## BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

| In the Matter of Amending and         | ) DOCKET U-144155          |
|---------------------------------------|----------------------------|
| Adopting Rules in                     | )<br>) GENERAL ORDER R-586 |
| WAC 480-90-178 and 480-100-178        | )                          |
| Natural Gas and Electric Companies    | ) ORDER AMENDING AND       |
| Billing requirements and payment date | ) ADOPTING RULES           |
|                                       | ) PERMANENTLY              |
| Adding new rules to address billing   | )                          |
| correction requirements               | )                          |
|                                       | )                          |
|                                       |                            |

- STATUTORY OR OTHER AUTHORITY: The Washington Utilities and Transportation Commission (Commission) takes this action under Notice WSR #15-23-102, filed with the Code Reviser on November 18, 2015. The Commission has authority to take this action pursuant to RCW 80.01.040 and RCW 80.04.160.
- 2 **STATEMENT OF COMPLIANCE:** This proceeding complies with the Administrative Procedure Act (RCW 34.05), the State Register Act (RCW 34.08), the State Environmental Policy Act of 1971 (RCW 43.21C), and the Regulatory Fairness Act (RCW 19.85).
- 3 **DATE OF ADOPTION:** The Commission amends and adopts this rule on the date this Order is entered.

4 CONCISE STATEMENT OF PURPOSE AND EFFECT OF THE RULE: RCW 34.05.325(6) requires the Commission to prepare and publish a concise explanatory statement about an adopted rule. The statement must identify the Commission's reasons for adopting the rule, describe the differences between the version of the proposed rules published in the register and the rules adopted (other than editing changes), summarize the comments received regarding the proposed rule changes, and state the Commission's responses to the comments reflecting the Commission's consideration of them.

OFFICE OF THE CODE REVISER STATE OF WASHINGTON FILED

DATE: February 23, 2016 TIME: 1:24 PM

WSR 16-06-038

- 5 To avoid unnecessary duplication in the record of this docket, the Commission designates the discussion in this Order, including appendices, as its concise explanatory statement. This Order provides a complete but concise explanation of the agency's actions and its reasons for taking those actions.
- 6 **REFERENCE TO AFFECTED RULES**: This Order amends and adopts the following sections and subsections of the Washington Administrative Code:

Amend WAC 480-90-178 Billing requirements and payment date.Amend WAC 480-100-178 Billing requirements and payment date.

- PREPROPOSAL STATEMENT OF INQUIRY AND ACTIONS THEREUNDER: The Commission filed a Preproposal Statement of Inquiry (CR-101) on February 18, 2015, at WSR #15-05-082. The statement advised interested persons that the Commission was considering entering a rulemaking to determine if a rulemaking is necessary to develop a new rule and/or modify existing rules in WAC 480-90 (Gas Companies) and WAC 480-100 (Electric Companies) to address problems with inaccurate energy usage metering, which results in retroactive billing of electric and natural gas customers. The inquiry addressed key concerns of both the companies and Commission staff (Staff) regarding reducing the length of retroactive bills while recognizing: (1) equipment breaks; (2) the failure of some customers to notify the company immediately upon moving in; and (3) that companies may not have complete control over how quickly these issues can be identified without significantly increasing costs that would ultimately be borne by all ratepayers.
- The Commission also informed persons of this inquiry by providing notice of the subject and the CR-101 to everyone on the Commission's list of persons requesting such information pursuant to RCW 34.05.320(3) and by sending notice to all registered natural gas and electric companies and the Commission's list of natural gas and electric company attorneys. Pursuant to the notice, the Commission received written comments by the due date of March 23, 2015. The notice also informed the stakeholders of a scheduled stakeholder workshop in this rulemaking on May 20, 2015, in the Commission's Hearing Room, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington.
- 9 Staff incorporated the comments received from the regulated utilities and made some modifications to the rules. The Commission's initial goals in this proceeding were to:

