

**IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE**

IN RE:)
)
PETITION OF TENNESSEE)
WASTEWATER SYSTEMS, INC.,)
FOR APPROVAL OF ADJUSTMENT) **DOCKET NO. 16-00139**
OF ITS RATES AND NEW TARIFF)

**RESPONSE OF TENNESSEE WASTEWATER SYSTEMS, INC. (“TWSI”)
TO THE CONSUMER ADVOCATE’S MOTION TO STRIKE**

In pre-filed testimony, a witness from the Consumer Advocate and Protection Division (“the Advocate”) has stated that TWSI is “applying charges to some of its commercial customers that were not authorized in their tariffs.” Novak at 3, lines 21-23. The same witness recommends that the Commission Staff undertake a “compliance audit of TWSI’s billing practices.” Novak at 13, lines 3-4.

Upon receiving the Advocate’s testimony, TWSI immediately contacted its outside accounting firm, Dempsey, Vantrease and Follis, PLLC, and asked the firm to conduct an “analysis of [TWSI’s] billings for services and related accounting systems. . . for the year ended December 31, 2016.” A copy of the accounting firm’s final report is attached.

As stated in the rebuttal testimony of TWSI witness Mr. Robert T. Buckner, the firm found “no apparent weaknesses related to the accounting processes, procedures and internal controls related to the billing for wastewater treatment services.” Buckner Rebuttal at 12. A draft of the account firm’s conclusions and supporting evidence regarding TWSI’s billing and related accounting practices is attached as an exhibit to Mr. Buckner’s testimony. As Mr. Buckner also

stated, a member of the firm who worked on the report, Mr. R. Michael Hallum, CPA, CVA, will be present at the hearing to answer any questions about the report or his firm's experience with utility clients.¹

Under Tennessee law, this report is admissible in a proceeding before the Tennessee Public Utility Commission. T.C.A. § 65-2-109(1) states that the Commission "shall not be bound by the rules of evidence applicable to a court but may admit and give probative effect to any evidence which possesses such probative value as would entitle it to be accepted by reasonably prudent persons in the conduct of their affairs." T.C.A. § 65-2-109(1). See also, TC.A. § 4-5-313(1). As stated in the cover-letter to the report, Mr. Hallum's firm conducted this investigation of TWSI's billing and related accounting systems "in accordance with attestation standards established by the American Institute of Certified Public Accountants." Report at 1. Like a legal opinion from a law firm, such a report by an independent accounting firm is "of a type commonly relied upon by reasonably prudent men in the conduct of their affairs" (T.C.A. § 4-5-313(1)), and the firm that signs the report is legally and ethically responsible for its contents. See T.C.A. § 62-1-113(b) ("Licensees performing attest services must provide those services pursuant to statements on standards relating to those services adopted by reference or directly by the [Tennessee State Board of Accounting].")

Although the report is both relevant to the hearing and admissible as evidence pursuant to T.C.A. §§ 4-5-313(1) and 65-2-109(1), the Advocate seeks to strike the report from the record for various reasons. First, the Advocate argues that 'expert opinion . . . must meet the test of Tennessee Rules of Evidence 702 and 703.' As just explained, the Commission is not bound by the rules of

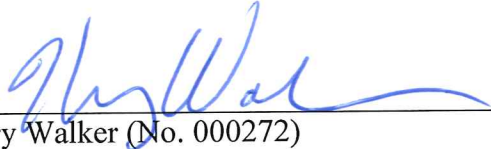
¹ In addition to TWSI, the firm's current and former utility clients include the Murfreesboro Water and Sewer Department, Consolidated Utility District, Upper Cumberland Electric Membership Corporation, Middle Tennessee Electric Cooperative Association, the Water and Wastewater Authority of Wilson County, the Murfreesboro Electric Department, and the Columbia Power and Water Systems.

