

# MLGW Utility Meter-2-Cash Update



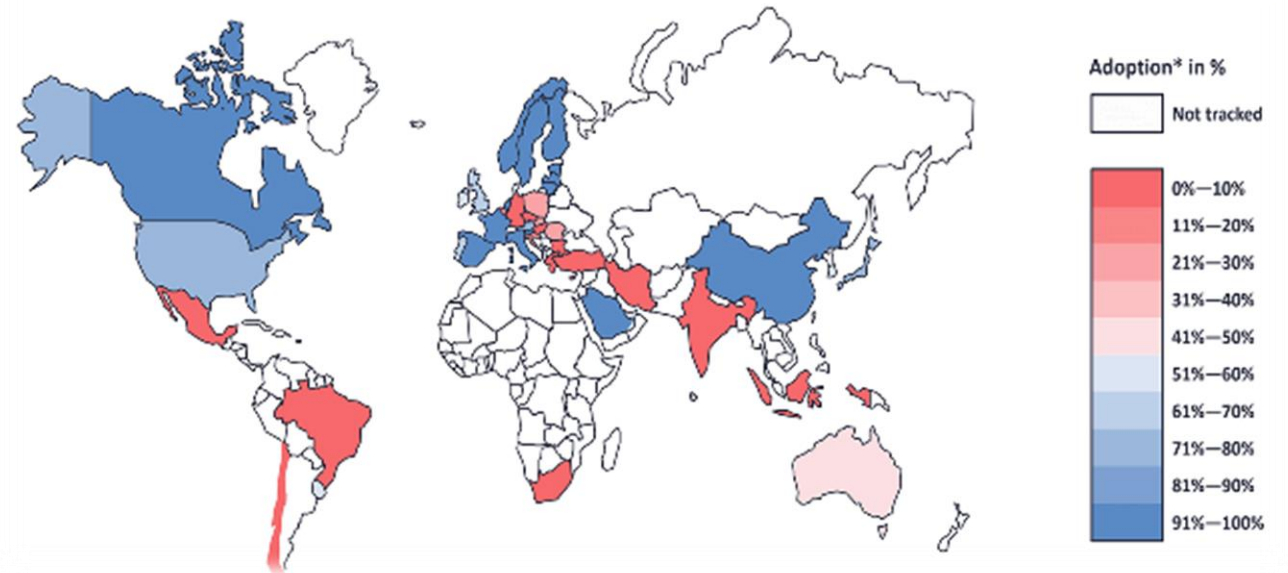
MLGW Board Meeting  
July 17, 2024

Timothy Davis  
Chief Customer Officer

# The Potential of AMI Is Well Documented

- Advanced Metering Infrastructure vs. Automated Meter Reading
- AMI has the potential to modernize electric grid operations while also transforming the relationship between utilities and their customers
- Smart *electricity meter* adoption is far ahead of smart gas and water meters
  - By 2030, smart gas / water meter adoption expected to grow at 10% and 16% CAGR, respectively.
- Globally there are only eight (8) Major AMI Meter Vendors

Global smart electricity meter adoption 2024



- In 2023 1.06 billion smart meters (E,G,W) have been installed world-wide
- North America has a mature smart electricity meter market, with ~77% electricity meter market penetration
- Parts of the Europe and China also have high penetration rates

# Limited Smart Meter vendors and propriety solutions create risk and potential for widespread impacts

## Inherent Risks with Few Vendors

The global market for AMI utility meters is dominated by a few major players, which introduces several inherent risks:

- Supply chain vulnerabilities, lack of competition, and technological homogeneity.
- Utilities must manage risks where possible, and stay informed about emerging technologies and vendors
- Single point of failure: Vendors use proprietary products and networks. Systemic issues (e.g., meter failures) could have widespread impacts

## 8 Major AMI Meter Vendors Globally



Itron



Landis  
|Gyr+



SIEMENS



Honeywell



SENSUS  
a xylem brand



kamstrup



elster  
American Meter  
A Honeywell Company



Schneider  
Electric

Water  
Meters



Badger Meter



NEPTUNE  
TECHNOLOGY GROUP

# However, nationwide there are instances where the complexity of AMI technology has led to billing challenges

## Almost four million smart meters not working properly March 26, 2024

~4 million smart meters in Great Britain not working properly.  
2.7 million were not operating in smart mode as of June 2023.  
At the end of last year, 3.98 million were faulty.