- Establish standards for regulated energy companies to identify and correct billing errors due to meter failure, meter malfunction, and meters with unidentified energy usage within six months, and
- Provide incentives for companies to reduce the duration of retroactive bills.
- 10 The energy companies worked collaboratively on their input and provided a completely revised version of the initial draft rules. As a result of the comments received and after further discussion, the Commission decided to expand the rulemaking to address any situation where energy usage was not billed, or was inaccurately billed. On September 2, 2015, the Commission filed a supplemental CR-101 noticed at WSR#15-05-082 to consider expanding the rulemaking to all corrected billing situations. The supplemental CR-101 was filed with the Code Reviser at WSR#15-18-121 requesting comments by October 5, 2015.
- 11 NOTICE OF PROPOSED RULEMAKING: The Commission filed a notice of Proposed Rulemaking (CR-102) on November 18, 2015, at WSR #15-23-102. The Commission scheduled this matter for oral comment and adoption under that notice at 1:30 p.m., Thursday, January 21, 2016, in the Commission's Hearing Room, Second Floor, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington. The Notice provided interested persons the opportunity to submit written comments to the Commission by December 21, 2015.
- 12 WRITTEN COMMENTS: The Commission received six written comments in response to the WSR #15-23-102 notice from The Energy Project, Cascade Natural Gas Corporation (CNG), Avista Corporation (Avista), Pacific Power & Light (Pacific Power), Puget Sound Energy (PSE), and Northwest Natural Gas (NWNG). A summary of the written comments and the Commission's response is contained in Appendix A, attached to, and made part of, this Order.
- 13 RULEMAKING HEARING: The Commission considered the proposed rules for adoption at a rulemaking hearing on Thursday, January 21, 2016, before Chairman David W. Danner and Commissioner Ann E. Rendahl. The Commission heard oral comments from Roger Kouchi, representing Commission Staff; Shawn Bonfield, representing Avista; Onita King, representing NWNG; Kathie Barnard, representing PSE; Natasha Siores, representing Pacific Power; and Del Herner, representing CNG.

- 14 SUGGESTIONS FOR CHANGE THAT ARE ACCEPTED: Written and oral comments suggested changes to the proposed rules. The suggested changes and the Commission's reason for rejecting or accepting the suggested changes are included in Appendix A. The Commission expands on its explanation for its actions related to four of those suggested changes and addresses several additional clarifications in the following paragraphs.
- 15 Exceptions for Issuing a Corrected Bill for Underbilled Amounts. When a utility discovers that it has underbilled a customer for energy usage, proposed WAC 480-90-178(5)(a) and WAC 480-100-178(5)(a) prohibit the utility from collecting underbilled amounts for any period greater than six months from the date the error occurred, except as provided in WAC 480-90-178(7) or WAC 480-100-178(7).<sup>1</sup> At the adoption hearing and in written comments, regulated companies requested additional exceptions for nonresidential accounts and situations where it is uneconomical to issue a corrected bill. We adopt limited exceptions to the requirement to issue a corrected bill in those specific circumstances, as described below.

## 1. Nonresidential accounts

- 16 Both in written comments and at the adoption hearing, PSE and Pacific Power stated that a longer period of time should be allowed for underbilling adjustments for nonresidential customers because of the complexity of nonresidential metering, the large size of some nonresidential customers' bills, and the seasonal nature of some nonresidential customers' usage.<sup>2</sup>
- 17 According to data requested by Staff in the course of this rulemaking, the number of nonresidential accounts billed in excess of six months is very small, and the total corrected amounts billed to nonresidential customers is nearly equal to the total corrected amounts billed to residential customers. Accordingly, we do not believe that the data supports treating nonresidential customers, as a whole, different than residential customers.
- 18 We do recognize, however, that there are certain circumstances beyond a utility's control where it may be reasonable to make an exception to the six-month requirement for

<sup>&</sup>lt;sup>1</sup> As proposed, these exceptions include when an underbilling is due to tampering or interference with the utility's property, use of service through an illegal connection, or the fraudulent use of utility service.

