



News and Views from the Public Service Commission of West Virginia, West Virginia Board of Risk and Insurance Management, and West Virginia Dept. of Environmental Protection

In This Issue:

Security Deposit Interest Rates	1
Rules Governing Leak Adjustments	3
Avoid Imposter Utility Scams.....	5
Tapper Says.....	6
2018 CWSRF Projects	7
Contacts.....	8

The Pipeline

Published quarterly by the Public Service Commission
 201 Brooks Street
 P.O. Box 812
 Charleston, WV 25323
 Web: www.psc.state.wv.us
 Email: ntincher@psc.state.wv.us
 Phone: 304-340-0440
 Toll Free: 800-344-5113
 Fax: 304-340-3759

Contributors

David Dove, PSC
 Sheri Givens, Givens Consulting
 Kimberly Henderson, DEP
 Laura Leport, PSC

Please note:

The information contained in this publication is based on the current laws, rules, regulations and policies of the PSC, BRIM, DEP and EPA, and reflects the personal or professional opinions of the individual contributors. Nothing contained in this publication should be construed as an adjudication on any specific factual situation or as a formal opinion of the PSC, BRIM, DEP or EPA unless it is clearly cited as such.

How to Calculate Interest Rates on Security Deposit Refunds

By Laura Leport, Utilities Analyst, Water and Wastewater Division, Public Service Commission of West Virginia

Security deposit interest must be calculated from the date the customer first receives service until the date that the security deposit is refunded upon discontinuance of service or at the end of the deposit period. A long-term customer’s deposit may span over several different interest rate periods. Therefore, the utility must refund the deposit and calculate related interest to be refunded based upon the Commission’s different General Order periods, which establish the annual interest rates to be used from one period to the next. At the end of this article is a list of prior interest rates and applicable General Orders for both public service districts and municipalities to use when a refund is due on a deposit that was collected prior to May 8, 2011, and beyond.

Security deposits shall be refunded based upon the Water and Sewer Rules:

4.2.a.3. Return of deposit to customers. – Except as otherwise provided in 4.2.a.4., after a customer has paid bills for service for twelve (12) consecutive months without a delinquency the utility shall promptly and automatically refund the deposit plus accrued interest. Calculation of the above twelve (12) month period shall commence from the first regular payment or following the payment of a delinquent bill or bills.

4.2.a.4. Return of deposit by public service districts and municipal systems only for a customer who is a tenant. – By statute districts and municipal water systems are not required to return a deposit to a customer who is a tenant until the time the tenant discontinues service with the district or municipal system. After a customer who is a tenant discontinues service with the district or municipal system, the utility shall promptly and automatically refund the deposit plus accrued interest. The public service district or municipal system shall have a reasonable time, not to exceed thirty (30) days, to read and remove meters and to ascertain that the obligations of the customer have been fully performed before being required to return any deposit in the case where there has not been an automatic refund.

Prior to 2011, the annual Commission General Orders set a simple interest rate applicable to customer security deposits for water and sewer utility customers. Effective May 8, 2011, the Commission revised its Rules for the Government of Sewer Utilities (Sewer Rules), 150 C.S.R. Series 5, and its Rules for the Government of Water Utilities (Water Rules), 150 C.S.R. Series 7. As revised, Sewer Rule 4.2.a.5 and Water Rule 4.2.a.5 state:

4.2.a.5. Unless otherwise ordered by the Commission by general order, simple interest of 1% per year shall be paid from the date of deposit until the date of refund of the security deposit. All customer security deposits shall be placed in an interest bearing account at a local, federally insured financial institution.

On February 11, 2015, the Commission began updating the interest rate to be paid on customer deposits by water/sewer utilities annually by General Order. The Commission further ordered that water and sewer utilities would no longer be limited to holding their customer security deposits in an interest bearing account at a local, federally insured institution. On January 24, 2018, the Commission issued General Order 186.31 (sewer) and General Order 188.36 (water) establishing an interest rate of 1.55% to be paid on customer security deposits until the issuance of the 2019 annual Commission General Order establishing a new rate. The 1.55% reflects the one-year average paid on U.S. Treasury Bills during the last quarter of 2017.