evidence. Second, the Advocate argues that Mr. Buckner, a CPA himself, cannot rely on the report because “he is not the expert who prepared the document.” Advocate’s brief at 2-3. That is immaterial. The report speaks for itself and such reports prepared by independent accounting firms are “commonly relied upon by reasonably prudent men in the conduct of their affairs.” T.C.A. § 4-5-313(1). Whether he wrote the report or not, Mr. Buckner is entitled to rely on the conclusions in the report just as the Commission may rely upon it as evidence in this case. Third, the Advocate states that the report attached to Mr. Buckner’s testimony filed on June 28, 2017 is incomplete and only a draft. The final report, which was completed on July 5, 2017, is now available and is attached to this Response. The findings concerning TWSI’s billing practices have not changed in the week between the filing of the draft and the release of the final report. Fourth, the Advocate objects because she did not have the opportunity to ask about the report during discovery. That argument is irrelevant. After the time for discovery closed, the Advocate filed testimony challenging the accuracy of the utility’s billing processes. The utility expeditiously responded by asking its outside accounting firm to investigate and report on the accuracy of TWSI’s billing procedures. As Mr. Buckner testifies, the report refutes the Advocate’s allegations and is therefore proper rebuttal evidence. Since the procedural schedule does not provide for additional discovery after the filing of TWSI’s rebuttal, any questions the Advocate might have asked in discovery may now be asked at the hearing, as is typically the case whenever a party presents a new witness in rebuttal. Finally, the Advocate argues that the report is inadmissible because it is “unclear” whether or not the report addresses all the issues raised by the Advocate’s witness. Advocate’s brief at 5-6. That argument goes to the weight of the evidence, not its admissibility.²

² It is not unusual for a Commission witness to attach to his testimony a report prepared by someone else and to rely upon that report in his testimony to the agency. See, for example, Docket 15-00042, Rebuttal Testimony of William H. Novak, Exhibit 2. In that case, as here, the author of the report did not testify but was available at the hearing to answer questions. No party objected to the admission of the report.

In sum the report is clearly relevant to the hearing and – by statute – admissible in a proceeding before the Commission. Moreover, in light of the Advocate’s allegations about the utility’s billing practices, it would be manifestly unfair to the company to exclude from the record a report finding that the Advocate’s allegations are unfounded. The Advocate’s motion should be denied. Should, however, the Hearing Officer grant the motion to strike, TWSI respectfully asks that the Hearing Officer’s decision be reviewed by the Commission and that the parties be allowed to argue the motion prior to the opening of the rate hearing.

Respectfully submitted,

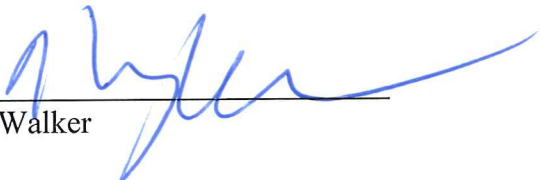
By: 
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Attorneys for Tennessee Wastewater Systems, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on the 6th day of July, 2017, a copy of the foregoing document was served on the parties of record, via electronic delivery and U.S. Mail, postage prepaid, addressed as follows:

Karen Stachowski
Assistant Attorney General
Office of the Attorney General
Consumer Advocate and Protection Division
P.O. Box 20207
Nashville, TN 37202-0207
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Henry Walker

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

TENNESSEE WASTEWATER SYSTEMS INC.

June 26, 2017



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dvf-lllc.com • E-mail: info@dvf-lllc.com

The Stockholders and Management
Tennessee Wastewater Systems Inc.
Murfreesboro, TN

We have performed the procedures enumerated below, which were agreed to by Tennessee Wastewater Systems Inc. (TWSI), to assist you with respect to the analysis of your billings for services and related accounting systems of Tennessee Wastewater Systems Inc. for the year ended December 31, 2016. Tennessee Wastewater Systems Inc.'s management is responsible for the company's accounting records and systems. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specific in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purposes for which this report has been requested or for any other purpose.

Our procedures and findings are summarized in the attached schedules A through C.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Tennessee Wastewater Systems Inc. and is not intended to be and should not be used by anyone other than those specified parties.

Dempsey Vantrease & Follis PLLC
Dempsey Vantrease and Follis PLLC

July 5, 2017

**Tennessee Wastewater Systems Inc.
Schedule A - Schedule of agreed-upon procedures
For the year ended December 31, 2016**

