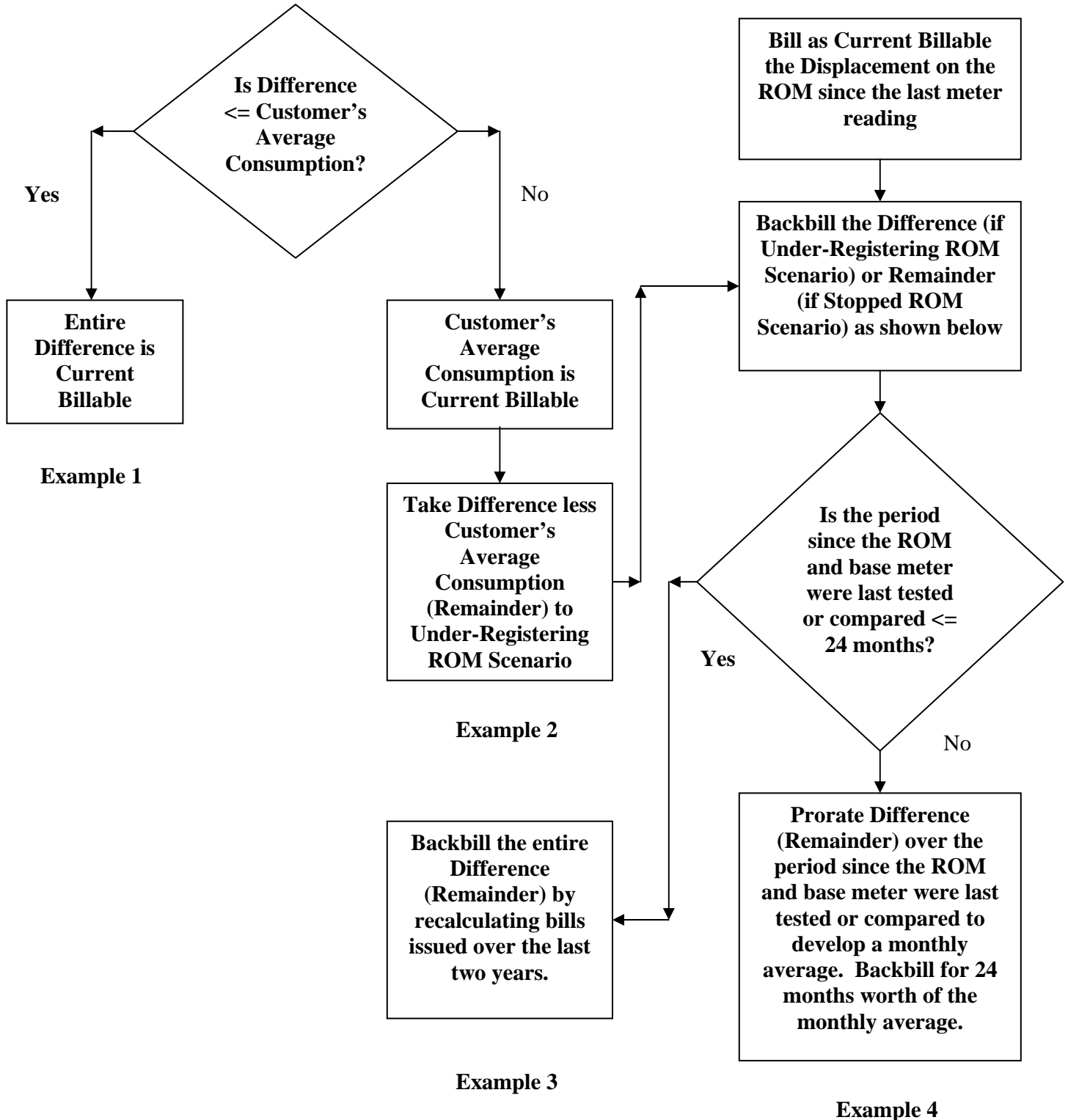


PSC 185.34, Adjustment of Bills (ROM)

Stopped ROM Scenario

Under-Registering ROM Scenario



Definition of Terms

ROM: Remote Outside Meter

Base meter: Meter actually measuring water consumption.

Difference: A name (created for this presentation) for the difference between the ROM and base meter reading.