Interest Rates on Security Deposits

Order No. Water	Order No. Sewer	Date	PSD		Others
		1977-1991	8.00%		8.00%
		1991-1995	5.00%	*	8.00%
-	187.10	January 26, 1996	2.60%		5.41%
188.13	-	February 9, 1996	2.60%		5.41%
188.14	186.9	January 27, 1997	2.51%		5.51%
188.15	186.10	January 21, 1998	2.47%		5.48%
188.16	186.11	January 29, 1999	2.25%		4.39%
188.18	186.13	February 16, 2000	1.94%		5.61%
188.19	186.14	January 18, 2001	1.84%		5.90%
188.20	186.15	January 23, 2002	0.85%		2.24%
188.21	186.16	January 27, 2003	0.50%		1.53%
188.22	186.17	January 20, 2004	0.24%		1.30%
188.23	186.18	January 20, 2005	0.25%		2.47%
188.24	186.19	February 1, 2006	0.30%		4.29%
188.25	186.20	January 23, 2007	0.41%		4.99%
188.26	186.21	January 29, 2008	0.48%		3.62%
188.29	186.23	February 3, 2009	0.20%		1.00%
188.30	186.24	February 4, 2010	0.15%		0.35%
188.31	186.25	January 21, 2011	0.10%		0.25%
Water Rules	Sewer Rules	effective May 8, 2011	1.00%		1.00%
188.33	186.28	February 11, 2015	0.15%		0.15%
188.34	186.29	February 8, 2016	0.46%		0.46%
188.35	186.30	March 9, 2017	0.76%		0.76%
188.36	186.31	January 24, 2018	1.55%		1.55%

* or prevailing pass book rate of interest, whichever is higher

This information is provided as assistance from the Water and Wastewater Division of the Public Service Commission of West Virginia, and as such, the contents therein are not binding on Staff or the Commission in its decision-making, should a formal case arise related to this information.

Rules Governing Leak Adjustments

By David W. Dove, P.E., Manager, Engineering Division, Public Service Commission of West Virginia

Does your utility have a leak adjustment policy? Does it limit customer adjustments only to underground leaks in the customer's service line? Do you give adjustments for water leaks that occur in the customer's house? How many leak adjustments should you allow for one customer? Should leak adjustments even be allowed? After all, the water did run through the meter and it costs the utility money to make the water. What can be done about a customer who refuses to fix their leaking pipes and then continuously asks for a leak adjustment? Do leaking commodes and dripping faucets qualify for leak adjustments? These are just some of the questions and complaints that Staff sees on a reoccurring basis.

The Public Service Commission's General Order No. 188.12, dated October 11, 1995, dealt with revisions to the rules and regulations of water utilities. In this General Order the Commission discussed many of these leak adjustment issues. The Commission promulgated a rule change requiring leak adjustments in 4.4.3. Several parties generally opposed mandatory leak adjustments. They believed that adjustments send the wrong signals to customers regarding maintaining their lines. According to the order the Commission believes that leak adjustments are reasonable. The utilities recover their costs of treating the water. However, they should not receive a wind-fall by being allowed to recover their full base rate for the excess lost water.

Several parties argued that it is difficult to determine the incremental cost of treatment. They argued that incremental costs vary from district to district and over time. The Commission agreed that determining incremental costs may be difficult. As such, the Commission performed an internal study in an attempt to determine a reasonable average incremental cost of treating water statewide. They modified the rule to allow utilities to use either their own incremental costs or the Commission's estimate of "typical incremental cost." The Commission encouraged utilities to use their own actual data, especially if their incremental costs are higher than the Commission estimated (\$0.75 per thousand gallons). However, after a utility has a rate case its incremental cost of production should be known. As part of a rate case, the incremental cost should be calculated and placed in the tariff as the amount the utility will use in the event of a leak adjustment. After incremental costs are determined in a rate case the utility can no longer have the option of using the Commission's estimate.



Several utilities requested that the rules have some provision requiring the customer to prove that the unusual usage was caused by a leak. The Commission stated that utilities, in their written policies, could develop reasonable proof requirements. The Commission declined to do so generically for all utilities. The Commission adopted a rule change that allowed utilities to charge for historic usage as opposed to average usage.

Some utilities suggested applying the leak adjustment only for underground leaks. Other utilities complained that the policy would require adjustments for leaking commodes and faucets. The Commission declined to limit the rule only to underground leaks. However, the Commission stated that it did not believe that the rule should apply to leaky commodes, dishwashers or other appliances. The Commission did

place an exclusion in the rules to prevent adjustments in those circumstances. The adjustment was intended to be applied for major leaks, such as pipes that break.

Several utilities suggested a limit per time period on the number of leak adjustments that should be given to a customer. The Commission declined to adopt that suggestion, saying that they believed it unlikely for the same customer to need frequent adjustments.