1. Obtain an understanding of Tennessee Wastewater Systems Inc. (TWSI) accounting processes, procedures, and internal controls related to the billing for wastewater treatment services¹.
2. Analyze the accounting processes, procedures, and internal controls related to the billing for wastewater treatment services for indications of control deficiencies¹.
3. Design and execute a detailed substantive analytical procedure to agree all of the recorded billings for 2016 to the effective wastewater treatment tariff approved by the Tennessee Public Utility Commission (TPUC).
4. Provide summary comments and results of the analytical procedure.
5. Obtain all commercial customer contracts, excluding the population of commercial cabins, and agree the following to the billing for wastewater treatment services:
 - a. The terms of the contract
 - b. The water usage, where applicable
 - c. The customer's name
 - d. Location
6. Obtain contracts or agreements for a test sample of the population of commercial cabins and residential customers and agree the attributes below to the billing for wastewater treatment services:
 - a. The terms of the contract
 - b. The water usage, where applicable
 - c. The customer's name
 - d. Location
7. Trace the system reports utilized by TWSI to reconcile month end billing charges to the general ledger and to the financial statements.
8. Design, modify as needed, and execute all procedures in order to provide report in time for review and use as discussed with management; on or before June 27, 2017.

¹ Specific to billing for waste water related billings and associated revenue recognition and reporting; excludes all other components of the revenue cycle (ie other income, fees, penalties, collection process, allowance for uncollectible accounts, allowable costs, reimbursements, rate design etc.)

Tennessee Wastewater Systems Inc.
Schedule B - Schedule of agreed-upon procedures
Findings and Recommendations
For the year ended December 31, 2016

1. We obtained an understanding of TWSI's accounting processes, procedures, and internal controls related to the billing for wastewater treatment services¹ through interviews and review of the accounting and billing programs as well as review of our historical files related to the annual review of the financial statements of the parent company and the 2016 review of Tennessee Wastewater Systems Inc.. See internal control narrative memo provided to the stockholders and management in a separate communication.
2. We analyzed the accounting processes, procedures, and internal controls related to the billing for wastewater treatment services for indications of control deficiencies¹.
 - a. We noted no apparent material weakness related to the accounting processes, procedures, and internal controls related to the billing for wastewater treatment services during our procedures.
 - b. We noted items that indicated or might indicate that certain significant weaknesses, deficiencies, and best practices potentially exist related to the accounting processes, procedures, and internal controls related to the billing for wastewater treatment services during our procedures. See management comment letter provided to the stockholders and management in a separate communication.
 - c. We noted items we consider deficiencies and best practices related to the accounting processes, procedures, and internal controls related to the billing for wastewater treatment services during our procedures. See management comment letter provided to the stockholders and management in a separate communication.
3. We designed and executed a detailed substantive analytical procedure to agree all of the recorded billings for 2016 to the effective wastewater treatment tariff approved by the Tennessee Public Utility Commission (TPUC). The analytic was designed and executed as follows.
 - a. We obtained direct access to the TWSI's Utility Management System (UMS).
 - b. We extracted all bills for 2016 by running Monthly "Billing Register" reports using excel.
 - c. We extracted the Monthly "Billing Register" reports into a separate excel data file.
 - d. We utilized the effective wastewater treatment tariff approved by the Tennessee Public Utility Commission (TPUC) to agree individual components of the "rate table" in all bills for 2016.
 - e. We developed independent variable formulas to recalculate the various rate classes.
 - f. We developed specific formulas for select customers based on the agreed contracts and applied those to the specific rate classes.

¹ Specific to billing for waste water related billings and associated revenue recognition and reporting; excludes all other components of the revenue cycle (ie other income, fees, penalties, collection process, allowance for uncollectible accounts, allowable costs, reimbursements, rate design etc.)

Tennessee Wastewater Systems Inc.
Schedule B - Schedule of agreed-upon procedures (continued)
Findings and Recommendations
For the year ended December 31, 2016

- g. We summarized the variances.
4. See Schedule C "summary comments and results of the analytical procedure."
5. We requested all customer contracts 72. We obtained and examined 43 commercial customer contracts, excluding the population of commercial cabins, and agreed the following to the billing system for wastewater treatment services and noted no significant variances. There were 29 requested contracts or agreements that we were unable to locate and examine.
- a. The terms of the contract
 - a. We tested 43 contracts and noted no exceptions
 - b. The water usage, where applicable
 - a. We tested 81 billings with metered charges and noted no exceptions
 - c. The customer's name
 - a. We tested 43 contracts and noted no exceptions
 - d. Location
 - a. We tested 43 contracts and noted no exceptions
 - e. Billing for February, July, and December for 2016
 - a. We tested 207 billings; and noted 185 agreed without exception; 22 require further documentation or investigations to resolve variances
6. We requested contracts or agreements for a test sample of 25 per class; (75 total) customers from the population of commercial cabins and residential customers and obtained 72. We agreed the attributes below to the billing system for wastewater treatment services and noted no significant variances. There were 3 requested contracts or agreements that we were unable to locate and examine.
- a. The terms of the contract
 - a. We tested 72 contracts and noted no exceptions
 - b. The water usage, where applicable
 - a. We tested 21 billings with metered charges and noted 3 items require further documentation or investigations to resolve variances
 - c. The customer's name
 - a. We tested 72 contracts and noted no exceptions
 - d. Location
 - a. We tested 72 contracts and noted no exceptions
 - e. Billing for February, July, and December for 2016
 - a. We tested 225 billings; and noted 223 agreed without exception; 2 require further documentation or investigations to resolve variances
7. We obtained TWSI's billings reports for the month end journal entries for February, July, and December of 2016 and traced them to the general ledger and to the financial statements without exception.

