



CITY OF SANTA FE UTILITY BILLING ADMINISTRATIVE MANUAL

SUBJECT

One-Time Credit for High Consumption Due to Unknown Cause	Policy Number 15.0.0	# Pages 00
	Effective Date 03-31-2006	Revision Date

1.0 PURPOSE:

- 1.1 For nearly every high meter read, there is a reason on the customer's part for the high consumption. This includes but may not be limited to: leaks in pipes and fixtures, leaks in irrigation systems, additional family or guests in the household, running toilets, faucets or hoses left running, filling of pools or hot tubs, increased watering due to landscaping, leaks in radiant heating systems, outside faucets or hoses available to children or others, new construction at or near the home, etc. Rarely is the meter at fault since they are stable units which are tested thoroughly by the manufacturer. It is the city's experience is that when meters fail, they fail in the customer's favor. This is due to mineral build-up within older meters and they may "run slow", meaning that they do not record any or all of the water that has been delivered to the customer through the meter and therefore the customer is not charged for all of the water that was consumed.

However, in very rare circumstances on older meters, high consumption (spike) may be read for no apparent reason. A reread verifies the meter reading and the consumption goes back to normal usage the next billing cycle after the spike. In most circumstances customers are responsible for all water consumption that goes through the water meter, however, the City will apply a one-time credit for a significant increase in consumption for which no apparent reason is evident to the customer or other party(ies) who are responsible for the property.

2.0 APPLICABLE TO:

- 2.1 Utility Billing and Customer Service.
- 2.2 Single family residential customers of the Sangre de Cristo Water System. This credit is not available for multifamily or commercial customers as multiple families or employees are involved which would make the determination of the cause of an unknown spike impossible.

3.0 REFERENCES:

- 3.1 Utility Billing Administrative Manual Policy 7.0.0 One-Time Credit for High Consumption Due to Leak.
- 3.2 Utility Billing Administrative Manual Policy 4.0.0 Special Fee and Penalty.

4.0 DEFINITIONS:

- 4.1 None.

5.0 POLICY:

- 5.1 The City may apply a credit to the customer's utility account on a one-time basis only when all potential reasons for high consumption have been reviewed by City staff and no explanation can be determined.

6.0 RULES AND PROCEDURES:

- 6.1 Only one leak credit or credit for high consumption due to unknown cause will be authorized for as long as the current owner owns the property.
 - 6.1.1 If a leak credit or unknown cause credit has been granted and the property experiences a leak or unknown cause where the charges are greater than the previous credit received, the City may, at its discretion, reverse the previous credit and issue a credit for the unknown cause.
 - 6.1.2 This credit, if approved, will disqualify the property owner, tenant or anyone residing in the house, from any future credit due to a leak or to unknown cause.
 - 6.1.3 In certain circumstances, additional applications for this credit may be considered at the discretion of the Utility Billing Division Director.
- 6.2 The property owner and/or tenant agree to any investigation that the City deems necessary prior to approval of this application.
 - 6.2.1 The customer may be required to allow a Water Conservation Inspection to be performed on the property.
 - 6.2.2 The history of the account must clearly show a lower consumption for the six months prior, high consumption for one month, then a return to low consumption for the next six months.
 - 6.2.2.1 This requirement is not applicable if the current owner or tenant did not occupy the property for previous months. The city will still wait six months to review the account to verify the consumption.

- 6.2.3 The high month must be at least 20% higher than any other month's consumption in the past 6 months. If this trend is not clearly shown, the credit will be denied.
- 6.2.4 The spike must be evident for one month's billing only otherwise a leak is assumed.
- 6.2.5 The customer must apply for the credit **no later than** 6 months following the occurrence of the perceived spike.
- 6.2.6 The customer may request, or the city may require, that the water meter be tested for accuracy.

- 6.2.6.1 The customer may be present for the testing.

- 6.2.6.2 If the meter is proven to be reading high in excess of 2%, the customer's bill will be recalculated based on the same month from the previous year or the month preceding the spiked reading if no read exists from the previous year.

- 6.2.6.2.1 The meter will be exchanged if testing proves the meter to be faulty.

- 6.2.6.2.2 The adjustment will not count towards the customer's one authorized leak or unknown cause credit.

- 6.2.6.3 If the customer requested a meter test and if the meter is proven to be accurate and the customer has requested a meter test within the previous 5 years, the customer will be charged for the meter test at the current rates.

6.3 The procedures for reviewing the application and applying the credit are as follows:

- 6.3.1 Upon receipt of the application, the customer service representative will review the customer's account to verify that a spike did occur and that the consumption is at least 20% higher than any recorded consumption in the prior 6 months.

- 6.3.1.1 In the event the customer does not have 6 months of recorded consumption on record, all recent months should be reviewed. If only one month of consumption is recorded and it is the month of the spike, no credit will be granted.

- 6.3.1.2 If the spike is from the previous month, the customer service representative will advise the customer that they may have the meter tested for accuracy and may be present for the test. See paragraph 6.2.6 for information regarding meter testing.

6.3.1.3 The customer service representative will advise the customer that we will hold the application for a period of six months to evaluate the water usage to ensure a second spike does not occur.

6.3.1.4 Calculate the amount of the credit as follows:

6.3.1.4.1 Add the consumption for the month of the spike to the consumption from the same month in the previous year.

6.3.1.4.2 If no consumption exists from the previous year, use the previous month.

6.3.1.4.3 Divide the total consumption by 2.

6.3.1.4.4 Calculate the new charges and surcharges based on the average consumption.

6.3.1.4.5 Subtract the new charges from the old charges.

6.3.1.4.6 Adjust the account by the difference of the two.

6.3.1.4.7 Calculate and adjust the water quality fee based on this average.

6.3.1.5 Recalculate the sewer charges, if applicable.

6.3.1.6 Note the account as to all actions taken with regard to this application and adjustment.

6.3.1.7 The credit will be applied on the next billing after the application is approved.

6.3.1.8 The credit will be applied to the bill of the customer (property owner or tenant) responsible for the water portion of the bill.

