



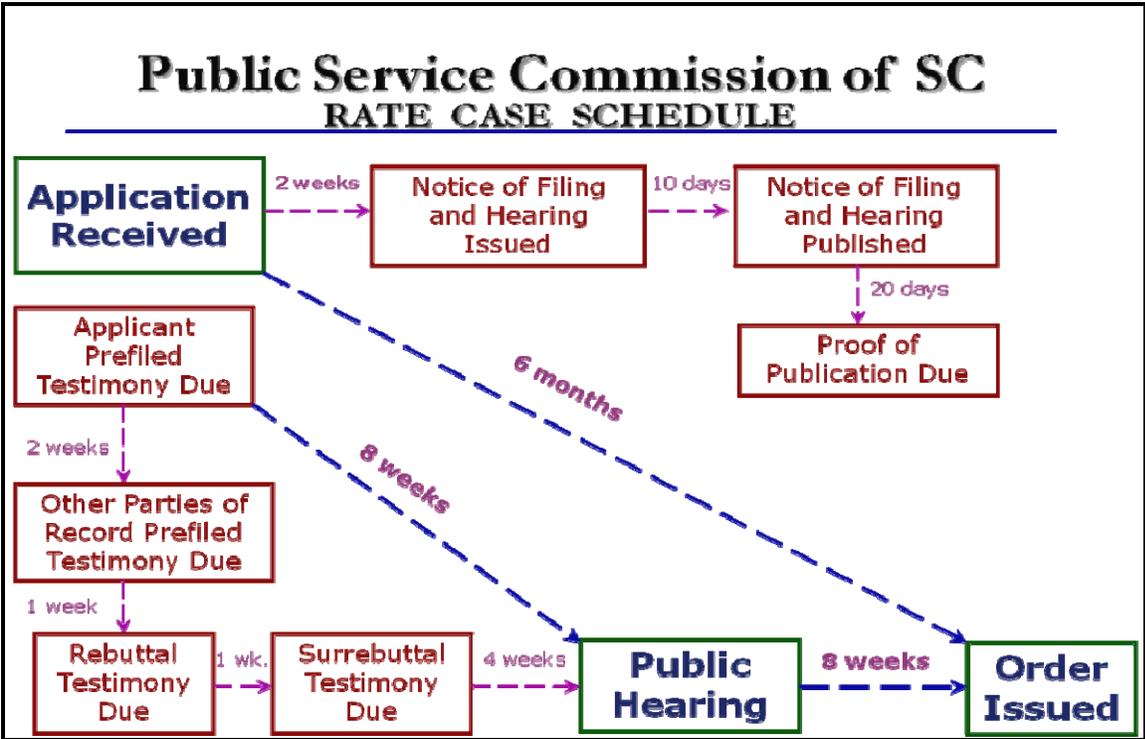
The WATER WELLSPRING

A FLOWING SOURCE OF INFORMATION FOR WATER AND WASTEWATER UTILITIES

February 2009

Rate Case Schedule

If you are considering filing for a rate increase, there are many variables to keep in mind. One of the key components to consider when filing an application is the timeline. The application submittal process begins with a letter of intent which must be filed with the Commission at least thirty days prior to the actual filing of the rate adjustment application. It is a good practice to provide a draft copy of the application to the Office of Regulatory Staff for review prior to the formal submission of the application. This review can provide the applicant with helpful information to include in the final application. Below is the complete schedule for a decision on a rate adjustment case once the formal application has been filed. The time frame for each required step in the process may vary. However, a final decision must be rendered by the end of the six-month period once an application has been filed unless an extension of up to five days is authorized.





Water Metering

Water use metering is an essential element of efficiency and conservation management and is necessary in order to conduct a system audit. Metering is a requirement for loss control, accounting and rate making, verification of water and cost savings, and the evaluation of the effectiveness of efficiency and conservation measures. Metering must be provided at all important water production processes and delivery locations including at the supply source, at critical in-plant control points, at wholesale delivery points, and at service connections. An effective metering program allows comparison of measured flows in the system and metered deliveries to customers, which can be used to identify leaks.

Water meters not only help utilities collect the revenue they are due but also help pinpoint leaks, locate pressure problems along their waterways, and identify and study periods of peak and non-peak use among both residential and business consumers. Meters can only perform these feats if they are accurate. Unfortunately, water meters are not 100 percent accurate and can lose their sensitivity over time and fail to accurately monitor how much water businesses and residences are consuming. Inaccuracy in water use also results when the meters are outdated or in poor repair. Inadequate meter upkeep and maintenance is a serious problem that needs to be addressed promptly. Inaccurate water meters not only result in lost income for often cash-strapped utilities, they also prevent utilities from realizing the potential for greater savings. Without accurate meters, water and sewer departments cannot completely participate in some of the newest experiments and techniques designed to foster increased water efficiency. Accurate assessment of water usage is vital in keeping utility bills low and conserving water in drought conditions.

