

FLORIDA PUBLIC SERVICE COMMISSION
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M E M O R A N D U M

OCTOBER 31, 1996

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF LEGAL SERVICES (O'SULLIVAN) *MS LAT*
DIVISION OF WATER & WASTEWATER (WALDEN) *WJ SC (R) bl*

RE: DOCKET NO. 960537-WU - COMPLAINT BY DR. WIL GROSS AGAINST
SOUTHERN STATES UTILITIES, INC. IN COLLIER COUNTY
REGARDING HIGH WATER USAGE REGISTERED AT METER
COUNTY: COLLIER

AGENDA: NOVEMBER 12, 1996 - REGULAR AGENDA - PROPOSED AGENCY
ACTION - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: S:\PSC\WAW\WP\960537WU.RCM

CASE BACKGROUND

Dr. Wil Gross, a customer of Southern States Utilities (SSU) on Marco Island, testified about a high bill at the service hearing held there during the recent rate case proceeding in Docket No. 950495-WS. Dr. Gross was billed \$941.81 for consumption of 311,000 gallons for the November 3 through December 4, 1995 billing period. of 311,000 gallons. The high bill dispute resulted in this docket being opened.

The dispute involves consumption of ten times the normal usage. The customer's meter was tested at the City of Naples' test bench on January 24, 1996 and found to be registering between 97% and 103%. The meter was shipped to the manufacturer, Precision Meters, for further testing and examination. The conclusion by the manufacturer was that the increase in consumption could only have been caused by water or air passing through the meter:

Staff proposed an informal settlement of the disputed bill by a letter dated June 26, 1996 which proposed to split the bill in half between the utility and the customer. The utility responded in a letter dated July 12, 1996 that it disagreed with the proposed resolution and requested an informal conference pursuant to Rule 25-22.032(4), Florida Administrative Code.

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An informal telephone conference was conducted on September 26, 1996. Participants in the conference were Dr. Gross; Messrs. Feil and Compton with SSU; and, PSC staff. Parties participated in this process in an amicable and forthright manner. The customer and the utility submitted supplemental information after the conference, the latest of which was received on October 10, 1996.

This recommendation addresses the high bill complaint, discusses the information provided by both parties, and proposes a resolution to the dispute.

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DISCUSSION OF ISSUES

ISSUE 1: Should an adjustment be made to Dr. Gross' bill, and if so, what is the amount of the adjustment?

RECOMMENDATION: Yes, an adjustment should be made and a corrected bill for the month of November, 1995, should be rendered for \$480.76. This represents half of the original amount of the bill.
(WALDEN)

STAFF ANALYSIS: The customer asserts the bill is excessive, and states that when compared to historical consumption, this can readily be seen. During the informal conference he stated that there was no plumbing malfunction in the house, and that in fact the house was vacant for two weeks during the billing period in question. While away from his home, Dr. Gross had a person coming by daily to feed his birds, who observed no problem with the plumbing. The pool was maintained weekly by a pool serviceman and a statement was provided stating that during the weekly pool visits, no water was added to the pool due to above average rainfall, and no sprinkler or other leak was observed. Dr. Gross further explained that if the irrigation system had used that amount of water, there would be evidence of erosion, and none was found. Written statements corroborating from the pet sitter and pool serviceman were provided after the conference.

Monthly water consumption for Dr. Gross' residence is relatively stable, ranging from the mid-20s to the low 30s (in thousand gallons). Average consumption since January, 1994, through September, 1996 is 27,400 gallons per month, as shown on Attachment A, when the 311,000 gallon bill is removed. There are two months immediately prior to the large bill where consumption was 3,200 and 4,400 gallons respectively. Both months were abnormally low consumption, and these months were included in the average. These low consumption months were not investigated by the company after the readings were taken.

Dr. Gross has an ozonator which treats all water entering the household plumbing including the water to fill the pool. The ozonator operates electrically and is activated when a water tap is opened inside the home. Staff reviewed Dr. Gross' kilowatt hour (KWH) consumption from October, 1994 through September, 1996 and found the average usage to be 2,546 KWH. For the month of November, 1995, the usage was 2,443 KWH. It does not appear that the ozonator was running excessively, when correlated to the water meter reading, or, staff believes the electric consumption would

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have been higher. (The disputed bill is about 280,000 gallons higher than average. At 50 gpm maximum flow rate for a 1" meter, it would take 93 hours of continuous flow to equal 280,000 gallons. The ozonator would be operating for this period.)

SSU contends that it is the customer's burden to prove the meter did not measure accurately, and it is not the utility's burden to prove the disputed level of consumption occurred. SSU believes no metering problem occurred. During the informal conference, SSU stated it was willing to talk with Dr. Gross about a settlement, although a 50% settlement as proposed earlier by staff was not acceptable. Staff requested the company make a counter proposal to settle the dispute, however, none was made during the conference, nor was one proposed in the documentation filed by the utility after the conference. Nevertheless, the utility has stated in its post-conference filing that it is willing to compromise.

