

Victorian Water Industry

Urban Water Corporations Guideline for Unexplained High Usage and Undetected Leak Enquiries

OCTOBER 2010

Developed by a project team of the IWA Customer Service Special Interest Group with contributions from the Customer Service Managers of Victoria's Water Corporations

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Executive Summary

The Institute of Water Administration (IWA) Special Interest Group (SIG) for Customer Service met in November 2007 and discussed developing an acceptable industry standard for handling complaints raised by customers who receive a large water account either due to a leak at their property or due to unexplained high usage. It was identified that there was a need for consistency in the way water corporations handled these enquiries and developing a guideline would be an effective way to improve customer service and reduce complaints to both the water corporations and the Energy and Water Ombudsman (Victoria) (EWOV).

As many parts of the State have been drought affected for extended periods of time, customers generally have become more conscientious in their efforts to conserve water and have higher expectations of water corporations and the service and assistance they provide.

The Customer Service SIG wanted to develop a guide for all water corporations that further supported and promoted the message that both individuals and water corporations are responsible for water conservation.

It was decided that the guideline should be a "one stop shop" to assist in determining the roles and responsibilities of both parties under the relevant legislation to make it effective in establishing a basis for the decision making process while investigating the customer's enquiry.

The High Usage Leak Allowance (HULA) team was formed to investigate the current processes practiced by all of Victoria's water corporations, report on any consistent practices and identify opportunities for improvement for the water industry.

A matrix was developed to show what is currently offered across the Victorian Water Industry and revealed that the majority of water corporations offered account reductions for customers who have had undetectable leaks repaired by qualified plumbers. These reductions usually represented 50% of the cost of the water lost for the period of the leak and any applicable waste water volumetric charges if that water did not enter the sewer.

Any reduction in charges by a water corporation for a leak would be considered only after a customer has re-assessed all their plumbing works due to the likelihood of all pipes being of the same age, and the stipulation that another leak allowance would not be made. The guideline includes a recommendation that only one customer service gesture would be made per customer, per property, every five years, to reflect this expectation.

In relation to high usage complaints, it was found that a more rigorous process could be applied to identify reasons for continual high usage or a one off high usage event. EWOV facilitated a meeting with water industry customer service representatives in 2007 to develop a consistent approach to handling such enquiries. Three members of the HULA team were originally involved in this process and it is generally accepted as the most comprehensive approach to resolving those customer enquiries.

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The findings indicated that on a case by case basis the majority of water corporations offer some kind of special "once in a life time" customer service gesture to customers with genuine unexplained high usage, particularly if the customer was diligent in their efforts to conserve water. The matrix showed the Victorian Water Industry's approach in determining an appropriate amount was much more inconsistent than that of leaks.

This resulted in the recommendation to apply the same 50% rule to the portion of unexplained high usage, with the same proviso that the customer be diligent in their efforts to conserve water and could not then make another claim for the next five years for the same property.

The recommendation that the amount be capped at \$1,000 and applied to both unexplained high usage claims and leak allowances was considered a fair concession by industry representatives, though many water corporations advised that they would continue to offer this concession without any cap.

Domestic insurance policies do not generally cover defined events of water loss due to theft or leaks. It was found that there are opportunities for most water corporations to promote government funded programs such as the Utility Relief Grant Scheme to customers in hardship, before offering a customer service gesture.

It should be noted that this guideline is a Customer Service initiative designed to educate customers on their obligations as a water customer and provide assistance to customers who are diligent in their efforts to conserve water. This is not a hardship guideline. Further, it should be noted that this guideline applies to customers of urban water corporations and does not extend to customers of rural water corporations.

It is recommended that this document be used by water corporations and the Ombudsman as a Victorian Water Industry guideline when:

- ◆ Considering a fair and reasonable approach to resolving individual customer's high usage enquiries.
- ◆ Reviewing policies in regards to handling high consumption enquiries to provide greater consistency across the industry.

It is generally considered that this guideline will contribute to an increase in customer satisfaction, a decrease in complaints, issues relating to hardship, the volume of lost water and the amount of outstanding debt for each water corporation.