In order to ensure that water is being accounted for accurately, meters need to be selected, installed, operated and maintained using generally accepted industry standards. Meters should be regularly calibrated and tested in accordance with the manufacturer's recommendations or the guidelines recommended by the American Water Works Association (AWWA), *Manual for Water Meters-Selection, Installation, Testing, and Maintenance* (AWWA M6).

Consumer Services

Customers expect and should receive more-than-reliable water and wastewater services. Exceptional customer service should always be a top priority for any water and sewer company. The litmus test should be that if customers could choose who they wanted for their water or wastewater provider, would they choose your company?

Each time a customer contacts their water or wastewater provider, utility staff will certainly influence the customer's opinion of the utility. When customers call their utility, they expect the utility staff to be knowledgeable, responsive, and courteous. Good customer service can make everyone's job easier, and it is both beneficial to the customer and the company.

Suggestions to consider when dealing with customers:

- *Make staff training a priority*
- *Listen to your customers*
- *Be helpful, if possible go out of your way to help*
- *Don't make promises that you can't keep*
- *Not only identify needs but anticipate them*
- *Get feedback*

The Audit Corner:

National Association of Regulatory Utility Commissioners (NARUC)
Uniform System of Accounts (USOA)



The image shows a magnifying glass focusing on a specific section of a financial statement table. The table has columns for 'Q1', 'Q2', 'Q3', 'Q4', and 'Total'. The rows include 'Sales', 'Cost of Sales', 'Gross Margin', 'Operating Expenses', 'Depreciation', 'Total Costs', 'Profit Before', and 'Profit After'. The magnifying glass is positioned over the 'Gross Margin' row, which shows values of 149,750 for Q1, 187,200 for Q2, 178,812 for Q3, and 178,719 for Q4, with a total of 693,481. Other rows show values for 'Operating Expenses' (8,000), 'Depreciation' (10,000), and 'Total Costs' (21,549).

What is NARUC?

NARUC represents the governmental agencies of the fifty States, the District of Columbia, Puerto Rico and the Virgin Islands engaged in the regulation of public utilities and common carriers. NARUC's mission is to serve the public interest by improving the quality and effectiveness of public utility regulation. NARUC's members have the obligation to ensure the establishment and maintenance of such energy utility services as may be required by the public convenience and necessity, and to ensure that such services are provided at rates and conditions that are just, reasonable and nondiscriminatory for all consumers.

What is the NARUC “Uniform System of Accounts”?

- Prescribes accounting classifications and instructions to achieve uniform accounting records while maintaining consistent application among companies. Includes the basis to be used in the financial reports.
- The NARUC USOA is required by the South Carolina Public Service Commission Rules and Regulations.

What are the utility classes for the NARUC USOA?

- Class A – Annual operating revenues of \$1,000,000 or more.
- Class B – Annual operating revenues of \$200,000 or more but less than \$1,000,000.
- Class C – Annual operating revenues of less than \$200,000.

What are the basic requirements for the NARUC USOA?

- General Records to support accounting entries, i.e. general ledger, etc.
- Accrual Accounting
- Original Cost Plant by the person who first devoted the property to utility service
- Straight Line Depreciation
- Continuing Property Records

How do you order the Uniform System of Accounts?

- NARUC USOA can be found at www.naruc.org/Store/

QUESTION OF THE QUARTER

Q. How do I receive feedback from the Office of Regulatory Staff and the Public Service Commission with regard to questions on rules and regulations, filings, complaints, and so forth?

A. In March 2004 the General Assembly enacted legislation (Act 175) which created the Office of Regulatory Staff. As a result of that legislation, effective January of 2005 the Public Service Commission took on an exclusively quasi-judicial role. All resources for the investigation and resolution of consumer inquiries and complaints were assigned to the Office of Regulatory Staff (ORS). Under Act 175, Commissioners and Commission Staff are prohibited from *ex parte* communication. However, the ORS is available to receive customer complaints as well as assist companies with questions regarding rules, regulations and filings.

REMINDER: A copy of the Water and Wastewater rules, regulations and other forms and documents can be accessed on the Office of Regulatory Staff's web site at www.regulatorystaff.sc.gov.

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Published by the South Carolina Office of Regulatory Staff

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