

David Gadis Proposed Comments
DOW May 22, 2008

As most of you know, we have been working with IURC regarding meter reading and bill estimations for the past two months. We anticipate that two-way dialogue to continue as we investigate additional ways to improve service to our customers.

We have continued to respond to customer inquiries and questions—our phone lines have seen approximately a 13% increase this spring over the same period last year. The vast majority of our customers do not understand the utility's estimating policy—nor are they aware of the estimating logic that is approved by the state to calculate their bills. The one-on-one encounters with our customer service agents usually result in joint understanding of issues and questions.

Consistent with the historic practices of this utility, customers will continue to see adjustments on their monthly bills as they have in the past. In some cases if applicable, they receive a credit and may request a check refund. In other cases, the amount of their bill the following month may be considerably less to balance the previous amount they have already paid.

Estimating will never be a perfect system, as it requires a calculated formula to predict the amount of water consumed monthly. This balancing process has been a longstanding approved process of the utility.

We are working aggressively to tweak our systems, and will continue to work with the IURC on improvement ideas for our services, as well as an updated option to the estimating logic.

There has been some public discussion regarding the estimating incentive which is contained in the contract agreement. This existing incentive targets accuracy of readings, and is validated through monthly reports submitted to the Department of Waterworks. Should the DOW wish to consider an additional contract measurement or incentive relative to meter reading, we would certainly entertain their suggestions. The IURC has requested additional information regarding the installation of automated meter reading for IW customers as a possible future consideration.

I assure you that Veolia Water remains committed to providing not only high quality drinking water for the service territory, but to provide high quality services for all of our customers as well.

In response to questions if asked:

We are always working to improve the quality of our service across all of our business areas. As we mentioned, we have been working with the IURC since March to improve our responsiveness on meter reading, in light of an increase in calls they had received.

In light of the litigation that has been filed, we have been advised not to respond outside of comments approved by our attorneys. I apologize for the inconvenience, but I'm certain you understand this is a common approach for businesses who are in litigation.

Actually a comparison of complaints filed against other utilities in the state showed us near the average range per month, even with the recent increase we have experienced.

Frequent question from several customers: why can't I pay equal monthly installments? Unlike other utilities, under Indiana State Law, water utilities do not have the ability to divide annual bills into roughly equal monthly payments.

Even a local radio host noted last week, with his personal calculations, his bill had gone up 49%. His math teacher must be proud, as he has almost correctly noted the 25% sewer rate increases and 29% water rate increases that have recently come into effect.

Meters were read in March and April, without interference from weather issues, and customers who had received repeat estimates should have received a direct read for their respective March/April bill. Appropriate adjustments have been made to customer accounts, where applicable, and customer service calls levels have returned to normal levels.

Brief Summary of Comments:

Working with IURC since March

Responsive to customers, working one on one

Most not aware of how their bills are estimated

Nor that the state approves the estimating logic the utility uses

Adjustments made to customer bills monthly, credits/refunds available if applicable

We remain committed to providing high quality drinking water as well as add'l services.