[After Overcharging Millions of Dollars for Water, San Diego Gives Smart Meters 2nd Chance – NBC 7 San Diego \(nbcсандiego.com\)](#)

## 'Ridiculous' water bills. 'Inordinate' hold times. After years of customer complaints, San Diego is making sweeping changes. November 23, 2023

Key to fixing the problems will be reviving the city's smart-meter program and improving customer service with new software, more hiring and better training.

The city didn't know how to handle installation glitches, they piled up until they became overwhelming.

## NYSEG hosting event for customers experiencing billing issues November 29, 2023

NYSEG customers repeatedly described receiving bills hundreds of dollars over expected and finding difficulty resolving their issues with NYSEG's customer service.

### INVESTIGATIONS

## Customers complain of suspected inaccuracies with Austin Water's new smart meters

by: [Mike Rush](#)

Posted: Sep 10, 2023 / 07:15 AM CDT

Updated: Sep 10, 2023 / 09:49 PM CDT

## Michigan probes Consumers Energy over broken meters, inflated bill claims July 12, 2023

*MLGW has been forthcoming from the outset, we have taken immediate action and engaged others with facts not fears.*



# Essential tasks MLGW Staff completes regularly.

- 5.2 million bills produced annually
- 433,000 bills produced monthly
- 20,619 meter readings daily (*remotely*)
  - 70K manually read monthly
- 900 Billing exceptions processed/day
  - Normally 6 team members (8 more conscripted)
- >14,000 service orders processed monthly
- Respond to >1M Customer calls annually

Category of Work	Volume	Period	Goal	Achievement
Customer Bills	5.2m	Annually	99.5% delivered per month*	99.25%
Delayed Bills	4,414	July 11, 2024	≤5,000 at any point in time	+586 above goal
Held Bills	7,689	July 11, 2024	<2023 levels	Refining Expectations



MLGW Staff Committed to Meaningful and Measurable Improvement

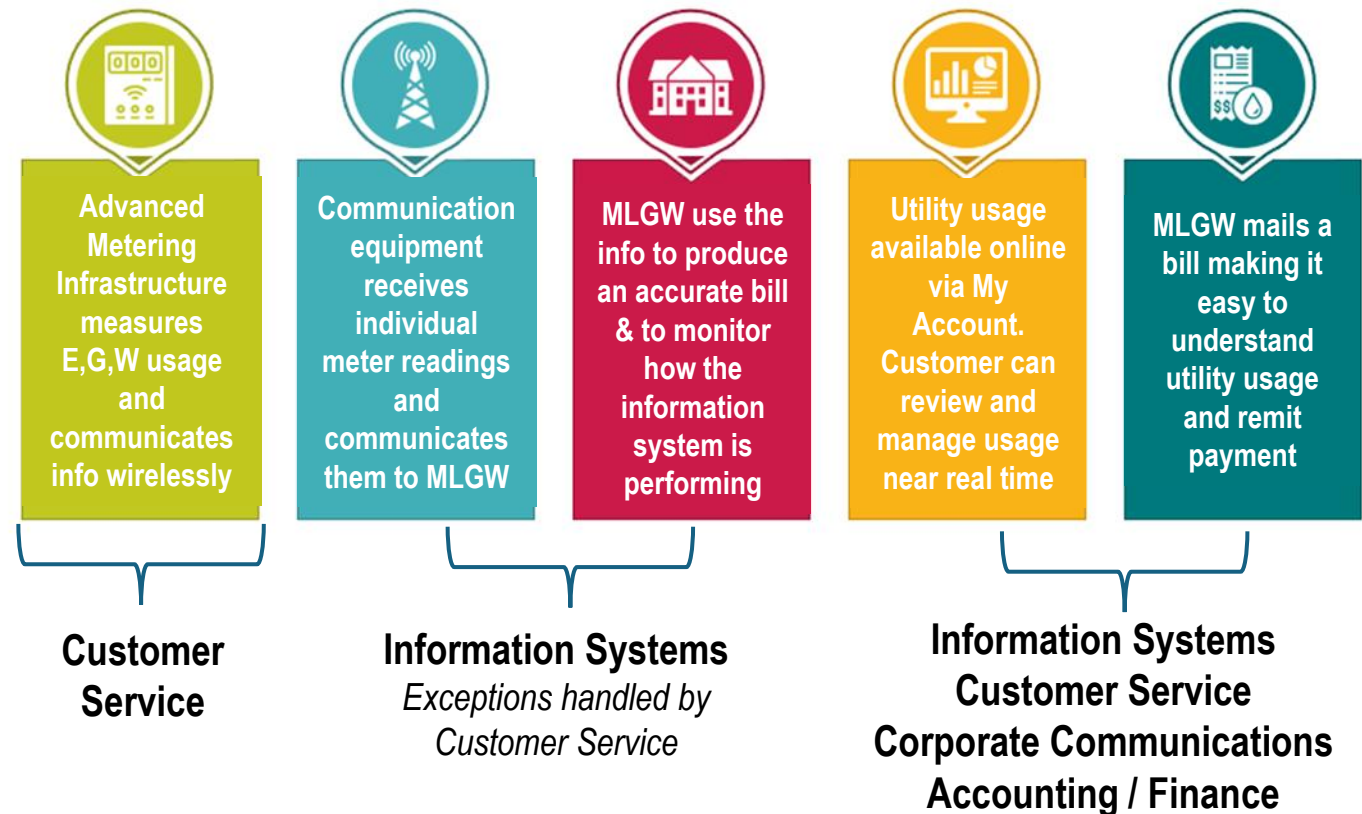
# The Transition to Advanced Metering Infrastructure (AMI)