A leak adjustment policy should not limit adjustments only to underground leaks in the customer's service line. In fact, leaks that should qualify for leak adjustments can and do occur inside structures. However, the utility should establish reasonable proof requirements for leaks as part of their policy. Obviously, judgment on the part of the utility may be required to determine reasonable proof. In complaint cases, the Commission Staff actually investigate the customer's residence for signs of reasonable proof. Major water leaks often leave damaged floors, walls, ceilings, etc.

What can be done about a customer who refuses to fix their leaking pipes and then continuously asks for a leak adjustment? The Commission declined to limit the number of adjustments a customer can receive. However, Water Rule 4.9.1. states that any utility may decline to serve an applicant until he has complied with the state and municipal regulations governing water service and the Commission approved rules and regulations of the utility. Water Rule 4.9.2. states that the utility may refuse to serve an applicant if, in its judgment, the applicant's installation of piping equipment is regarded as hazardous or of such character that satisfactory service cannot be given.



Do leaking commodes and dripping faucets qualify for leak adjustments? Well, it depends. Water Rule 4.4.3.a. states that leaking commodes, dripping facets, malfunctioning appliances and similar situations shall not constitute leaks which entitle the customer to a recalculated bill. However, there can be exceptions. It should be noted that if the utilities actions or practices caused or contributed to the leaks in these types of situations, leak adjustments or full credits may be ordered by the Commission. An example might be at night when the utility's water tanks are full and the system pressure is at a maximum. Excessive water pressure may cause appliances to fail or leaks to occur at night but not during the day, making them difficult to detect. The utility might not realize this unless it installs a pressure and flow recorder.

Clearly the Commission's intent was to give adjustments for situations where pipes break unexpectedly, and not to give adjustments where customers simply fail to perform routine maintenance or fail to repair leaky appliances or fixtures.

Replacing old worn out meters with new electronic real time metering might be the answer. New pressure and flow monitoring devices are now helping to solve a lot of the "we don't have a leak" complaints. Thanks to modern metering technology, many utilities are becoming proactive and can now notify the customer much sooner than having to wait a full month's billing cycle before the customer is made aware that their usage is excessive. That's good for the customer and the utility.

Hopefully, this answers some questions regarding leak adjustments. If you have any questions, you may contact the Commission Staff. If you would like to read the Commission's General Order in its entirety, you can find it on the Commission's website. Go to <http://www.psc.state.wv.us/WebDocket/default.htm> and click on "Case." On the next screen, in the field marked "Case Number," enter GO 188.12, then click "Search." On the right side of the next screen, click on "Activities," and it will take you to all activity pertaining to the General Order.

Tips on Avoiding Imposter Utility Scams

By Sheri Givens, President, Givens Consulting LLC (Previously published by the Daily Mail opinion page of the Charleston Gazette-Mail. Reprinted by permission.)

Would you know how to recognize an impostor utility scam? If you were the victim of a scam, would you know what to do or whom to call?

National utility operators are working to inform and empower consumers to prevent criminals who pretend to work for their electric, natural gas or water company from gaining access to their money, property or personal information.

Anybody can be a target of a scam. Scammers tend to aim their efforts at our more vulnerable populations, including lower-income households and elderly individuals and communities.

How do you identify an impostor utility scam? There are a few common tactics that scammers tend to use, which includes phone, in-person and internet. Claiming to represent your utility company, scammers might call you on the phone threatening to shut off service, email or text you requesting financial or personal information, or the scammer might knock on your door requiring payment for an unnecessary service or entry to check an in-home utility device. These tactics are often aimed at stealing your money, using your personal information to commit identity theft, or robbing your home or business.



Scammers now use technology to their advantage, including caller identification and email address spoofing, to make you believe you are actually communicating with someone from your utility company.

I have come across numerous stories of scammers faking their caller ID so that it appears to be a call from the victim's utility company and sending emails copying the utility company's logo, format and website link. They have also perfected replicating utility company identification badges and uniforms.

Another method from their criminal playbook is to call you and demand immediate payment, typically by a prepaid card bought at a nearby retail store, to prevent your electricity, natural gas or water from

being shut off in the next 30 minutes. They often take a hostile tone and become increasingly agitated if you ask questions or offer to call your utility to confirm your account information.

There are some simple steps you can take to make sure criminals do not succeed in taking your money, belongings or personal information.