Purpose for the VWI Guideline

Develop a minimum Victorian Water Industry Guideline for the handling of detectable & undetectable leaks and high consumption enquiries while promoting water conservation to customers.

To be successful this industry guide requires the co-operation of both water corporations and their customers to maintain communication.

Definitions

Customer

- ◆ Must be a customer of an urban water corporation.
- ◆ A customer can be an owner/tenant or occupier.

Residential & Non Residential Customers

- ◆ Must be a customer of an urban water corporation.
- ◆ Own and occupy a serviced property connected to the water corporation's water or wastewater systems.
- ◆ Own a serviced property connected to the water corporation's water and wastewater systems, but do not occupy it – for example, a landlord or an owner of an unoccupied property.
- ◆ Occupy a serviced property which is connected to the water corporation's water or wastewater system and are liable to pay water usage or wastewater volumetric charges – for example a tenant.

Leak

A hole or other opening caused by age or damage through which water is lost.

Detected Leak

A leak which is visible under normal inspection conditions and procedures.

Undetected Leak

A leak which is not visible under normal inspection conditions which requires special assistance to locate.

An Undetected Leak is usually a burst pipe either underground, under concrete or underneath a building where no visible sign of water loss could have been reasonably detected (e.g. dampness or excessive growth in the vicinity or on the surface above the ground) by the customer prior to the water corporation issuing an account.

The definition also includes customers who have a disability that would prevent them from detecting the leak.

High Consumption

High Consumption is considered to be a larger than normal amount of water usage measured in kilolitres (as opposed to an increased dollar amount) that is not a leak but still constitutes a significant increase when compared to the customers normal usage for the same time over previous years. It may be explainable by the customer after referring to the EWOV High Bill Investigation Procedure (February 2009).

A One Off Unexplained High Consumption Event

Refers to a situation where a customer genuinely cannot account for a limited period of high usage over a single quarter after working through the EWOV High Bill Investigation Procedure and ruling out all of the reasons highlighted. Unexplained usage is often attributed to either water theft or a one off event that the account holder has not been made aware of.

URG – Utility Relief Grant

A financial concession for a utility account available through the Department of Human Services for customers experiencing hardship. Generally only granted once every two years.

Water Corporation

Includes urban water corporations only. Where a water corporation comprises both urban and rural operations, this guideline only applies to the urban operations of the water corporation.

Water Supply

Is defined as any part of a hot or cold water service that is connected to a drinking water supply, from the point of connection to the water supply to the points of discharge of the service. Water supply also includes any part of a non-drinking hot or cold water service or rainwater service, from the point of connection to the water supply to the points of discharge of the service.

Water by Agreement (Private Main)

A property serviced by a private water main extension and/or where the customer is required to enter into a Supply by Agreement with the water corporation for the supply of water. This is defined as a private water supply service which provides water to one or more customers' properties, where the water corporation's water main does not front or pass through the customer's property or where the property is not located within an urban water supply district. The maintenance and responsibility of the private line remains with the property owner.

Eligibility Criteria:

- ◆ Residential and Non Residential customers.
- ◆ Not for profit Organisations – Schools, hospitals, nursing homes, churches, charitable, outdoor sporting and recreational groups.
- ◆ Rural Properties.

Exclusions:

- ◆ Customers with a detectable leak – excluded from any reduction on their account as it is the customers responsibility to regularly inspect their property, maintain their internal plumbing and take immediate action when a leak is detected. Notwithstanding, water corporations will take into consideration any special needs of a customer that may impede their ability to detect leaks.
- ◆ Customers with undetectable leakage from galvanised iron pipes – excluded as galvanised pipes and fittings are likely to be corroded and should have been replaced prior to the leakage occurring.
- ◆ Water by agreement customers – excluded as the agreements are so varied across the industry and may not be fronted by a main.
- ◆ Large volume customers that are covered under waterMAPs – excluded as these customers are required to closely monitor their usage as required by waterMAPs.
- ◆ Irrigation customers – where entitlements are secured by a water share issued under Division 2 of Part 3A of the Act or by a take and use licence issued in accordance with sections 51, 53, 56, 58 and 62 of the Act.