- The transition to AMI requires coordinated efforts in people, processes, and technology.
- Staff needs training and support to adapt to new roles, while processes must be updated to leverage real-time data for improved billing, customer service, and compliance.
- Technologically, upgrades to systems and infrastructure are essential to handle the increased data volume and ensure cybersecurity.
- A comprehensive approach ensures a smooth transition, maximizing the benefits of AMI for both MLGW and its Customers.



## ADVANCED METERING INFRASTRUCTURE

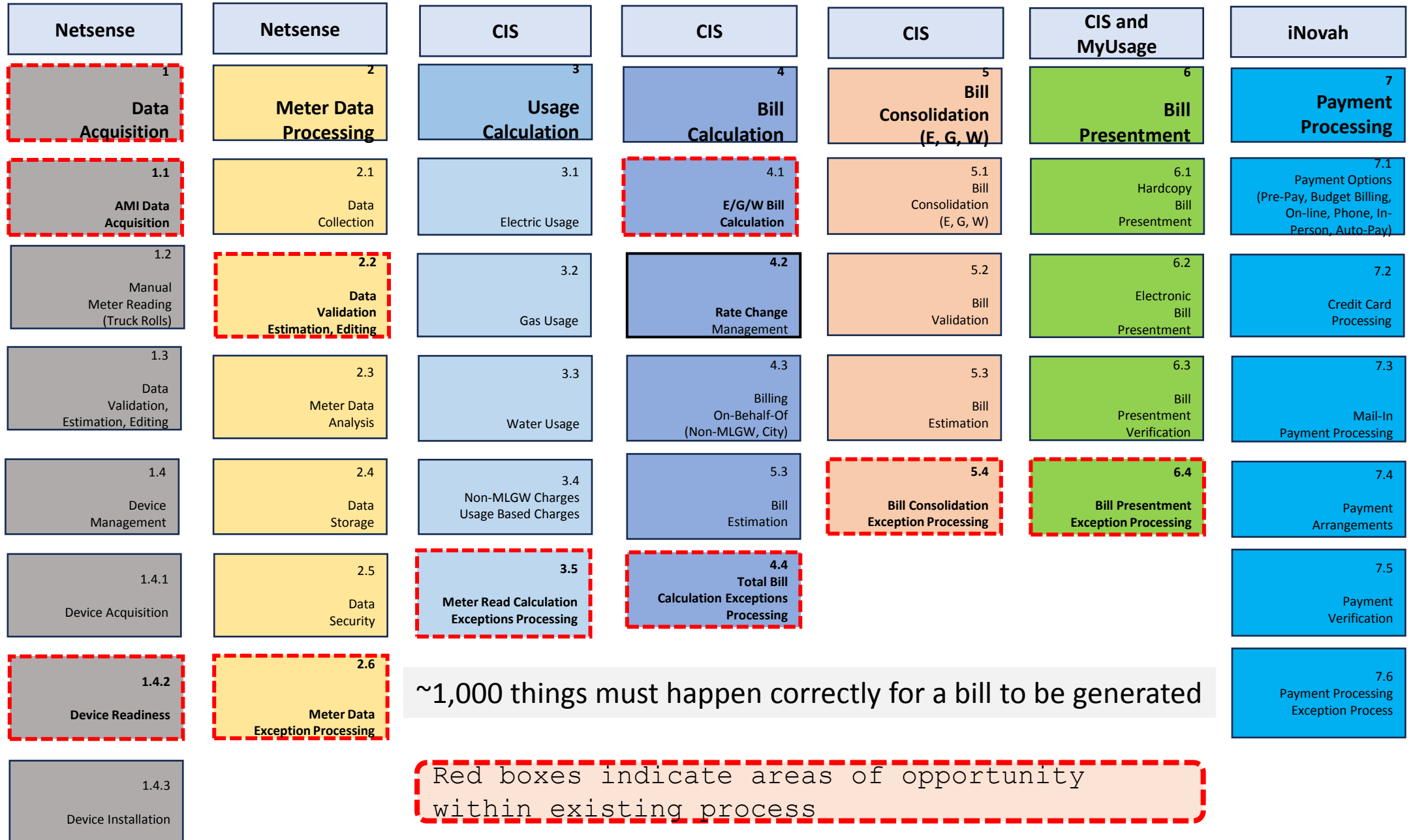
*Device Management to Bill Presentment Simplified*



