

WAPA Confronts Mounting Billing Complaints in PSC Meeting, Pledges Reforms

WAPA acknowledges ongoing billing challenges, commits to reforms during PSC meeting, but no timeline provided for a permanent fix

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Executive Director of the Water and Power Authority Karl Knight has told members of the Public Services Commission that the company is trying to move away from the practice of estimated billing, though a timeline for this was not clear.

“There are several reasons why estimates occur, including issues with the billing system, issues with the meters and related equipment,” Mr. Knight said. System failures requiring manual reading plus prevailing legislation which requires meters to be read within 30 days of the previous reading “impacts WAPA’s ability to timely produce bills; considering the already constrained financial resources, as well as practical 30 day billing cycle, WAPA cannot increase the staffing

levels or provide the additional vehicles needed to remain compliant,” he explained. These circumstances lead to increased overtime bills as well as additional administrative work, all of which “increases WAPA’s costs to create a fiscally downward spiral.”

In the long term, the [recently-announced](#) Federal Emergency Management Agency’s approval for wholesale replacement of the faulty AMI system is the solution. A request for proposals on that project should be out by the beginning of October, Mr. Knight estimated.

In the short term, however, Mr. Knight said WAPA would keep replacing non-working meters, keep providing employees with overtime to allow them to read meters manually, and would also ramp up the review of billing data files prior to their release to customers. “We’re also increasing the review of the end-to-end billing process to identify all points of failure that will be addressed in the coming weeks, hopefully not months, but in the coming weeks, with procedures to take corrective action,” Mr. Knight claimed.

The discussion then turned to the practice of estimated bills, with commissioners learning that up to a quarter of electricity customers receive such bills each cycle.?

WAPA’s Chief Financial Officer Lorraine Kelly addressed the 32 customer complaints about increased bills that had been submitted via the PSC. Apart from two accounts with technical issues relating to the meter, and another three accounts which WAPA as not been able to correctly match names to account numbers, “all other accounts were 100% accurate readings,” Ms. Kelly declared.

“What that means is that the customers had received estimated billings for either one or two months consecutively, and then there was an actual read,” she continued. The actual reading, Ms. Kelly said, was higher than previous estimates because those were done in cooler months. However, despite the actual usage being higher than the estimates, “we do not have the ability to back bill longer than the estimated reading occurred,” Ms. Kelly noted. As a result, WAPA is going to “have to raise credits to those customers.”?

The WAPA CFO could not tell commissioners whether the utility confirmed how long these 32 customers have been receiving estimated bills. PSC member David Hughes contended that many customers are going much longer than two months without an actual meter reading. “That can create a financial hardship for customers, through no fault of their own, paying their bills, understanding that they think they’re staying current, and the fact that WAPA is misestimating the accounts creates a windfall event that customers cannot deal with,” he argued. Ms. Kelly later confirmed that approximately 1400 customers have been receiving estimated bills for over a year. A recent legislative change reducing WAPA’s window for bill adjustments from 90 to 30 days is compounding the issue with respect to the utility’s window to recoup revenue from estimates that have been too low.

Mr. Hughes also took issue with customers not being clearly notified when their bills are based on estimations. “We are working on making sure that our billing system gives us the ability to put that on each bill,” Ms. Kelly promised, referring to electronic bills. Printed bills already make that distinction, she said.?

At the end of the day, Mr. Knight said that while the utility awaited the prudent replacement of the AMI system, WAPA would work to deal with billing disputes in a reasonable manner. “One of the first conversations I had my first couple weeks on the job was, if the bill makes no sense and it’s outrageous, let’s acknowledge that,” said Mr. Knight. “Let’s not get into a dispute with a customer over something that we know is an obvious error, right? So we’re now revisiting our processes, but if you have a bill that is in dispute, we’re not going to disconnect you.”