Obligations of Customers

1. All reasonable effort, as defined in EWOV's High Bill Investigation Procedure (Part 3 – Water), must be taken by the owner to ensure that the property's water infrastructure is maintained in good working order. This includes repairing leaks in a timely manner to conserve water and reduce potential costs.
2. Tenants have an obligation to report a suspected leak to the owner/managing agent.
3. The repair of leaks on a water supply must be undertaken by a plumber that is licensed or registered with the Plumbing Industry Commission. Customers must provide a plumbing report to help substantiate the claim and to ensure that the works undertaken meet current plumbing standards.
4. Where eligible, customers are encouraged to investigate a URG application and repayment program in conjunction with the water corporation's hardship policy. Note: the customer may receive a greater leak allowance through a URG compared to the water corporation's offer.
5. Customers are required to make application within 90 days from the due date of billing period, which substantiates the high water usage.
6. Customers are required to co-operate with the water corporation and provide information as requested to resolve the claim.
7. In accordance with section 273A of the Water Act 1989, the occupier of a property is liable for the costs of all water supplied to the property.

Obligations of the Water Corporation

1. The water corporation is to communicate sustainable water conservation initiatives to assist customers in managing their water use.
2. Assist with high consumption enquiries by educating customers as to the following processes:
 - ◆ Detecting leaks. (i.e. 2 hour tests, overnight tests).
 - ◆ Utility Relief Grants or concessions they may be eligible for.
 - ◆ Payment arrangement options within the customers capacity to pay, including application to the water corporation's hardship policy.
3. As part of the high bill investigation, water corporations will make customers aware of their obligations under the water corporation's policy on unexplained high usage and undetected leaks.
4. Water corporations will assess any application by the customer for a leak allowance within 10 business days based on the evidence provided (i.e. Report from Registered Plumber and/or evidence provided to substantiate the claim).
5. Provided the customer has met all their obligations, calculate an adjustment as per the minimum guideline for calculating undetected leaks and high usage allowance.
6. Communicate the adjustment to the customer. Include information on eligibility on future high consumption requests as per water corporation policy (one every five years per property, per customer). All customers should be notified about their obligations.
7. If a property leak has not been repaired following consultation with the water corporation, the water corporation may issue a notice to repair the leak pursuant to Section 150 Notice to Repair and Section 151 Notice of Contravention of the *Water Act 1989*. No adjustment will be considered until the leak is repaired.
8. Process adjustment in accordance with the recommended minimum guidelines set out below.
9. Water corporations should notify the customer of the high usage either prior to, or at the time of, issuing the account to ensure that the customer is aware of the issue as soon as practicable.

Minimum Guideline for calculating leaks & unexplained high usage allowance

1. Customers are only able to receive one allowance every five years, per property. Note: Where there is both a leak and unexplained high usage within the five years per customer per property, it is up to the water corporation's discretion to grant more than one allowance.
2. Adjustment provided is 50% of estimated water lost and 50% of the waste water volumetric charge (WWV) or Sewerage Disposal Charge (SDC) where applicable. The maximum allowance is capped at \$1,000. Water corporations have the discretion to increase this allowance on a case by case basis.
3. Adjustment is calculated as follows where:
A = average use for the same or similar period. Where appropriate, average use may be calculated using up to three years of historic water usage.
H= high volume use for the period of the leak.
Adjustment = (H - A)/2.
4. To calculate the water rebate – multiply the kilolitre adjustment from point three by the kilolitre rate.
5. To calculate the WWV charge or SDC – multiply the adjustment from point three by the discharge factor and per kilolitre rate.
6. Apply a cap of \$1,000 per claim.

No allowances are given for detectable leaks – refer to Exclusions on Page 5.

Other Recommendations

- ◆ Water corporations should actively advise customers of the Home Wise Grant program and the Utility Relief Grant Scheme offered by the Department of Human Services to further promote water conservation and maintenance of customer water assets.
- ◆ Water corporations should encourage Our Water Our Future (OWOF) and savewater! to assist customer education by running education campaigns on how to read meters, customer responsibilities, regular meter readings, and how to check for leaks.