Never buy a prepaid card with the sole purpose of using it to pay your utility company. Utility companies will send you several advance notices, typically by U.S. mail, accept multiple forms of payment to settle your bill and never shut off your service immediately if your bill is delinquent.

Never pay a utility company to reconnect your service after an extreme weather event as they will typically do this for no cost; however, there may be a fee charged to reconnect your service after a disconnection for nonpayment.

Never let someone claiming to be a representative of a utility company into your home without insisting on seeing their identification and verifying their appointment with your utility. Unless you have placed a service call, typically, a utility company will not come to repair, check or install something in or around your home or business without contacting you in advance.

Tapper Says



Upcoming Seminars

- PSD Board Member Seminar, April 12-14, Bridgeport, Register by March 29
- Managing Your Employees to Avoid Legal Conflict, May 1, Charleston, Register by April 17
- Utility Office Works, May 31, Morgantown, Register by May 17
- Safety Seminar, June 27, Morgantown, Register by June 13

Register at:

<http://www.psc.state.wv.us/scripts/SeminarRegistration/default.cfm>

Some classes may count toward Continuing Education Hours.

CWSRF Projects for Fiscal Year 2018

By Kimberly A. Henderson, Environmental Resources Program Manager, Project Management Section, West Virginia Department of Environmental Protection

It has been a busy fiscal year 2018 for the Clean Water State Revolving Fund. We spent our entire Federal grant and State match – \$20,668,000 and \$4,133,600, respectively – in just over five months. We have also closed and begun construction on \$36,042,475 in projects; \$2,100,140 of which is principal forgiveness. Only two thirds of the way into the year, our next goal is to have Greater Paw Paw under construction by early April, and we look forward to several more.

Fiscal Year 2018 Projects So Far

Town of Belle: \$4,045,000 loan. Replace the wastewater treatment plant (WWTP) with a package treatment system in one circular tank, and upgrade both the main pump station and the headworks.

City of Benwood: \$2,404,539 loan with \$1 million principal forgiveness. Install a new sanitary sewer system, with the existing combined sewer system left in place to serve as a storm drainage system.

Central Boaz PSD: \$2,995,000 loan with \$364,674 loan forgiveness. Construct a pressure sewer system to serve the WV Rt. 14 area, upgrade the existing WWTP and replace vacuum pits.

City of Montgomery: \$752,237 loan with \$239,333 principal forgiveness. Upgrade and relocate the Sixth Avenue sewage pumping station.

City of Nitro: \$2,484,559 bond anticipation note. Sewer extension, replace pump stations, sewer separation, reline sewer, and a new belt press.

City of Oak Hill: \$13,792,000 loan. Consolidate Arbuckle PSD (APSD) into Oak Hill Sanitary Board (OHSB) system, construct a sewer pumping station with the associated force main to transport flows from the existing APSD WWTP to the OHPSD Minden WWTP. Upgrades to the Route 61 WWTP and the Minden Road WWTP. There is also a \$208,000 design loan for Arbuckle.

Hancock County PSD, Bolivar: \$5,500,000 loan with \$496,133 principal forgiveness. The project will serve 160 users along U.S. Rt. 30 and the West Virginia/Pennsylvania state line. Collected wastewater will be transported to the city of Chester publicly owned treatment works for treatment and final disposal. The collection system will be a conventional gravity sewer with occasional sewage pumping stations.

Town of Mason: \$1,711,000 loan. Upgrade the WWTP by replacing the aeration system (piping, diffusers, blowers, etc.), rehabilitate the automatic bar screen, convert the open-channel UV system to a closed unit, refurbish the belt press, build a new garage, upgrade the electrical system, rehabilitate two pump stations and rehabilitate/replace 64 manholes.

**Visit with CWSRF
at the 2018
West Virginia
Construction and
Design EXPO
March 21-22.**

Public Service Commission of West Virginia

Water and Wastewater Division

Dave Acord, Director	dacord@psc.state.wv.us	340-0366
Lisa Coleman, Administrative Secretary	coleman@psc.state.wv.us	340-0459
Nancy Tincher, Secretary	ntincher@psc.state.wv.us	340-0440

Grants & Funding, Finance, Administrative, Office Operations

Bill Nelson, Manager	bnelson@psc.state.wv.us	340-0445
Steve Edens, Utilities Analyst	sedens@psc.state.wv.us	340-0769
Versie Hill, Utilities Analyst	vhill@psc.state.wv.us	340-0870
Alex Kovarik, Utilities Analyst	akovarik@psc.state.wv.us	340-0358
Laura Leport, Utilities Analyst	lleport@psc.state.wv.us	340-0473

