

APPENDIX A

STAFF REPORT OF INVESTIGATION

CASE No. WC-2006-0248

FEBRUARY 28, 2006

FILED³

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Missouri Public
Service Commission

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Exhibit No. 4
Case No(s) WC-2006-0248
Date 4-25-06 Rptr KF

Staff Report of Investigation

Case No. WC-2006-0248

Gene Koverman v. Missouri-American Water Company

**Prepared By:
Jerry Scheible, P.E.
Utility Regulatory Engineer
Water & Sewer Department**

February 28, 2006

Introduction and Background

Mr. Gene Koverman filed a formal complaint against Missouri-American Water Company (Company) on December 9, 2005. (Note that the filing information incorrectly has the name as "Roverman.") The service location is a four-unit apartment building, which Mr. Koverman owns in St. Louis County, on a single 5/8" meter. Mr. Koverman considers the quarterly billing cycle for the ninety-one (91) days ending July 13, 2005, to be uncharacteristically high and is likely due to a malfunction of the meter. He is requesting a refund from the Company in the amount of \$200 for the usage he feels he is not responsible for, and an additional \$100 to compensate for a higher than normal billing for sewer service from the Metropolitan Sewer District (MSD), based on the high water usage in question.

The Company filed its Answer on January 11, 2006, in which they discount the possibility of a meter malfunction and contend any increased usage be attributed to an internal plumbing leak or increased usage by any of the building tenants, thus holding the customer responsible.

Water & Sewer Dept. Staff's Findings

Jerry Scheible of the Commission's Staff (Staff), contacted Mr. Koverman on February 15, 2006, by telephone and confirmed the concerns indicated in the complaint. Mr. Koverman stated that he has two identical four-unit, two-bedroom apartment buildings adjacent to one another and on separate water meters. The bill amount in question is the highest quantity for either building in the eight years that he has owned them. Mr. Koverman claims to be a "technical engineer" and has experienced automobile odometers that have malfunctioned. He is of the opinion that his water meter operates in the same manner as automobile odometers, thus believing the reading could be inaccurate. Staff explained the possibility of an internal plumbing leak to which Mr. Koverman responded that he is at the property daily, so he would have noticed any problem with the plumbing.

Mr. Koverman states that he reported the high usage to the Company, to which they responded on two different dates with two different technicians, visiting the property and visually inspecting the meter. Both times the technicians determined that there was no visible evidence of damage or malfunction and that the leak indicator on the meter was turning, indicating usage in progress or an internal plumbing leak.

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Staff contacted the Company several times beginning February 7, 2006. The Company has provided Staff past billing records and the technician reports which verify the investigations and results. The quarterly bill in question was paid and is in the amount of \$386.30 for 22,700 cubic feet (169,796 gallons) of water usage. The bill from the corresponding quarter in 2004 was in the amount of \$265.66 for 15,200 cubic feet (113,696 gallons) of water usage according to billing records. This represents an increase of 49% in water usage and an increase of \$120.64 or 45% in cost when compared to the same quarter in the previous year.

There have been two quarterly bills issued since the bill in question. The October 2005 bill was for \$203.27 for 11,300 cubic feet (84,524 gallons), and the January 2006 bill was for \$112.41 for 5,600 cubic feet (41,888 gallons).

The Company, at Mr. Koverman's request, removed the meter in question on February 16, 2006, and replaced it with a meter equipped with a remote electronic reader. This will eliminate the need for the Company to gain access to the property basement where the meter is located. The meter in question was tested by the Company on February 23, 2006, and was well within the required range of accuracy. Staff was unable to witness the meter test.

Staff contacted MSD on February 24, 2006. Due to the apartment being billed as a commercial customer, each quarterly bill for sewer service is based upon the water usage during the previous quarter. This would result in an increase in the bill for sewer service for the quarter following the water bill in question. This is in contrast to Statement Number 8. of the Company's Answer to the Complaint, indicating the sewer bill would be calculated only on first quarter water usage, which is the billing procedure for residential customers only.

Water & Sewer Dept. Staff's Conclusions

It is not common for meters to periodically register high readings and then return to normal operation. Staff, upon reviewing the information presented by the customer and the Company, feels the higher than normal usage is reasonably contributable to an internal plumbing leak (a toilet flap malfunction for example), increased or irresponsible usage by any of the building's tenants, or a combination of the two. The facts that Company technicians document the leak indicator spinning during their inspections, and the meter test results being satisfactory, support staff's findings.

Staff feels the billing in question is not in error and the customer is responsible for the water usage and the corresponding sewer bill to MSD. Staff does not deem this instance as justifying a voluntary adjustment by the Company, which is typically reserved for an extreme increase in billed water usage due to a major leak or other circumstance beyond the customer's control.

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AFFIDAVIT OF JERRY SCHEIBLE

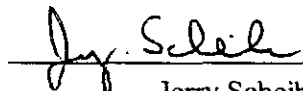
STATE OF MISSOURI)

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Case No. WC-2006-0248


COUNTY OF COLE)

Jerry Scheible, of lawful age, on his oath states: (1) that he is a member of the Staff of the Missouri Public Service Commission; (2) that he participated in the preparation of this Response to Order Directing Staff to Investigate and File a Report ("Response") and the *Staff Report of Investigation* ("Report") included in the attached appendix; (3) that he has knowledge of the matters set forth in this Response and the Report included in the attached appendix; and (4) that the matters set forth in this Response and the Report included in the attached appendix are true and correct to the best of his knowledge, information and belief.



Jerry Scheible, P.E.
Utility Regulatory Engineer
Water & Sewer Department
Utility Operations Division

Subscribed and sworn to before me this 28th day of February 2006.



Notary Public
DAWN L. HAKE
My Commission Expires
March 16, 2009
Cole County
Commission #05407643



My Commission Expires: _____

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