and there is no history once the exceptions are cleared. Because of this, we were not able to examine prior exceptions on our samples.

Statistical Sampling Results. In the statistical sample that we received, we reviewed several accounts where the use of a replacement meter caused a bill with an erroneous reading. These replacement meters were installed so that the original electronic meter could be tested by Hydrotech as part of this audit. Although the review of replacement meters was outside our scope, we brought this to the attention of WASA's management. WASA's research indicated that several steps were taken outside of its normal business practice that caused the original meter readings to be used instead of the replacement meter readings.

The normal business practices follow procedures specifically designed to avoid any possibility of producing inaccurate bills. The billing cycle controls the processing of service orders for meter adjustments or replacements. All service order requests are performed prior to a billing cycle or afterwards. Any service orders still pending at the time that the billing cycle starts to download are cancelled. This is done to avoid meter reading discrepancy that could occur if service orders are closed during the meter reading and billing cycle.

In the case of the sample using 383 residential customers, there was a number of pending service orders when our sample was being identified. The personnel who were creating the sample did not realize the impact of this situation. Although existing E-CIS edits caused all of the accounts in question to appear on the edit control report, the ORCOM personnel reviewing these accounts passed them on for billing without noticing the error. While any overcharge to the customer as a result of this error is self-correcting on the following month's bill, this incident prompted a review of the controls so that this situation would not occur again.

The statistical review of 383 WASA customer billings resulted in no instances (other than those induced by the testing methodology discussed above) where customers were billed incorrectly based on the reported water usage. Accordingly, the sample results reveal a reasonable expectation that, of the universe of 92,598 residential customers, WASA billed customers accurately in all instances.

Methodology for Evaluating the Customer Complaint Process

Customer Complaint Process. We evaluated the adequacy of the customer complaint process at WASA based on standards established by the District of Columbia in D.C. Code

INTRODUCTION

§ 34-2202.16, which is summarized in Appendix B.

We obtained access to an inventory of customer complaints for the period January 1, 2003, through April 30, 2003, along with applicable correspondence and other information. There were 1,609 customer complaints filed during this time period.

Procedures. We judgmentally selected 35 accounts from the customer complaint list and the Administrative Hearing Log provided by WASA for the period from January 1, 2003, through April 30, 2003. Each selected sample was reviewed in detail utilizing the information recorded on-line. We reviewed the individual customer file to determine whether a challenge was made within 10 working days as required in Title 21 DCMR Ch. 4, § 402, and if WASA properly investigated the challenged bill in accordance with Title 21 DCMR Ch. 4, § 403.

In addition, we reviewed the customer file to ensure that a penalty/fee was not charged prior to notifying the customer of the results of the investigation and whether a written decision containing its findings was issued subsequent to the investigation as required in Title 21 DCMR Ch. 4, § 404.

We also reviewed the customer file to determine whether WASA made the appropriate adjustments to the account, if any, and whether the customer complaint was processed pursuant to provisions set forth in Title 21 DCMR Ch. 4, § 410.

Other Matters

We were required to determine the average cost of processing a complaint to completion. We obtained a spreadsheet from WASA to support the per-customer cost of resolving investigations and hearings, and we tested the mathematical accuracy of this document. Documentation supporting amounts included in the spreadsheet was not provided. This cost pool included elements of direct and indirect costs. We did not audit the various cost elements included in these calculations.

Based on our review, the average cost per investigation was \$123.33 and the cost per hearing was \$344.13. These amounts were identified solely to satisfy our requirement for this audit and were not used by WASA to determine whether or not to conduct an investigation.

FINDING AND RECOMMENDATIONS

FINDING: CUSTOMER COMPLAINT PROCESS
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SYNOPSIS

We found that the customer complaint process at WASA did not always meet criteria based on the standards established by the District of Columbia. This condition exists because (based on limited tests of customer complaint records) we noted that adjustments to customer accounts were not always made in a timely manner and that established procedures were not always followed. In addition, our examination of the records in some instances indicated incomplete and undocumented complaint records. As a result, our tests revealed that WASA was not always sufficiently responsive to its customer base in the handling of customer complaints.

DISCUSSION

Our limited tests of the customer complaint process found that WASA did not always meet criteria based on the standards established by the District guidelines. Appendix B provides detailed standards for processing customer complaints. We performed a test on 35 of the 1,609 customer complaints filed with WASA between January 1 and April 30, 2003. Although limited, these tests showed one or more anomalies on 7 of the tested customer complaint files, i.e., 20 percent of the 35 complaints we tested.

Tests of Customer Complaint Records

Our tests identified errors in seven separate and unrelated customer complaint files. The details are:

- In two accounts, the record does not indicate that the customer received a notice of the outcome of the investigation.
- In one account, the resolution of the complaint was not documented in the file;
- In three accounts, the complaint was not adequately monitored and the customer paid penalties and fees even when on a hold status, including a situation where an account was monitored for four months before the adjustment; and
- In one account, a complaint was made, but the record does not indicate that the issue was investigated.