Customer's Average Consumption: This data is obtained from the last 12 months billing. Take the sum of the water used for the last 12 months and divide by number of billings in a year.

Remainder: Difference less Customer's Average Consumption. Applicable only in Stopped ROM scenarios.

Displacement: The displacement on the ROM is the amount of water measured by the ROM since the last meter reading. This is applicable in Under-Registering ROM scenarios and is billed as current billable.

Current Billable: The amount that should be billed as water consumed in the current billing period.

Backbilling: The process of taking the unbilled volume – Difference, less Displacement, or Remainder -- and dividing it by the number of billing periods since the base meter or ROM was last tested or compared. This provides the average unbilled volume per billing period. Bills issued for prior periods – up to two years -- would then be recalculated applying this additional volume. After the bills are recalculated, subtract the amount previously paid by the customer to obtain the amount the customer owes the utility.

Example Problems

I. Example 1: Stopped ROM

- A. Given:
1. ROM reading at 100,000 gallons
 2. Base meter reading at 115,000 gallons
 3. Difference is 15,000 gallons
 4. Customer's Average Consumption of 16,500 gallons taken from latest 12 month billing period.
- B. Solution: Customer should pay the Difference (15,000 Gallons) as the current period bill.

II. Example 2: Stopped ROM

- A. Given:
1. ROM reading at 100,000 gallons
 2. Base meter reading at 115,000 gallons
 3. Difference is 15,000 gallons
 4. Customers Average Consumption of 10,000 gallons taken from latest 12 month billing period.
 5. Date of last base meter read of 50 months ago
- B. Solution: Stopped ROM Example 2
1. The customer's average consumption of 10,000 gallons is billed as part of the current billing period consumption.
 2. The monthly average of 100 gal/mo is based on the Remainder of 5,000 gallons divided by 50 months (time since last read of base meter)
 - a) On the flow chart this is the cross over from the Stopped ROM scenario to the Under-Registering ROM Scenario.
 - b) 50 months is greater than 24 months therefore prorate the remainder.
 3. The monthly average of 100 gal/mo is multiplied by 24 months to give us 2,400 gallons to be backbilled. Recalculate the bills over this 2 year period and true up on dollars.

III. Example 3, Under-Registering ROM

- A. Given:
1. ROM reading: 91,000 gallons at previous billing (e.g. March)
 2. ROM reading: 100,000 gallons at current billing (e.g. April)
 3. Base meter reading at 200,000 gallons
 4. Difference is 100,000 gallons
 5. Date of last base meter read is 18 months
- B. Solution: Example 3, Under-Registering ROM,
1. The ROM registers 9,000 gallons (100,000 - 91,000) and is considered the displacement. The 9,000 gallons is billed as Current Billable or as consumption for the current billing period.
 2. The total Difference of 100,000 gallons (200,000 - 100,000) is backbilled because the date of the last base meter read is less than 24 months.
 3. The backbill should go back 18 months to the time of the last base meter read. The previous billing periods that make up the 18 months shall be recalculated with the additional 100,000 gallons averaged over the 18 month period. True up with dollars.

IV. Example 4, Under-Registering ROM

A. Given:

1. ROM reading: 91,000 gallons at previous billing (e.g. March)
2. ROM reading: 100,000 gallons at current billing (e.g. April)
3. Base meter reading at 200,000 gallons
4. Difference is 100,000 gallons
5. Date of last base meter read that is greater than 24 months (e.g. 50 months)

B. Solution: Example 4, Under-Registering ROM

1. 9,000 gallons is the displacement (100,000 - 91,000) and is billed as Current Billable.
2. The Difference of 100,000 gallons (200,000 - 100,000) is prorated because the date of the last meter read (50 MOs) is greater than 24 months.
3. $100,000 \text{ gallons} / 50 \text{ months} = 2,000 \text{ gal/mo}$ or 6,000/Quarter
4. Prorate 100,000 gallons: $2,000 \text{ gal/mo}$ multiplied by 24 mos. = 48,000 gallons that should be backbilled.
5. The backbill should go back 24 months, the maximum time allowed. The previous billing periods that make up the 24 months shall be recalculated with the additional 48,000 gallons averaged over the 24 month period. True up with dollars.