We also obtained and reviewed TWSI's month end reconciliation of the charges to the general ledger for February, July, and December of 2016 and traced them to the billings reports without material exception.

Tennessee Wastewater Systems Inc.
Schedule B - Schedule of agreed-upon procedures (continued)
Findings and Recommendations
For the year ended December 31, 2016

8. We designed, modified, and executed all procedures in order to provide report in time for review and use as discussed with management; on or before June 27, 2017.

In discussions with management this date has been extended to allow for additional procedures. To be completed by July 5, 2017.

TWSI - Mid TN

Schedule C - Analytical test - Summary of comments and findings
For the year ended December 31, 2015

Rating	Comment	Comment eqmt.	%	Comment Amount	Variance	Variance rate	TWR1	TWR2
1	Charged but	25,504.00	45.31%	415,740.86 \$	(0.00)	0%	3	P/P/P
1	Liens awarded, not specified but reinstated	570.00	-0.79%	3,598.70 \$		0%	3	P/P/P
1	Charges for meter	17,448.00	31.24%	109,113.84 \$	(0.57)	0%	3	P/P/P
1	Meters within 100'	8300	-9.90%	53,137.97 \$	(0.28)	0%	3	P/P/P
1	Rate agreed to tariff w/o/e	59,931.00	58.68%	423,046.17 \$	(0.28)	0%	3	P/P/P
1	Rate agreed to 9.15 tariff w/o/e	6,817.00	6.27%	7,643.57 \$		0%	3	P/P/P
1	Rate agreed to tariff/contract w/o/e	890.00	0.86%	137,629.85 \$		0%	3	P/P/P
1	Southridge - agreed to MF calc and Cf Rate w/o/e	1,787.00	1.75%	89,708.70 \$	(0.05)	0%	3	P/P/P
2	More research needed to resolve or classify variance	17.00	0.02%	735.35 \$	871.55	115%	3	P/P/P
2	3 years access fee?	1.00	0.00%	960.00 \$	(240.00)	-67%	3	P/P/P
2	Appears two years access charge	43.00	0.04%	10,920.00 \$	(5,160.00)	-50%	3	P/P/P
2	Charges multiples of bonding	105.00	0.10%	461.82 \$	(842.12)	-74%	3	P/P/P
2	Charges for multiples of billing	107.00	0.11%	585.00 \$	(424.50)	-73%	3	P/P/P
2	Charges for multiples of metering	3.00	0.00%	37.86 \$	(18.93)	-50%	3	P/P/P
2	Double billed during Oct. for Sept.; contract 10/4/15	5.00	0.02%	1,971.18 \$	(463.16)	-23%	3	P/P/P
2	Southridge var. after - meter calc breakdown	136.00	0.13%	10,752.99 \$	4,525.64	42%	3	P/P/P
5	Need contract to substantiate charge	164.00	0.16%	28,196.40 \$		0%	5	P/P/P
5	Rate agreed to tariff w/o/e - Contracted - on 6/23 request - SK	580.00	0.58%	18,160.92 \$		0%	5	P/P/P
5	Contracted rate - iron commercial; appears reasonable	112.00	0.11%	40,592.88 \$		0%	5	P/P/P
5	Contracted - on 6/23 request - SK	374.00	0.37%	98,728.28 \$		0%	5	P/P/P
5	Southridge - supplier pass fee to give	457.00	0.45%	23,993.58 \$	14,017.96	60%	4	P/P/P