FINDING AND RECOMMENDATIONS

The District of Columbia has established specific regulations regarding the billing of WASA customers. These regulations require that customers be given the opportunity to challenge any billings, and they require WASA to provide prompt and accurate investigation into and resolution of their complaints. In addition, in three instances, we found that WASA did not make timely adjustments to customer accounts. Further, our examination of customer complaint files showed that WASA needed to improve file documentation to support the actions taken and resolution of customer complaints.

RECOMMENDATIONS

We recommend that the General Manager, D.C. Water and Sewer Authority:

1. Establish a process for periodic monitoring of customer complaints and customer accounts to ensure timely resolution of complaints and timely adjustments to customer accounts, when warranted.

WASA's RESPONSE

WASA agreed that some improvements were needed in its customer complaint process in 2003 and completed a reorganization of its customer services area as of October 1, 2003. This reorganization included centralizing the Command Center to provide faster response to customer issues, streamlining processes, and the development of a training manual to aid in providing customer service.

AUDITOR COMMENT

Based upon our subsequent review of files and discussions with WASA's personnel, we believe that the customer service monitoring and response time have been adequately improved.

2. Ensure that all records in the complaint process are adequately maintained and are complete. Periodic checks on these accounts could be performed during the year as part of WASA's quality assurance procedures.

WASA's RESPONSE

WASA has developed a tracking system for executive correspondence in the customer service division and a quality assurance program was implemented in February 2004 in the Call Center. Supervisory personnel are now required to randomly select accounts for auditing. These changes should result in improved documentation and faster turnaround of customer issues.

FINDING AND RECOMMENDATIONS

AUDITOR COMMENT

Based upon our review of the information provided by WASA and subsequent discussions with key personnel, we believe that the development of the tracking system and the random audits of selected accounts will improve the documentation and record keeping associated with the complaint process.

FINDING AND RECOMMENDATIONS

SUMMARY OF POTENTIAL BENEFITS RESULTING FROM AUDIT

Recommendation	Description of Benefit	Amount and Type of Benefit
1	Program Results. Will improve responsiveness to customer complaints.	Nonmonetary
2	Compliance and Internal Control. Will improve records maintenance and quality assurance over customer accounts.	Nonmonetary

APPENDIX B

DISTRICT REQUIREMENTS

WASA is regulated by the following D.C. statutes and regulations:

1. D.C. Code § 34-2202.16 (Supp. 2003)
(CHARGES AND FEES AND RATE SETTINGS), which states:
 - (a) The Authority shall collect and abate charges, fees, assessments, and levies for services, facilities, or commodities furnished or supplied to it.
 - (b) The Authority shall, following notice and public hearing, establish and adjust retail water and sewer rates. The District members of the Board shall establish the retail water and sewer rates prior to the Board's consideration of the Authority's budget. The water and sewer rates levied by the Authority shall only be a source of revenue for the maintenance of the District's supply of water and sewage systems, and shall constitute a fund exclusively to defray any cost of the Authority.
 - (c) In the absence of applicable standards, charges shall be levied and collected as determined by the Authority in accordance with § 1-204.87(b).
 - (d) The Authority may impose additional charges and penalties for late payment of bills.
 - (e) The Authority is authorized to shut off the water distribution to any building, establishment, or other place upon failure of the owner or occupant thereof to pay the charges, including the storm water fee, within 90 days from the date of rendition of the bill.
2. D.C. Code § 8-105.12 (2001) (EMERGENCY SUSPENSION OF SERVICES), which provides authority for WASA to shut off services in the event of an actual or threatened discharge into the wastewater system which appears to present an imminent health or welfare danger.
3. Title 21 DCMR, Chapter 41 (RETAIL WATER AND SEWER RATES), § 4100 (2004), which provides for the current rates to be charged for water service.
4. Title 21 DCMR, Chapter 4 (CONTESTED WATER AND SEWER BILLS)
 - § 400 RIGHT TO CHALLENGE GENERAL MANAGER'S DECISIONS AND BILLS

Establishes the legal right to challenge a water bill, sanitary sewer service bill, or groundwater sewer service bill and the right to inspect WASA records.

APPENDIX B

§ 401 NOTICE OF RIGHT TO CHALLENGE BILLS AND PRACTICABILITY AND IMMINENT THREAT DETERMINATIONS

§ 401.1 Provides that WASA will give notice to customers of their right to challenge a water service billing; that WASA will investigate a challenge to a billing; that WASA will adjust for any detected errors; and that the customer will not be subject to any penalty, interest charge, or termination of service for non-payment of the disputed bill until the customer has been advised in writing of the results of the investigation.

Establishes that the customer will be notified in writing of the results of the investigation into the billing.

Establishes a 15 day right of appeal if the customer is dissatisfied with the decision resulting from an investigation.

Provides customers with the right to request a written statement of their account for the most recent 18 months. Upon receipt of this request, WASA must respond within 30 days.

§ 401.2 Establishes that WASA will provide the customer with a written statement stating that the customer may challenge a determination of practicability, similar to § 401.1.

§ 402 INITIATING A CHALLENGE

Establishes that a customer may challenge a billing by either paying the bill and notifying WASA in writing that the bill is being paid under protest; or by not paying the billing and notifying WASA in writing within 10 working days after receipt of the billing.

