

The guesswork approach to solve water-budget tier rate billing:

Water Company issues customer "a guess" one month in advance of bill printing. How the guess is determined is the company's approach. The guess factors out undecidable factors and publishes this guess on the previous month's bill.

Your water budget is guessed to be X ---> Customer adheres to budget X

End of month billing arrives, correct budget is Y (OPT) based on the weather and undecidable factors. This is the current "budget" in schemes that are currently used.

If $X < Y$, X is increased to Y for the customer if the company underestimates the budget

If $X > Y$, the water company guessed wrong, the billing allows X which is a larger budget because X was the published guess

This is imprecise and allows wrong guesses not to penalize the customer.

The "guesswork" approach is not accurate, but it doesn't penalize the customer that adheres to the published monthly guess.