# M2C End-to-End Processes



Level 1 Systems  
Level 2



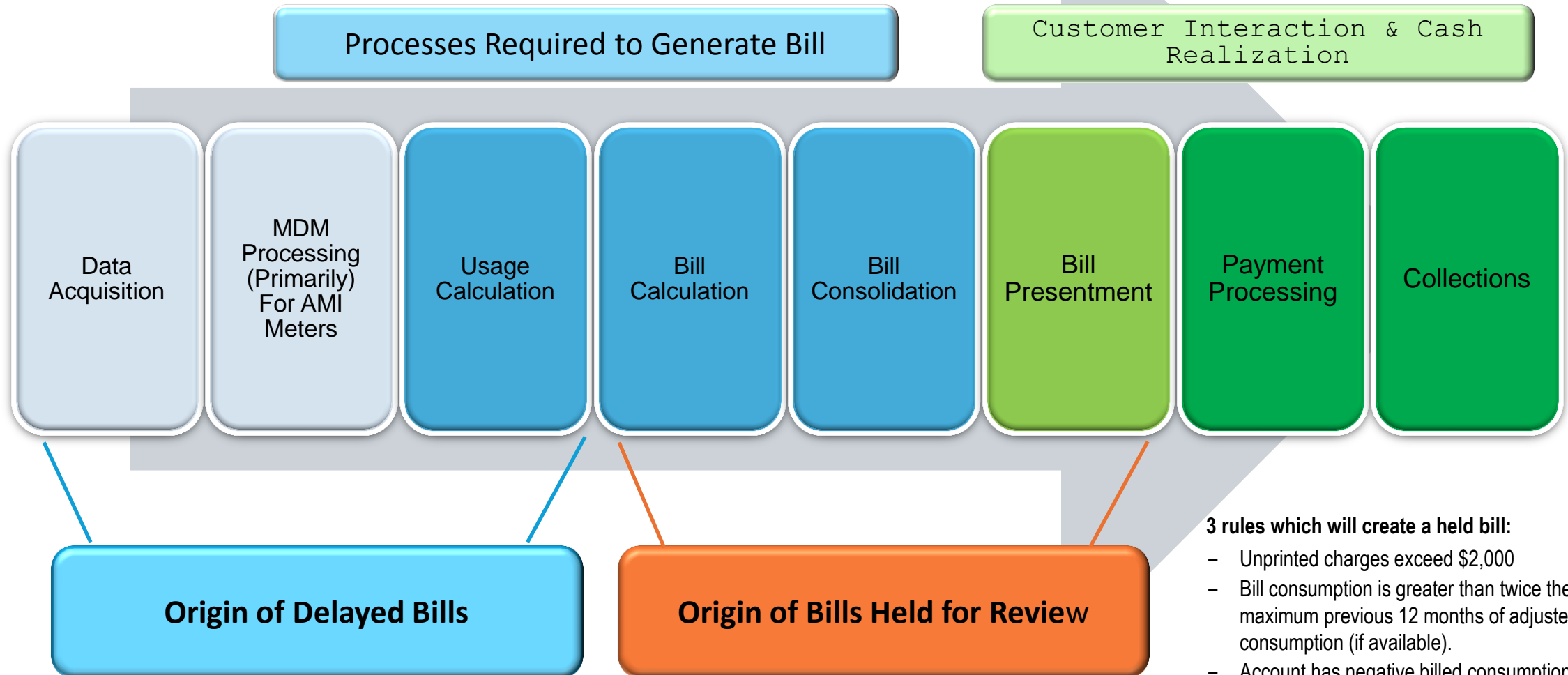
# MLGW Meter-2-Cash Process



## Overview

*Data Acquisition to Collections*