Total	109,769	100.00%	1,323,553.75 \$	12,807.53	1%
Variance from Data	(258)				
Total - Adjusted for data with no apparent change - P/P/P	96,858		1,323,553.75 \$	12,807.53	1%
Southridge var. after - meter calc breakdown				(14,017.96)	
Total (after meter calc breakdown) - completed from error 15M				11,200.43	

1	Total "good" comments	94,804		1,088,267.09	(0.62)	0%
	Charges with good comments	98%		82%		
	Comments requiring additional research/review	2,054		235,286.66 \$	(1,249.02)	100%
		2%		16%		
	(over) under Charged Variance as a percentage of total billings				-0.09%	

TWIST - 6160 TN Schedule C - Analytical test - Summary of comments and findings (continued) For the year ended December 31, 2016 Tickmark Summary	
Ⓔ	Agreed to tariff rate; but should it be w/o food These agrees to COMMERCIAL W/ FOOD** Tier 1 (0-300GPO) \$137.29 (D) \$23.00 but is coded to w/o food rate codes see rate table
•	All amounts within +/- \$.00
1-	Comment notes change appears agrees to tariff w/m/e or is "good".
2-	Analytics not sufficient to support charge further information needed.
3-	Considered an exception to the analytical test.
4-	Known variance not considered to apply to the analytical test. - Southridge customer found to use a separate rate during the summer month; based on winter averages. The billing register only provides the current reading. The data was not readily accessible in the desired timeframe.
5-	Analytics not sufficient to support charge further information needed. No variance is listed as rates appear reasonable based on review of similar charges
W/O/E	With out exception
W/O/M/E	With out material exception
P/P/P	Pass further procedures

TWSI - E TN

Schedule C - Analytical test - Summary of comments and findings
For the year ended December 31, 2016

Rating	Comment	Comment count	%	Comment Amount	Variance	Varianca rate	TW#1	TW#2
1	Rate agreed to tariff w/o/e	59,303.00	81.85%	\$ 861,681.74	(0.07)	0%	3	P/F/P
1	Rate agreed to tariff/cabins w/o/e	56.00	0.08%	\$ 838.81		0%	3	P/F/P
1	Rate agreed to tariff/contract w/o/e	1,555.00	2.15%	\$ 24,152.43	(0.01)	0%	3	P/F/P
1	Charge within .01	28.00	0.04%	\$ 365.31	(0.14)	0%	3	P/F/P
1	Net within .01 - cabin variable calc	1,455.00	2.03%	\$ 54,159.62	0.01	0%	3	P/F/P
1	Variable calc only .47 off (CS1F, CE1F, CM1F)	111.00	0.15%	\$ 15,180.12	(0.40)	0%	3	P/F/P
1	Variable calc only .47 off (CS2F, CE2F, CM2F) - agreed to contract w/o/e	15.00	0.02%	\$ 1,870.49	(0.07)	0%	3	P/F/P
1	Variable calc only .90 off (CS2F, CE2F, CM2F)	213.00	0.29%	\$ 15,353.90	0.05	0%	3	P/F/P
1	Variable calc only w/o/m/e	36.00	0.05%	\$ 8,314.56	0.84	0%	3	P/F/P
1	Items noted within a few days of full mth charged full month (P/F/S)	129.00	0.17%	\$ 7,088.10	(0.00)	0%	4-40/3/1/0/3	P/F/P
2	Appears multiple access fees	1.00	0.00%	\$ 840.00	(720.00)	-86%	3	P/F/P
2	Appears two yrs charged	4.00	0.01%	\$ 960.00	(480.00)	-50%	3	P/F/P
2	More research needed to resolve or classify variance	79.00	0.11%	\$ 1,687.19	(90.83)	-5%	3	P/F/P
2	Charged multiples of bonding	36.00	0.05%	\$ 110.00	(64.40)	-59%	3	P/F/P
2	Charge for multiples of billing	47.00	0.06%	\$ 211.50	(141.00)	-67%	3	P/F/P
2	Variable calc	27.00	0.04%	\$ 822.24	(425.36)	-52%	3	P/F/P
2/4	Current vs historical Coding issue	56.00 @	0.08%	\$ 1,642.92	(381.16)	-23%	3	P/F/P
5	Need contract to substantiate charge	112.00	0.15%	\$ 35,568.72		0%	5	P/F/P
P/F/P	No service charged	4,757.00	6.53%	\$ -		0%	P/F/P	P/F/P
Total	Variance from Data	72,332	100.00%	\$ 1,013,197.74	(2,302.54)	0%		
Total - Adjusted for data with no apparent charge - P/F/P		67,595		\$ 1,013,197.74	(2,302.54)	0%		
1	Total "good" comments	67,233	95%	\$ 971,355.17	0.21	0%		
	Charges with good comments			96%				
	Comments requiring additional research/review	362	1%	41,843	(2,303)	100%		
				4%				
	(over) under Charged Variance as a percentage of total billings				-0.23%			