The meter was tested pursuant to Rule 25-30.266, Florida Administrative Code. The meter test conducted by the City of Naples on January 24, 1996, showed the meter to be registering 103% at medium flows, slightly above the test standard of 101.5 to 102%, depending upon the type of meter. However, this small registration error would not provide sufficient explanation for the 311,500 gallon consumption.

The meter was next examined by the manufacturer, Precision Meters (Precision), resulting in a report prepared by the firm on February 28, 1996. Testing by Precision showed no registration at any rate of flow, indicating a bind in the register. Disassembly of the register showed that magnet shield had become dislodged, and binding the register gears. It was the opinion of Precision that depending upon the position that the loose magnet shield assumed during the test by the City of Naples, the meter could have operated properly and accurately. After examining the meter thoroughly, Precision concluded that the roller counter in the register did not prematurely increment by skipping or jumping. The meter could not have created this large amount of consumption without water or air passing through the meter.

The findings of the test performed by the City of Naples and the examination of the meter by Precision appear conclusive that the meter was not defective. There is still no plausible explanation for such a large bill.

According to subsections (1) and (2) of Rule 25-30.340, Florida Administrative Code, any adjustments to a customer's bill must be based on the average error discovered by bench testing, and

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that a refund shall be made to a customer if a meter has tested fast. As noted above, a bench test of the meter was performed pursuant to Rule 25-30.266, Florida Administrative Code with the meter meeting flow requirements at low and high flows, and registering 0.5% fast at intermediate flows. The findings of the test performed by the City of Naples and the examination of the meter by Precision appear conclusive that the meter was not defective.

At this point in the complaint process, the parties are at the following position: SSU contends that it is not the utility's burden to prove that the water was used, and that the meter has tested as being accurate; Dr. Gross contends that his residence could not have consumed the gallonage for that month.

There is still no plausible explanation for the large bill. The results of the meter test could provide a basis that Dr. Gross should be liable for the entire bill, less a 0.5% adjustment for intermediate flow measurement (0.5% = 1550 gallons). However, there are enough factors which raise concern over the consumption:

1. The bench test by the City of Naples showed the meter ran on average within accuracy limits, although it did run fast for intermediate flows.
2. Precision reported a bind in the register. It was not believed this would cause the meter to prematurely increment.
3. There were two months of abnormally low usage immediately preceding the high usage month. These months were not flagged nor investigated by the utility.
4. Since the installation of a new meter, Dr. Gross' usage matches his historical patterns.

Therefore, staff recommends the bill be divided equally, with Dr. Gross being obligated to pay half of the disputed bill. In addition to the factors listed above, staff notes this is the compromise offered by Dr. Gross prior to and during the informal conference.

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Staff believes this is a fair resolution to the dispute.
A 50% split makes the bill:

\$ 19.71 base facility charge
461.05 gallorage (155,760 gal. @ \$2.96/thous.)
\$480.76 total

Staff had also considered adjusting the bill for the November, 1995 billing period as well as the two previous months where low meter readings occurred, to average consumption. This would result in lower consumption (27,000 gallons per month times three months or 81,000 gallons compared to the 155,000 recommended). However, upon further review, staff believes that the recommendation set forth herein is the best alternative.

The customer should render payment within the normal time period for any other SSU bill. The company should note on its records that during November, 1995, there was an additional 155,000 gallons of unaccounted for water.

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ISSUE 2: Should the docket be closed?

RECOMMENDATION: Yes, upon expiration of the protest period, if a timely protest is not received from a substantially affected person, the docket should be closed. (O'SULLIVAN)

STAFF ANALYSIS: If a substantially affected person or party does not file a protest to the Proposed Agency Action Order within 21 days, no further action is necessary, and this docket may be closed.

ATTACHMENT A

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DR WIL GROSS, MARCO ISLAND, FLORIDA:

ENDING DATE	USAGE	USAGE w/o NOV
SEP 96	33090	33090
AUG	21890	21890
JUL	23510	23510
JUN	21160	21160
MAY	32590	32590
APR	25520	25520
MAR	45260	45260
FEB	27940	27940
JAN 96	32220	32220
DEC 95	311520	0
NOV	4460	4460
OCT	3260	3260
SEP	22180	22180
AUG	31320	31320
JUL	30040	30040
JUN	36310	36310
MAY	40030	40030
APR	25810	25810
MAR	35200	35200
FEB	26950	26950
JAN 95	25330	25330
DEC 94	20220	20220
NOV	31750	31750
OCT	26780	26780
SEP	34140	34140
AUG	24380	24380
JUL	20080	20080
JUN	34380	34380
MAY	30700	30700
APR	34400	34400
MAR	27520	27520
FEB	21950	21950
JAN 94	27400	27400
TOTAL	1189290	877770
AVERAGE	36039.09	27430.31