



South Carolina
Office of Regulatory Staff

THE WATER WELLSPRING

A Flowing Source of Information for Water and Wastewater Utilities

Summer 2013

Customer Account Security

ORS Investigator Chad Campbell presented information at the 2013 Water/Wastewater Workshop on customer account security. Identity theft is a major concern and consumers are more wary of providing their personal information to utility companies. Utility companies frequently encounter identity theft when family members illegally establish service in another family member's name and then damage their credit by failing to make the required payments.

The Fair and Accurate Credit Transaction Act (FACTA, 2003) was created by the Federal Trade Commission (FTC) to protect consumers from identity theft. FACTA identified utilities as creditors and thus utilities were required to develop and implement a plan to identify risks and protect consumer account information.

Utilities must be prepared to protect themselves and their consumers' information. A utility should ensure that the information obtained from a consumer is maintained in a secure program or software and that it is not accessible to all people within the utility. In addition, the utility should ensure that, if a customer can make payments online, the server is secure and proper firewalls and other protection software are used to block the consumer's personal data, including account number and payment information such as debit and credit card numbers. When a utility no longer is required to maintain its past consumer account information, the documents should be shredded and properly disposed of.

The utility is only authorized to discuss the account information with the account holder and any other representatives on the account. If the utility suspects fraud in a consumer's attempt to connect or disconnect service, the utility may deny or discontinue service per regulations 103-535(F) and/or 103-735(J). The regulations also outline the procedures to notify the customer prior to disconnection.

Providing Excellent Customer Service



Another topic discussed at the 2013 Water/Wastewater workshop was how to provide excellent customer service. ORS Investigator Brad Kirby presented information on ways utilities can strive to satisfy consumer complaints and questions.

First, utilities should be proactive in making contact with their customers. This can include methods such as bill inserts, personal contacts, and attending community or homeowners association meetings. Alternatively, the customers should have various means to contact the utility, such as email, phone, office visits, and letters.

Second, deliver more than you promise. In other words, if the utility tells the customer it will respond to the customer's complaint/inquiry within a certain amount of time, try to address the issue earlier than advised. This action lets the customer know his or her complaint or issue was taken seriously by the utility and that the utility is willing to rectify the situation. Do not tell a customer they will receive a call back from the utility and not return the call. This mistake creates mistrust and frustration for the consumer and more complaints for the utility. Tell the customer how the utility will solve the issue, when it will be solved, and then make sure the utility follows through, preferably earlier than promised.

Consumer complaints are an opportunity to hear the needs and concerns of your customers. Often, consumer calls regarding spills or leaks can help the utility run more efficiently and save the utility money by fixing assets rather than having to replace them. The utility cannot be at every location, all the time, and every day. Rely on your consumers to help the utility save money by establishing a relationship that relays the message that if your customers help you save money, you will pass that savings on to them.

Workshop Planned For 2014

The ORS is planning to conduct another water/wastewater workshop in early 2014. There will be a few changes to the workshop, including shortening it from a full day to a half day. The workshops provide the utilities with much needed information and we encourage all utilities to attend. If you have any suggestions for topics, please feel free to email or call us. We are open to suggestions. More information on the workshop will be provided in a later issue of the newsletter.

Reducing the Number of SSO's

According to the EPA's website, there are between 23,000 and 75,000 Sanitary Sewer Overflows (SSOs) each year. Many of these overflows are a result of line breakage, blockages, and sewer defects that overload the system and cause the excess, untreated wastewater to overflow into public waters, onto the ground, or back up into residences or businesses, all of which create a public health issue. Wastewater treatment plants that are designed to treat no more than 100,000/mgd simply cannot treat more than that amount or the plant will fail to properly treat the waste, resulting in a SSO. A common cause of SSOs is the rainwater that enters through an open manhole and is thus sent to the wastewater treatment plant for processing, also known as Inflow and Infiltration (I & I). Rainwater must be directed to flow to the storm drains for return to the lakes and streams.

SSOs will occur, but the utility can take steps to reduce the severity. Utilities must regularly check the condition of their manhole covers to ensure that the covers are securely in place and have not been removed or damaged. One utility has taken the initiative to bolt down their manhole covers to prevent theft and/or illegal dumping. Another utility, upon inspection of their manhole covers, found that one manhole cover had been removed and replaced with grating allowing excessive rainwater to enter the sewage system.

I & I issues are a problem wastewater utilities must prepare for and work to reduce in the collection system and the treatment plant to prevent excessive SSOs in the future.

Cite: *Sanitary sewer overflows and peak flows.* (n.d.). Retrieved from http://cfpub.epa.gov/npdes/home.cfm?program_id=4

“The Customer Growth Adjustment”



Why is a Customer Growth Adjustment needed?

- The customer growth adjustment imputes an increase in test year net income to reflect average growth during the test period.
- This adjustment ensures that a “growth” component for revenues and expenses is included in current rates.

What is the formula for the Customer Growth factor?

- $$\frac{\text{End of Year Customers} - \text{Average Customers}}{\text{Average Customers}}$$
- $$\text{Average Customers} = \frac{\text{Beginning of the Year Customers} + \text{End of the Year Customers}}{2}$$

Why are average customers used in the formula?

- Throughout the year, new customers are added periodically, while other customers are also leaving the system. An average number is a fair measure of the customer level during the year.

How is the customer growth factor used in the Audit Report?

- The customer growth factor is computed by the Water and Wastewater Department using the formula method above and provided to the Audit Department for the adjustment. The factor is applied to the “Net Operating Income” (Operating Revenues – Operating Expenses) to determine the amount to be added for customer growth.

Is there an adjustment for negative customer growth?

- No adjustment is made for negative customer growth. This method has been traditionally accepted by the Public Service Commission of South Carolina.

To ensure an accurate customer growth calculation, a company must keep accurate customer counts and billing records throughout the year.

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