<sup>&</sup>lt;sup>2</sup> Comments of PSE, at 1-2 (December 21, 2015); Comments of Pacific Power, at 1 (December 21, 2015).

nonresidential customers. Therefore, we adopt a limited exception in WAC 480-90-178(7) and WAC 480-100-178(7) to allow utilities to extend the six-month period for issuing corrected bills to nonresidential customers for good cause. Good cause may include circumstances such as the complexity of a specific account, a change in metering configuration, large industrial customer load change, special meter configuration involving current transformers, or wiring reconfigurations by the customer. In circumstances where a utility decides to rely on this exception, it must report to the Commission within sixty days a summary of its reasons for making an adjustment in excess of six months.

## 2. Situations where it is uneconomical to issue a corrected bill

- 19 NWNG and Avista suggested that the Commission consider adopting a threshold amount for which a utility would be required to issue a corrected bill for underbilling. Avista requested that the rule allow, rather than require, a utility to issue a corrected bill for underbilling.<sup>3</sup> According to Avista, this is consistent with Oregon's requirements.<sup>4</sup> We disagree with this approach. Washington law stipulates that energy companies are prohibited from charging similarly situated customers different rates for the same service.<sup>5</sup> Absent a specific standard for when the utility may choose not to issue a corrected bill for underbilling, we are concerned that a permissive provision could be construed as allowing discriminatory or preferential treatment.
- 20 Alternatively, Avista and NWNG suggest that the rule allow a utility not to issue a corrected bill for underbilling when it is uneconomical to do so, or when the bill is below a certain dollar threshold.<sup>6</sup> This argument is based on the companies' practice of spreading fixed costs associated with customer billing across all customers. At a certain dollar threshold, utilities argue that it may be more cost-effective for all customers to absorb the underbilled amount rather than to require the utility to issue a corrected bill.
- 21 We acknowledge that it is not reasonable to require utilities to incur additional costs to issue a corrected bill when it is uneconomical to do so. However, adoption of the proposed "uneconomical" standard concerns us for the same reason the proposed flexible and permissive language does, i.e., the standard could be interpreted differently by

<sup>&</sup>lt;sup>3</sup> Comments of NWNG, at 3 (December 18, 2015).

<sup>&</sup>lt;sup>4</sup> Comments of Avista, at 2 (December 21, 2015).

<sup>&</sup>lt;sup>5</sup> See RCW 80.28.100.

<sup>&</sup>lt;sup>6</sup> Comments of Shawn Bonfield, on behalf of Avista, and Onita King, on behalf of NWNG. (January 21, 2016 Adoption Hearing).

different utilities, or applied differently across customer classes. It could also vary based on factors such as weather, fuel costs, labor costs, and even postage rates. Ultimately, we are concerned that adopting this standard would increase the administrative burden to both the utility and Commission Staff, who must determine whether a corrected bill should or should not be issued under the rule. We also lack sufficient evidence in the record of this rulemaking to distinguish the point at which it may become uneconomical for a utility to issue a corrected bill for an underbilled account.

- Accordingly, we believe it is appropriate to adopt a dollar amount under which a utility may choose not to issue a corrected bill, and set the threshold at \$50. Adopting a \$50 threshold removes the uncertainty associated with the "uneconomical" standard and the need for any additional analysis at the time a corrected bill is issued. It meets the utilities' need for increased flexibility while ensuring that the same standard is applied to all customers to avoid preferential or discriminatory treatment.
- 23 Requirement to Develop and Maintain Procedures. As proposed, WAC 480-90-178(5)(c) and WAC 480-100-178(5)(c) require utilities to develop and maintain procedures to establish practices for the prompt identification, repair, and replacement of meters that are not functioning correctly, and for identification of unassigned energy usage meters. This subsection also requires utilities to file a plan outlining their procedures with the Commission by May 1, 2016, and file a new plan with the Commission within 30 days from the date of any addition or change to those procedures.
- 24 NWNG requests that this section be eliminated entirely.<sup>7</sup> Pacific Power and PSE request to remove the requirement to file a plan with the Commission.<sup>8</sup> The companies argue that this requirement is administratively burdensome and of questionable value. The companies further argue that this requirement imposes an unnecessary degree of oversight, and that the Commission can obtain this information as needed through other means.
- We decline to eliminate subsection (5)(c) in its entirety. This subsection contains important requirements for utilities to develop and maintain procedures and practices to mitigate the number of underbilling occurrences that exceed six months in duration. The criteria included in subsections (5)(c)(i), (ii), and (iii) describe elements of good utility practice that we believe are reasonable expectations for prudent utility operations under the rule. We do, however, agree that it is unnecessary for the utilities to file a plan with the Commission describing their procedures for complying with the Commission's rule,