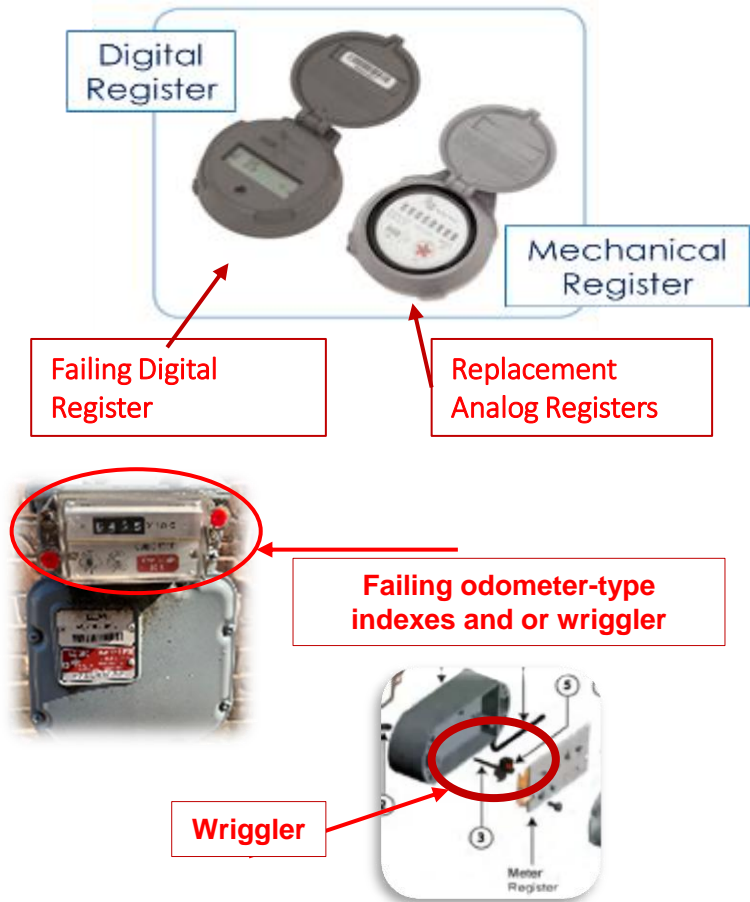
*Origins of Delayed and Held Bills*





# What Caused the Delayed Bills?

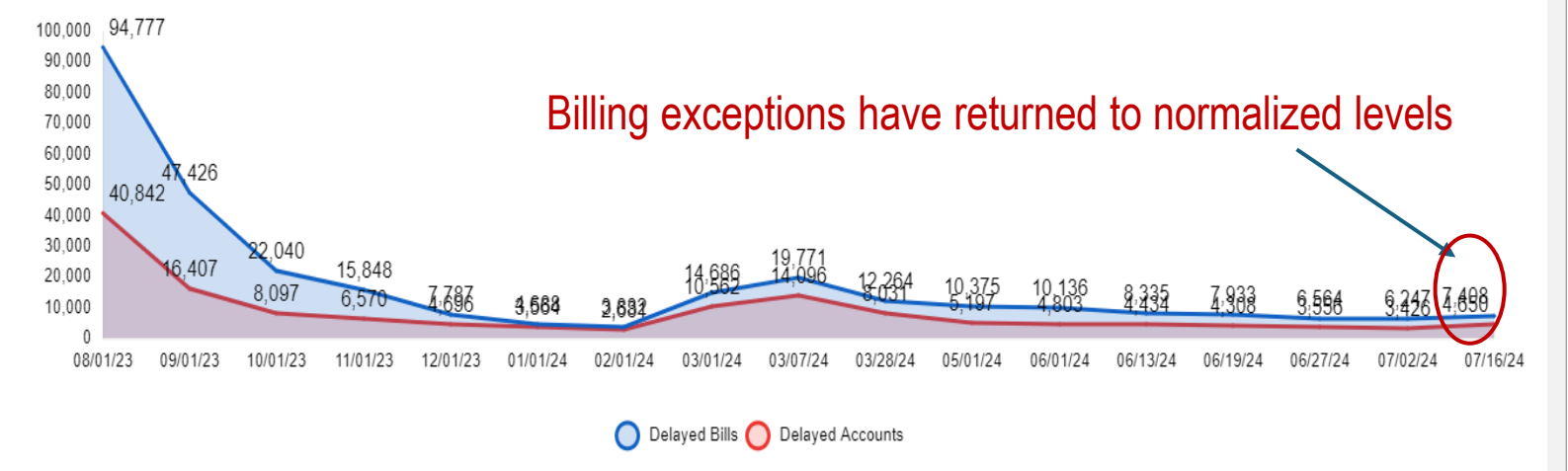
## Faulty Gas and Water Meter Components