TWST - E TN

Schedule C - Analytical test - Summary of comments and findings (continued)
 For the year ended December 31, 2016

Tickmark Summary

@	Agreed to tariff rate; but should it be w/o food These agrees to COMMERCIAL W/ FOOD** Tier 1 (0-300GPD) \$137.29 (D) \$29.00 but is coded to w/o food rate codes see rate table
*	All amounts within +/- \$.00
1-	Comment notes charge appears to tariff w/m/e or otherwise appears to be a "good charge"
2-	Analytics not sufficient to support charge further information needed.
3-	Considered an exception to the analytical test.
4-	Known variance not considered to apply to the analytical test
5-	Analytics not sufficient to support charge further information needed. No variance is listed as rates appear reasonable based on review of similar charges
W/O/E	With out exception
W/O/M/E	With out material exception
P/F/P	Pass further procedures

**Tennessee Wastewater Systems Inc.
Management Comments from Agreed-upon Procedures
Findings and Recommendations
For the year ended December 31, 2016**

1. Significant Deficiencies – Segregation of duties

It appears that certain employees are currently responsible for executing, recording and approving certain aspects of billing transactions. Accordingly, an inaccurate or unauthorized transaction could be executed and not promptly discovered by the internal control structure.

Management should consider implementing policies to allow for separation of duties

2. Deficiencies – Financial period cutoff

It appears that certain transactions are not accounted for in the proper period. Accordingly, an inaccurate or unauthorized transaction could be executed and not promptly discovered by the internal control structure.

Management should consider implementing policies and procedures to ensure that all charges are accrued in the proper accounting period or are otherwise segregated to allow for the analysis of potential prior period adjustments.

3. Deficiencies – Rate coding and classifications

We noted that the descriptions and rate codes utilized in the billing system do not translate to the assigned rate descriptions and codes utilized in the State's tariff format.

Management should consider implementing policies and procedures to ensure that all charges are clearly related and agreed to the approved tariffs and related costs reimbursements in contracts.

4. Deficiencies – Rate coding and classifications

It does not appear the management maintains a cross walk or similar documentation to relate billing codes to specific rates and dockets approved by the regulatory body.

Management should consider implementing policies and procedures to ensure that all charges are clearly related and agreed to the approved tariffs and related costs reimbursements in contracts.

5. Deficiencies – Review and approval of adjusting journal entries

It appears that there is not detailed review, documented, and approved support for individual journal entry adjustments.

Management should consider implementing policies and procedures to ensure that all adjusting journal entries are properly reviewed and supported with sign offs to document the approval of individual journal entries.

**Tennessee Wastewater Systems Inc.
Management Comments from Agreed-upon Procedures
Findings and Recommendations (continued)
For the year ended December 31, 2016**

6. Deficiencies – Defined accounting processes and procedures

It appears that there is no formal documentation of the accounting processes and procedures.

Management should consider developing a detailed set of policies and procedures related to the accounting system to ensure that all policies and procedures are properly communicated and followed.

7. Best practice – UMS Billing Register Reporting – Billing Register Options

We noted that the UMS billing register report has an apparent issue in report creation. When all bill items are selected in the report options screen it does not produce all billings. It excluded non-email bills consistently. When e-mails bills were removed from the options all bills appeared to be reported. This issue could lead to errors in billing and accounting if other reports contain similar issues.

Management should implement procedures to ensure all billings are consistently agreed to the system and the system be routinely reviewed and tested to remove inconsistencies in reporting options.

8. Best practice – UMS Billing Register Reporting – Billing Register Data

We noted that the UMS billing register report is not "static" in relation to customer rates. That is to say a customer's rate class on any given day is the rate class that will be reported on the billing cycle regardless of the rate class in effect at the time. This issue might lead to misclassification issues that would delay historical analysis of the rate classes and related accounting entries.

Management should implement procedures to ensure all billings are consistently agreed to the system and the system be routinely reviewed and tested to remove inconsistency in reporting options.