Establishes that billing challenges filed after the 10 working day requirement will be deemed to be untimely, and may be subject to late-payment penalties or a termination of service.

Establishes that a challenge to a current billing does not relieve the customer from paying previous billings or future billings.

§ 403 INVESTIGATION OF CHALLENGED BILL

Establishes that WASA shall suspend the obligation to pay the challenged billing pending its investigation.

APPENDIX B

Establishes that WASA may do the following as part of its investigation: verify the computations; verify the meter reading; check the premises for leaks; check the meter for malfunctions; check the air conditioning for malfunctions; or make any other reasonable investigation of facts.

§ 404 REPORT AND ADJUSTMENT

Establishes that WASA shall issue a written decision containing a brief description of the investigation, and shall make appropriate adjustment to the billing.

§ 405 ADJUSTMENT FOR METER OR COMPUTATION ERRORS

Establishes that WASA shall make adjustments to reflect a faulty meter reading that is detected; that a possible meter malfunction will be tested; and that a possible faulty reading for either water usage or sewer usage will result in an adjustment to the billing equal to an average of previous monthly billings.

§ 406 ADJUSTMENT FOR HOUSEHOLD LEAKS OR AIR CONDITIONING MALFUNCTION

Establishes that the repair of faulty faucets, household fixtures, and air conditioning units are the responsibility of the customer, and that no billing adjustment will be made for excessive usage attributable to these conditions.

§ 407 METER AND THE STRUCTURES THAT ARE SERVED BY THE METER AND FOR UNDERGROUND LEAKS

Establishes that responsibility must be established for leaks associated with house-side and for underground leaks. In certain cases, the customer is responsible, and in other cases, WASA is responsible. In each case-by-case situation, adjustments must be determined.

§ 408 INCONCLUSIVE FINDINGS

Establishes that an investigation that results in inconclusive findings will result in an adjustment if the customer can demonstrate that the adjustment would further a significant public interest.

APPENDIX B

§ 409 NOTICE OF INVESTIGATION RESULTS AND ADJUSTED BILLS

Establishes that WASA must give the customer written notice of the results of its investigation, and the customer has an opportunity to appeal within 15 calendar days. Establishes other provisions for payment due dates for revised billings and for abatements of penalties.

§ 410 ADMINISTRATIVE HEARINGS

Establishes the right to an administrative hearing and certain rules pertaining to a hearing.

§ 411 COMPUTATION OF TIME

Establishes certain rules regarding the computation of time related to the filing of a challenge to a billing and/or an appeal.

§ 412 PETITION FOR ADMINISTRATIVE HEARING

Establishes certain rules regarding the filing of a petition for an administrative hearing.

§ 413 SURETY BOND/DEPOSIT

Establishes that certain customers who file for an administrative hearing shall be required to post a bond or deposit equal to one-half of the outstanding billing that is being challenged.

§ 414 HEARING OFFICERS

Establishes rules related to selecting a hearing officer and the officer's powers.

§ 415 SCHEDULING OF HEARING/DEFAULT JUDGMENT

Establishes rules for the scheduling of a hearing and the requirements for a default judgment.

§ 416 DISMISSAL OF HEARING

Establishes rules for the dismissal of a challenge to a billing.

APPENDIX B

§ 417 SERVICE OF DOCUMENTS

Establishes rules for the service of documents related to a hearing.

§ 418 PROOF OF SERVICE

Establishes rules related to acceptable service of documents related to a hearing.

APPENDIX C



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

5000 OVERLOOK AVENUE, S.W., WASHINGTON, D.C. 20032

OFFICE OF THE GENERAL MANAGER

TEL: 202-787-2609

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May 7, 2004

Mr. Austin Andersen
Interim Inspector General
Office of the Inspector General
717 14th St., N.W., Suite 500
Washington, D.C., 20005

Dear Mr. Anderson:

We are pleased that the Inspector General completed the final phase of the meter replacement and automated meter reading (AMR) project review and determined that WASA bills customers accurately. This determination has added emphasis when viewed with your December 2003 report that found no relationship between high bills and meters registering too fast.

WASA is viewed nationally as an industry leader on the fixed network AMR technology. We speak at major events and water utilities throughout the nation solicit our advise on deploying this technology. As such, we were surprised by the negative publicity last year surrounding this project. We stated all along that this state-of-the art technology provides timely and accurate meter readings to ensure that customers pay only for what they use; a view supported by this report.

We agree that some improvements were needed in our customer complaint process in 2003 and our customer service staff worked diligently to close this performance gap. We recently completed the reorganization of our customer services area including centralizing the command center to provide faster response to customer issues. Our tracking system for executive correspondence has always been excellent and we developed similar processes to ensure the same exacting standards for all customer communications. These changes should result in improved documentation and faster turnaround of customer issues.

Thank you for your diligence in pursuing this important customer service initiative.

Sincerely,

A handwritten signature in black ink, appearing to read "Jerry N. Johnson". The signature is stylized with loops and a long horizontal stroke extending to the right.

Jerry N. Johnson
General Manager