<sup>&</sup>lt;sup>7</sup> Comments of NWNG, at 6 (December 18, 2015).

<sup>&</sup>lt;sup>8</sup> Comments of Pacific Power, at 2 (December 21, 2015).

and we remove this requirement. We expect that Commission Staff will review companies' procedures for compliance with this subsection at some point after the rule's adoption, and recognize that Staff, at any time, may request information from a regulated company about its policies and procedures for identifying and correcting billing errors.

- Information Provided on Corrected Bills. WAC 480-90-178(6) and WAC 480-100-178(6) require utilities to provide certain information on a corrected bill, bill insert, letter, or any combination thereof. Avista objects to subsection (6)(e), which requires the utility to include information about the actions taken to resolve the cause of the bill correction.<sup>9</sup> Avista argues that its ability to include added messaging on a bill is limited, so the rule should not require more information than is necessary.
- The purpose of this subsection is to ensure that the customer understands that they have received a corrected bill and the reasons for the correction. We agree with the company that the rule should not require more information than necessary to achieve that end. Other sections of the rule require utilities to have procedures in place to remedy the causes of certain billing errors. Subsection (6)(a) also requires the utility to explain the reason for the bill correction. In light of these factors, we believe it is reasonable for a customer to assume that receipt of a corrected bill means the underlying issue has been resolved. Accordingly, we agree that it is not necessary for the utility to provide a description of the actions taken to resolve the cause of the bill correction, and remove subsection (6)(e).
- 28 **Conflict with Complaint Meter Test Rule, WAC 480-90-183(5) and WAC 480-100-183(5).** As proposed, WAC 480-90-183(5) and WAC 480-100-183(5) require a utility, upon confirmation of a metering error, to adjust a customer's bill for proper usage from the date the error occurred. In the event the date of the error cannot be identified, the utility must adjust the customer's bill for proper usage for a period not to exceed six months. Subsection (5) of the proposed rule provides that a utility cannot, in any circumstances, adjust a customer's bill for underbilled amounts for a period longer than six months.
- 29 Pacific Power expressed concerns that the proposed rule conflicts with WAC 480-90-183(5) and WAC 480-100-183(5).<sup>10</sup> NWNG also raised this issue at the adoption hearing.<sup>11</sup> The companies argue that if a utility discovers a meter error through a

<sup>&</sup>lt;sup>9</sup> Comments of Avista, at 2-3 (December 21, 2015).

<sup>&</sup>lt;sup>10</sup> Comments of Pacific Power, at 2 (December 21, 2015).

<sup>&</sup>lt;sup>11</sup> Comments of Onita King, on behalf of NWNG, at January 21, 2016 adoption hearing.

customer-requested meter test and determines the customer was underbilled for 12 months, WAC 480-100-183(5)(a) would require the utility to adjust the customer's bill for the full 12-month period. However, if the same meter error was discovered by the utility, the adjustment would be limited to six months.