Informal Complaints

Tammy Tabor, Supervisor	ttabor@psc.state.wv.us	340-0826
Markita Black, Consumer Affairs Tech	mblack@psc.state.wv.us	340-0321
Rhonda Boothe, Consumer Affairs Tech	rboothe@psc.state.wv.us	340-0467
Robert Cramer, Consumer Affairs Tech	rcramer@psc.state.wv.us	340-0494
Vicki Lemley, Consumer Affairs Tech	vlemley@psc.state.wv.us	340-0379

Fax 304-340-3759

Engineering Division

Earl Melton, Director	emelton@psc.state.wv.us	340-0392
Victoria Trent, Secretary	vtrent@psc.state.wv.us	340-0370

Case Control

Lisa Bailey, Technical Analyst	lbailey@psc.state.wv.us	340-0499
Jonathan Fowler, Engineer	jfowler@psc.state.wv.us	340-0491
David Holley, Technical Analyst	dholley@psc.state.wv.us	340-0328
Kristopher Huff, Technical Trainee	khuff@psc.state.wv.us	340-0443
Mansour Mashayekhi, Technical Analyst	mmashayekhi@psc.state.wv.us	340-0428
Jim Spurlock, Technical Analyst	jspurlock@psc.state.wv.us	340-0357
Sylvie Steranka, Technical Analyst	ssteranka@psc.state.wv.us	340-0466
Jim Weimer, Engineer	jweimer@psc.state.wv.us	340-0476

Case Assistance

Ralph Clark, Engineer	rclark@psc.state.wv.us	340-0455
Eric DeGruyter, Technical Analyst	edegruyter@psc.state.wv.us	340-0388
John Harper, Engineering Technician	jharper@psc.state.wv.us	340-0465
Craig Miller, Utility Inspector	cmiller@psc.state.wv.us	340-0353
John Mottesheard, Engineering Technician	jmottesheard@psc.state.wv.us	304-0399
Don Walker, Technical Analyst	dwalker@psc.state.wv.us	340-0434

Fax: 304-340-0452

Utilities Division

Terry Eads, Director	teads@psc.state.wv.us	340-0421
Lynn Scott, Administrative Secretary	lscott@psc.state.wv.us	340-0350
Margaret Robinson, Secretary	mrobinson@psc.state.wv.us	340-0365

Carrier & Consumer Operations

Randy Short, Deputy Director	rshort@psc.state.wv.us	340-0446
Carla Nelson, Supervisor	cnelson@psc.state.wv.us	340-0424
Mandy VanMeter, Secretary	mvanmeter@psc.state.wv.us	340-0833
Tabitha Parsons, Office Assistant	tparsons@psc.state.wv.us	340-0415

Motor Carrier & Formal Complaints

Steve Kaz, Supervisor	skaz@psc.state.wv.us	340-0760
Stacy Beller, Utilities Analyst	sbeller@psc.state.wv.us	340-0444
Dwayne Bevins, Utility Inspector	dbevins@psc.state.wv.us	340-0449
Bob Cadle, Utilities Analyst	rcadle@psc.state.wv.us	340-0419
Bill Flenner, Utilities Analyst	bflenner@psc.state.wv.us	340-0496
Jennifer Moore, Utilities Analyst	jmoore@psc.state.wv.us	340-0837

Audits, Finance & Rates

Diane Davis, Deputy Director	ddavis@psc.state.wv.us	340-0369
------------------------------	--	----------

Case Processing 1

Ed Oxley, Manager	eoxy@psc.state.wv.us	340-0360
Ronald Ash, Utilities Analyst	rash@psc.state.wv.us	340-0869
Karen Buckley, Utilities Analyst	kbuckley@psc.state.wv.us	340-0470
Erin Deegan, Utilities Analyst	edeegan@psc.state.wv.us	340-0768
Nathan Mills, Utilities Analyst	nmills@psc.state.wv.us	340-0773
Kaitlyn Shamblin, Utilities Analyst	kshamblin@psc.wv.us	340-0345

Case Processing 2

Dave Pauley, Manager	dpauley@psc.state.wv.us	340-0439
Josh Allen, Utilities Analyst	jallen@psc.state.wv.us	304-0771
Tara Gilkey, Utilities Analyst	tgilkey@psc.state.wv.us	340-0365
Pete Lopez, Utilities Analyst	plopez@psc.state.wv.us	340-0823

Fax: 340-340-0326