More utility horror tales

by Erin Kelly

The following stories are just a few more of the more horrific tales from the company files. During the last five years, we have seen the utility companies misread, misbill, misplace, miscalculate, mistake, miscount, misconstrue, misprint, misinform, misguide and mismanage — causing untold numbers of utility customers misery. The sad thing about it is the fact that it is the norm!

The city that had no boundaries...

The first tale begins with an unsuspecting association that paid its utility bills each month for years and years (since 1965 to be precise). These folks knew that if they did not pay these bills each month, their water, gas, electricity or telephone service would be turned off. However, they, like so many other associations, did not really understand how to read or interpret these monthly utility bills. Furthermore, they trusted their city's utility bills since their city was only responsible for billing a fairly small area — not like the big utility companies that had tens of thousands of clients and were governed by the state. In fact, the city utility offices were only a few miles from their association.

Therefore, they were doubly shocked when we informed them that their city had been billing them for "outside city" water rates, which are almost double the cost of "inside city" water rates!

You see, back in 1972, the city had incorporated this association's section of land into the city's boundaries. Prior to 1972, the association had been in an unincorporated section of the city and the city offices were located much farther away. However, when the city had incorporated this new section of the land into the city's boundaries, it had forgotten to change the utility rates for everybody in this section accordingly.

It subsequently took the city almost *four weeks* to verify our findings that this association was, indeed, located within the city boundaries! And, it took them another 16 weeks to refund the association for four years of water overcharges due to this error. And, of course, their city has refused to issue a refund for the remaining 18 years of water overcharges, so legal action for recovery is underway.

There are more frightening things than goblins and ghouls.

Now this association views "their city's" utility bills with a much more pragmatic and much less sentimental eye...

The city that had no meters...

The second tale begins with an association that "couldn't have been overcharged because the city billed a flat fee only; there were no water meters." Fortunately for this association, the management company's faith in the city's utility billing department was a little less stout than that of the board.

It was true that, like many cities, this city had started out billing on a flat fee basis. Every type of customer within this city had its own monthly fees for water and sewer service (restaurants, offices, barbers, single family homes, condominiums, etc.). However, during the '80s, as the city grew, water meters were installed for all new clients — and for some old clients too.

In this case, the city had installed two water meters for the association's irrigation water in 1982 (The association was established in 1975). However, the association still received 41 other flat-fee water bills every month for its domestic water and its irrigation water! That's right; this city had never closed the association's old flat-fee irrigation account after it installed two irrigation water meters and opened two new accounts in 1982!

Imagine this association's amazement when they found out that they had been paying for their irrigation water not once, but twice *every month*!

At least this city was a little bit more accommodating and issued a full retroactive refund for all of the double charges since 1982. (However, it did make the client provide all of the backup documentation for these double charges, even though it was the city's error!)

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Needless to say, these are just a few of the hundreds of horror stories that we have in our files, gathered over the last few years from our clients on the West Coast. It is terrifying to think that utilities are usually an association's largest budget item each year, yet these kinds of overcharges occur on an ongoing basis.

You see, there are more frightening things than goblins and ghouls. Fortunately, there is help in the form of firms that audit these utility bills.

Happy Halloween!

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