

Stephen J. Sinclair,)
)
Complainant,)
)
v.) **File No. WC-2016-0113**
)
Missouri-American Water Company,)
)
Respondent.)

Staff's findings and analysis are explained more fully in the attached *Staff Report*, as are the circumstances that led Staff to make its conclusions.

WHEREFORE, Staff hereby tenders its *Report of the Staff* for the Commission's information and consideration.

Respectfully submitted,

/s/ Jamie S. Myers

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed with first-class postage, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 31st day of December, 2015.

/s/ Jamie S. Myers

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. WC-2016-0113
Stephen J. Sinclair, Complainant v.
Missouri-American Water Company, Respondent

FROM: Scott J. Glasgow – Commission Staff – Consumer and Management Analysis Unit
Deborah Ann Bernsen – Commission Staff – Consumer and Management Analysis Unit

/s/ Lisa A. Kremer 12/31/15 /s/ Jamie S. Myers 12/31/15
Consumer & Management Staff Counsel's Office/ Date
Analysis Unit/ Date

SUBJECT: Staff Investigation Report

DATE: December 31, 2015

BACKGROUND

On March 23, 2015, Stephen J. Sinclair (“customer” or “complainant”) initiated an informal complaint (C201501393) against Missouri-American Water Company (“MAWC” or “Company”). Mr. Sinclair stated that the Company transferred a bill for \$367.85 for water service to him and Mr. Sinclair claimed he was not responsible for this bill. Mr. Sinclair also had concerns with the Company’s automated process of transferring balances without manual review.

Upon review, MAWC stated that the \$367.85 was transferred in error, the amount was removed and the customer had been contacted regarding this correction. Mr. Sinclair no longer has a financial issue with MAWC.

The informal complaint (C201501393) was closed on April 24, 2015, after an additional discussion with Missouri Public Service Commission Consumer Services staff who investigated the complaint. The customer stated he was “totally dissatisfied” with a range of other issues involving MAWC including the Company’s meter reading, utilization of automated programs for identification verification, and the lack of any adjustment from the Metropolitan Sewer District (MSD) on his sewer bill.

On November 16, 2015, Mr. Sinclair filed this complaint against MAWC, designated as File No. WC-2016-0113. Mr. Sinclair claims the financial amount at issue is \$120 (billed to him by the MSD). Mr. Sinclair is also requesting several managerial process changes which include the following as quoted from page 2 of the formal complaint:

- “They should not be allowed to use any program where each and every billing transferred from other addresses is not reviewed by a human and all billings made previously by ‘Matchman’ should be reviewed by an and outside authority.”
- “Equip meter readers with digital cameras for spot review or to answer complaints.”
- “Get a graphic form showing the dials on which the readers can draw needles for quick reading and later checking.”
- “Assign the meter readers an ID code to be put on the billing so that the customer can identify repeat reads by an unreliable reader.”
- “The Respondent must be ordered not to replace the old meter without Complainant being there to take a picture of the last reading.”

On November 11, 2015, the Commission ordered MAWC to file a response to this formal complaint no later than December 16, 2015. MAWC filed its response on December 16, 2015 in which it generally denied all allegations. The Commission ordered the Staff of the Missouri Public Service Commission (“Staff”) to investigate and file a report no later than December 31, 2015.

Finding of Facts

1. Staff investigated this complaint through conversations with Mr. Sinclair, a review of the informal complaint and multiple data requests to MAWC.
2. Mr. Sinclair stated concern with a program called “Matchman” that he believes resulted in him being fraudulently billed by the automatic transfer of a balance of \$367.85. MAWC subsequently admitted the balance transfer was in error. In a conversation with Mr. Sinclair, he said that MAWC told him that the Company uses the “Matchman” program.

3. MAWC claimed the amount of \$367.85 had been transferred to Mr. Sinclair's account in error. The error occurred because Mr. Sinclair's social security number (SSN) was matched to another account. This amount has been removed and the customer was, per the Company, informed of the balance removal.
4. In response to a data request (DR No. 0001) issued by Staff, MAWC claimed they have never heard of a program called "Matchman". MAWC further explained that it uses an internally designed program that searches for debits and credits existing on closed accounts to be transferred to open accounts by matching criteria such as customer name, SSN, telephone numbers, and driver license numbers. When there is a near perfect match the transfer will be manually reviewed. When there is a perfect match, the transfer will occur automatically.
5. Through further review of the informal complaint by Staff, it was determined that both accounts erroneously contained a social security number of all zeros resulting in an erroneous perfect match.
6. This is the first complaint, to Staff's knowledge, brought to the Commission concerning MAWC's internally designed program to review customer matching information.
7. Staff was informed by Mr. Sinclair through this formal complaint and in follow-up conversations with him that he also had concerns with a high bill with a final read date of December 15, 2014. After Mr. Sinclair called MAWC regarding this, the Company re-read the meter on December 29, 2014. This resulted in a rebill that corrected the high read from December 15, 2014. Mr. Sinclair presently claims that the December 29, 2014 re-read was not correct but was too low resulting in a higher read on March 18, 2015. According to Mr. Sinclair, the MAWC bill with an end reading date of March 18, 2015 is the bill that MSD is using to calculate sewer charges.

8. Staff has no evidence that the December 29, 2014 read is incorrect and the Company claims that read is correct. There is no dispute that the March 18, 2015 read is an accurate read. Mr. Sinclair is claiming that because the December 29, 2014 was low, it made the March 18, 2015 read too high. The customer claims that this higher bill sent to MSD will result in a higher MSD bill of \$120.
9. Mr. Sinclair does not allege in his formal complaint that MAWC has overbilled him. Mr. Sinclair claims that MSD has overcharged him. MSD is a municipally owned sewer company.

Conclusions of Law

1. The Commission does not have jurisdiction over municipally owned utilities such as MSD. RSMo. 386.250(3)
2. MAWC followed Commission Rule 4 CSR 240-13.025 when it adjusted Mr. Sinclair's bill for the overcharge of \$367.85 that was at issue in the informal complaint.

Staff Analysis

1. In Staff's opinion, MAWC resolved the billing dispute caused by the erroneous bill transfer to Mr. Sinclair. When Mr. Sinclair contacted the company concerning a December 15, 2014 high bill, the company re-read the meter and corrected the statement with a rebill. If an error occurs, Commission rules provide requirements for correcting those errors. In Staff's opinion, these errors have been remedied according to Commission rules. There is no longer an outstanding financial issue with MAWC.
2. Concerning Mr. Sinclair's request for managerial changes, Staff has previously reviewed these items, will continue to monitor as necessary, and will pursue appropriate action if warranted.