- We disagree. WAC 480-90-183(5)(a) and WAC 480-100-183(a) require that, if the utility can identify the date the customer was first billed from a defective meter, the utility must refund or bill the customer for the proper usage from that date forward. Proposed WAC 480-90-178(5) and WAC 480-100-178(5) further clarify that when a utility's investigation finds that it has underbilled energy usage, it may not collect underbilled amounts for any period greater than six months from the date the error occurred. In other words, if the date identified in accordance with the complaint meter test rule is more than six months prior to the replacement of the defective meter, then the utility should bill the customer for underbilled amounts as required by the corrected bill rule, that is, for amounts not to exceed six months.
- 31 If this later proves to be confusing for regulated companies or customers, we will consider initiating a rulemaking in WAC 480-90-183 and WAC 480-100-183 to further clarify this issue.
- 32 **Other Clarifications of the Rule.** Based on comments received following the CR-102, we also make the following changes to the final rules: 1) removal of references to "billing error"; 2) clarification of rate schedule in effect; 3) application of rule to unassigned energy usage; and 4) application of rule to overbilling. We discuss these clarifying changes below. Other minor changes are discussed in Appendix A.

## 1. Removal of references to "billing error."

33 Language in proposed WAC 480-90-178(5)(a) and WAC 480-100-178(5)(a) required that a utility must issue a corrected bill upon finding that an underbilling or overbilling occurred as a result of a "meter failure, meter malfunction, meter with unassigned energy usage, or other billing error..." (Emphasis added). NWNG commented that the phrase "other billing error" implied that meter failures, malfunctions, and unassigned energy usage are billing errors. The company requests that the rule distinguish between a "billing error" and a bill correction necessitated by a mechanical issue with a meter or due to a third party action or inaction (unassigned usage).<sup>12</sup> NWNG suggests amending the language to read: "or any situation where energy usage was not billed or was inaccurately billed." We accept this clarifying revision.

<sup>&</sup>lt;sup>12</sup> Comments of NWNG, at 2 (December 18, 2015).

34 Subsection (5)(a) of the proposed rules stated that "the utility must use the rate schedule in effect at the time of each affected billing period(s) covered by the corrected bill." NWNG commented that this sentence is overly broad and proposed clarifying language that does not change the intent or effect of the rule.<sup>13</sup> We accept NWNG's clarification and revise this subsection to read, "The utility must use the rates and rate schedule in effect during the billing period(s) covered by the corrected bill."

## **3.** Application of rule to unassigned energy usage.

- 35 Several companies commented that the proposed rule should not apply to unassigned energy usage. CNG commented that a bill is not issued for meters that have no customer of record for the premise. Since bills are not automatically generated for sites with no active account and no customer of record, the company argued that unassigned energy usage is not a billing error.<sup>14</sup> PSE commented that it currently does not investigate unassigned energy usage below a certain usage threshold. PSE argues that its current practice balances fairness, cost, and customer experience.<sup>15</sup>
- <sup>36</sup> We believe that, despite the issues raised by the companies, unassigned energy usage should be easy to detect and correct within six months. Rather than allowing unassigned energy usage to continue beyond six months, we agree with Staff that a company should take immediate action to contact the occupant and notify them of their obligation to apply for service. If a customer fails to respond, the company should take timely action to disconnect service to prevent lengthy corrected bills. We further expect companies to address processes to investigate meter usage from unassigned energy usage meters, as required in section (5)(c)(iii) of the rule.
- 37 While we decline to remove unassigned energy usage from the proposed rule, we recognize that it is not a "billing error." As discussed above, we have removed the "billing error" language from the rule, but will continue to include unassigned energy usage as a reason for which a utility must issue a corrected bill.

<sup>&</sup>lt;sup>13</sup> Comments of NWNG, at 2 (December 18, 2015).

<sup>&</sup>lt;sup>14</sup> Comments of CNG, at 1-2 (December 11, 2015).

<sup>&</sup>lt;sup>15</sup> Comments of PSE, at 2-3 (December 21, 2015).