## Impacts and Actions Taken to Normalize Customer Billing

- MLGW President/CEO declares "Resolving billing issue is 2<sup>nd</sup> only to Utility reliability"
- Significant resources moved to address issue: people, process and technology
- Customer Communications and Community Outreach/Engagement
- Cross-Functional Team (includes Executives) meets weekly to review progress
- Customer Advocacy Officer established to accelerate Customer escalation resolution

### Exceptions Delayed Bills Monthly

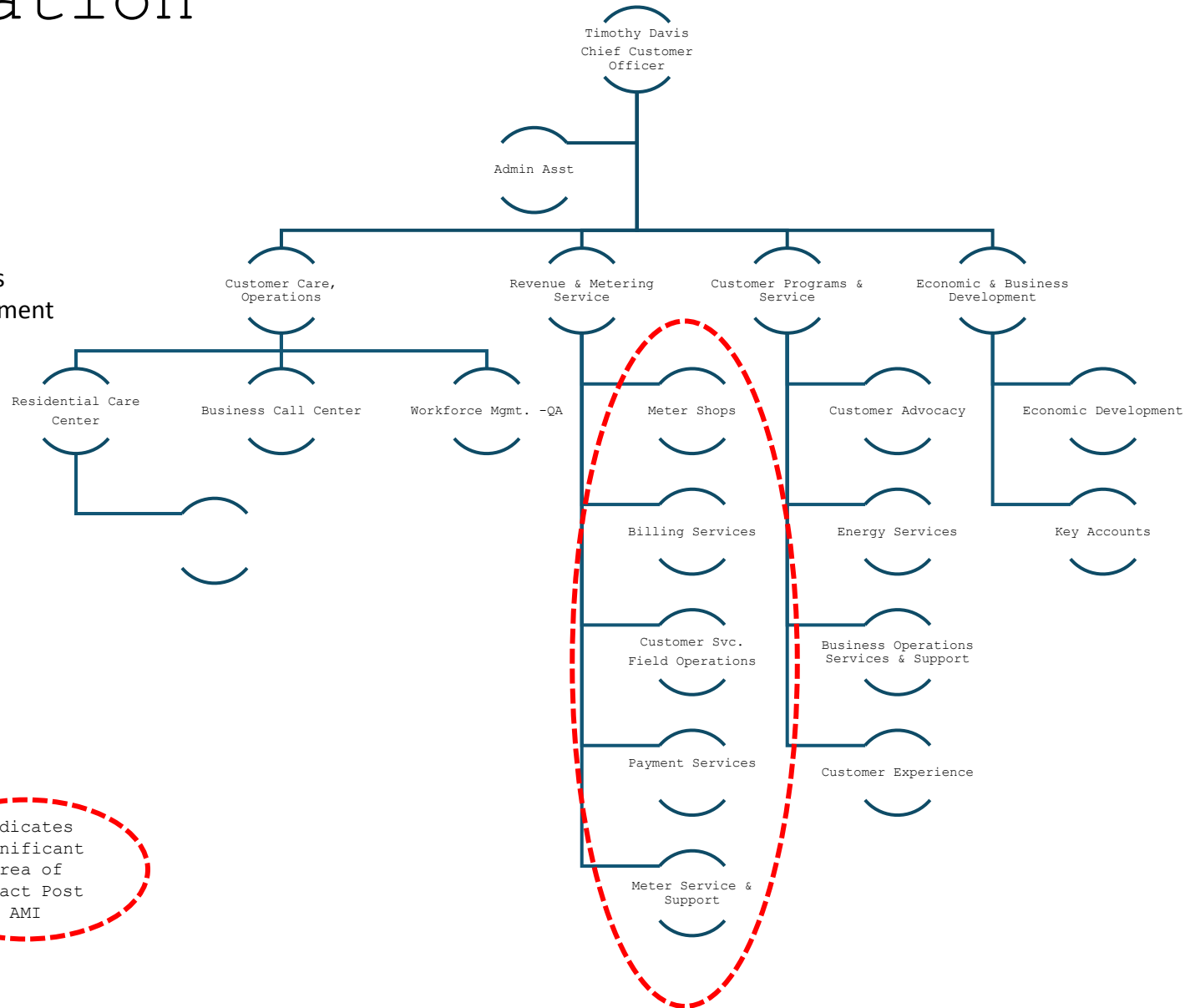


# Customer Experience & Energy Services Organization



## MAJOR FUNCTIONS

- Overall Customer Experience
- Call Center Operations
- Customer Field Operations
- Meter-to-Cash Process
- Customer Advocacy
- Customer Programs & Services
- Economic & Business Development



Indicates Significant Area of Impact Post AMI

# Where are we now?

## Water and Gas Meters

- Contractors and MLGW employees
- 100% of faulty water registers replaced
- 52% of faulty gas Indexes replaced
  - 7,867 of 15,000
  - 100% completion by 8/31/24**

## Bills to Customers

- Over 99% of bills delivered monthly
  - Goal of 99.5
  - 99.7 best in industry
- People, Process and Technology improvements underway
- New positions to increase governance and quality

## Commitments

- Meters installs to be completed 8/31/2024
- Billing exceptions to be normalized by 9/30/2024
- Delayed bills normalized
  - Modernizing billing exceptions processes
  - Adding additional staff
  - Securing Organizational change management support
- Held Bills:
  - 7,747 Customer remain
  - I.T. reviewing scenarios to clear bills programmatically
- \$\$\$upport for vulnerable populations
  - Collaboration with other agencies