6.3.1.8.1 No refund checks will be issued for any unknown cause credit granted.

6.4 If the customer's account (either owner or tenant) is determined to be delinquent, this application will not be accepted until all outstanding delinquent charges have been paid or if a current payment arrangement is on file with Collections.

6.4.1 Delinquency may be determined by subtracting all charges for water for the month of the reported spike from the account balance.


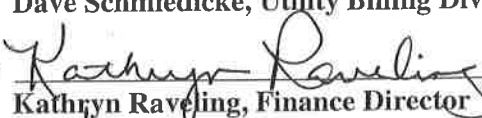
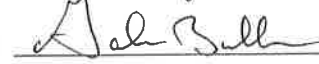
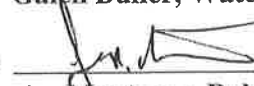
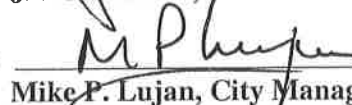
6.5 The customer must make a payment consisting of their average bill for the month in question if this payment has not already been made.

- 6.6 The customer must continue to pay all charges during the 6 month evaluation period.
- 6.6.1 Finance charges incurred on the water charges for the month of the spike will be credited out after the 6 month evaluation period.
- 6.6.2 Finance charges incurred on any other charges will remain on the account.
- 6.6.3 The water for the account will not be turned off due to delinquency during this 6 month period unless the delinquency is for any charge(s) incurred other than for water charges for the month of the spike.
- 6.7 The City Manager may waive any of these conditions based on certain extenuating circumstances.
- 6.8 This policy is in effect only for unknown cause credits applied for after the effective date of this policy.
- 6.9 If the account has been granted a past credit for a leak, a **credit for unknown cause** will not be granted.

7.0 **APPENDIXES:**

- 7.1 Application for One-Time Credit for High Consumption due to Unknown Cause.

8.0 **REVIEW AND APPROVALS:**

- 8.1 PREPARED BY:  4-10-06
 Dave Schmiedicke, Utility Billing Division Director DATE
- 8.2 REVIEWED BY:  4/11/06
 Kathryn Raveling, Finance Director DATE
- 8.3 REVIEWED BY:  4/17/06
 Galen Buller, Water Division Director DATE
- 8.4 REVIEWED BY:  4/19/06
 Jim Montman, Public Utilities Director DATE
- 8.5 APPROVED BY:  4-24-06
 Mike P. Lujan, City Manager DATE

**CITY OF SANTA FE
ONE-TIME CREDIT FOR HIGH CONSUMPTION DUE TO UNKNOWN CAUSE**

Name: _____

Mailing Address: _____

Account Address: _____

Telephone: _____ Month Applying For: _____ (1 Month Maximum)

Explanation:

- I am applying for a credit for high consumption due to an unknown cause.
- I have not received a previous credit for high consumption due to unknown cause or a leak.
- I have no reason to believe that this was due to a leak, increased usage, a faucet or hose inadvertently left on, filling of a pool or hot-tub, increased landscape watering, increased number of persons in the home, children or neighbors using water, construction usage or any other known reason.
- I understand that this credit, if approved, will disqualify me from any future credit due to a leak (i.e., not recommended for small leaks) or credit due to unknown cause.
- I understand that I must make a payment consisting of my average bill for the month in question.

The credit, if granted, will be the average of the consumption for the same month last year and the month for which the credit is requested, divided by two times the applicable rate for water. Any applicable current surcharges will be recalculated on that level of consumption. **Please note:** The credit will not be granted for a six month period after the application has been received and reviewed by Customer Service. We require that water consumption for the next 6 months show normal average usage, otherwise a leak or increased usage is assumed and a credit will be denied

I hereby apply for a credit due to unknown cause. I have read and agree to the conditions presented on the both sides of this application. I swear or affirm under penalties provided by law that the information presented by me on this application is true and correct.

Signed: _____

Date: _____

Internal Use Only	Service Address _____
_____ The customer's account was reviewed – current and past – and is attached. The criteria for the credit has been met and approval is recommended.	
_____ Credit is not recommended because _____	
Customer Service Representative _____	Date _____
_____ Approved _____ Denied By _____	Date _____

Please read carefully:

- Only **one** leak credit **or** Credit for High Consumption Due to Unknown Cause will be authorized for as long as the current owner owns the property. This credit, if approved, will disqualify the property owner from any future credit due to a leak or unknown cause.
- The property owner and/or tenant agree to any investigation that the City deems necessary to confirm or verify the leak and/or the repair of the leak.
- The customer may be required to allow a Water Conservation Inspection to be performed on the property.
- Your account must clearly show a lower consumption for the same month in the previous year. (This requirement is not applicable if the current owner or tenant did not occupy the property during the prior year.)
- The high month must be at least 20% higher than any other month's consumption in the past 6 months.
- The customer must apply for the credit **no later than** 6 months following the occurrence of the perceived spike.
- The credit will be applied on the account **six months** after the application is submitted. The credit will be applied to the bill of the customer (property owner or tenant) responsible for the water portion of the bill.

Important notes:

- **No refund checks will be issued for unknown cause credits granted.**
- **This policy is in effect only for unknown cause credits applied for after the effective date of this policy.**
- **If the customer's account is determined to be delinquent, this application will not be accepted until all outstanding delinquent charges have been paid or if a current payment arrangement is on file.**