- Review underway to modernize our processes consistent with best practice transition to an AMI environment

Residential		Commercial		Total	
Accounts	Customer Bills Not Sent	Accounts	Customer Bills Not Sent	Accounts	Customer Bills Not Sent
794	794	2,346	2,346	3,140	3,140
0-30	0-30	0-30	0-30	0-30	0-30
175	350	620	1,240	795	1,590
30-60	30-60	30-60	30-60	30-60	30-60
73	219	333	999	406	1,218
60-90	60-90	60-90	60-90	60-90	60-90
46	184	137	548	183	732
90-120	90-120	90-120	90-120	90-120	90-120
32	173	94	555	126	728
120+	120+	120+	120+	120+	120+
<b>Total Accounts</b>	<b>Total Bills</b>	<b>Total Accounts</b>	<b>Total Bills</b>	<b>Total Accounts</b>	<b>Total Bills</b>
<b>1,120</b>	<b>1,720</b>	<b>3,530</b>	<b>5,688</b>	<b>4,650</b>	<b>7,408</b>

# Communications to Customers



## Cause/Facts

- Faulty Gas and Water Meter Parts
- Other Utilities in the U.S. are experiencing this much worse than MLGW
- Only a few companies make the meters globally
- Difficult to get parts/meters due to supply chain issues

## What Is MLGW Doing?

- Secured parts from manufacturer to repair meters
- Hired contractors to replace faulty meter parts
- Hired additional staff to address exceptions
- Providing more staff training
- Hired a consulting firm who has had success other utilities with similar issues
- Modernizing their processes

## How Is It Going?

- **Committed to normalizing billing by 9/30/2024**
- >99 % of Customers receive a bill monthly
- All faulty water meter registers replaced
- 52% of faulty gas indexes replaced
  - **100% completion by 8/31/24**
- NO Customer who has not received a bill should be disconnected for non-payment
- \$support available for income qualifying Customers
- Payment arrangements available



Questions ?