## 4. Application of rule to overbilling.

- <sup>38</sup> The proposed rule did not include language specifying the time period for which a utility must issue a refund for overbilling. Pacific Power requests the rule clarify that the maximum adjustment period utilities are required to adjust bills for overbilling is six years.<sup>16</sup> We agree that it is appropriate to specify this in the rule, and we adopt clarifying language in WAC 480-90-178(5)(a) and WAC 480-100-178(5)(a).
- 39 NWNG commented that it did not agree with the six-year requirement for customer refunds. The company recommended that the Commission consider 24 months for refunding overbilled amounts.<sup>17</sup> Current Commission practice is to allow customers the maximum refund for overbilled amounts allowed by law under RCW 4.16.040, which allows six years for an action upon accounts receivable. We see no reason to change this practice at this time.
- 40 **COMMISSION ACTION:** After considering all of the information regarding this proposal, the Commission finds and concludes that it should amend and adopt the rules as proposed in the CR-102 at WSR #15-23-102 with the changes described below.
- 41 **CHANGES FROM PROPOSAL:** The Commission adopts the proposal with the following changes from the text noticed at WSR #15-23-102:

WAC 480-90-178(5)(a) WAC 480-100-178(5)(a) First sentence – delete "Upon discovery of an underbilling or overbilling resulting from a meter failure, meter malfunction, meter with unassigned energy usage, or any other billing error, a"

Insert "A" before utility.

Delete "the customer" after "must issue."

Insert "upon finding that an underbilling or overbilling occurred as a result of a meter failure, meter malfunction, meter with unassigned energy usage, or any other situation where energy usage

<sup>&</sup>lt;sup>16</sup> Comments of Pacific Power, at 2 (December 21, 2015).

<sup>&</sup>lt;sup>17</sup> Comments of NWNG, at 5 (December 21, 2015).

Delete "to recover or refund billed amounts" after "inaccurately billed."

Second sentence – insert "rates and" before "rate schedule in effect."

Delete "at" after "in effect" and replace with "during."

Delete "time of each affected billing" before "period" and replace with "billing."

Add "(s)" to "period" before "covered by the corrected bill."

Fourth sentence – delete "the underbilling or overbilling" at the end of the sentence and replace with "that an account had been under- or overbilled."

Fifth sentence – delete "However, e" at the beginning of the sentence.

Capitalize "Except" at the beginning of the sentence.

Delete "for" after "as provided."

Add a possessive "'s" to the word "utility" after "when a."

Delete "discovers" and replace with "investigation finds" after "when a utility's."

|   | Delete "a customer" and replace with "energy usage" after "that it has underbilled."   |
|---|--|
|   | Delete "seek to" after "it may not."   |
|   | Insert "underbilled amounts" after "collect."  |
|   | Add a sixth sentence that states, "The maximum<br>period for which utilities are required to adjust bills<br>for overbilling is six years."  |
| WAC 480-90-178(5)(b)<br>WAC 480-100-178(5)(b)           | Delete "subsection" and replace with "rule."   |
| WAC 480-90-178(5)(b)(ii)<br>WAC 480-100-178(5)(b)(ii)   | First sentence – delete "For the<br>purpose of this rule," at the<br>beginning of the sentence.  |
|   | Insert "An" at the beginning of the sentence.  |
| WAC 480-90-178(5)(b)(iii)<br>WAC 480-100-178(5)(b)(iii) |  |
| WAC 480-90-178(5)(c)<br>WAC 480-100-178(5)(c)           | First sentence – delete "to identify<br>and repair or replace meters not<br>functioning correctly and identify meter usage<br>from" and replace with "that establish practices for<br>the prompt identification, repair and replacement of<br>meters that are not functioning correctly and for<br>identification of" after "must develop and maintain<br>procedures." |
|   | Second sentence – delete "These" and replace with "The" at the beginning of the sentence.  |
|   | Delete "procedures shall address steps taken to prevent corrected bills for underbilling errors" and   |

|   | replace with "objective of such procedures shall be<br>to mitigate the number of underbilling occurrences"<br>before "that exceed six months in duration."   |
|---|--|
|   | Delete third sentence.   |
|   | Delete fourth sentence.  |
|   | Fifth sentence – delete "The plan must include" and replace with "These procedures must address."  |
| WAC 480-90-178(5)(c)(i)<br>WAC 480-100-178(5)(c)(i)   | Delete "Procedures" and replace with "Practices" at the beginning of the sentence.   |
|   | Delete "billing errors resulting from, but not limited<br>to, billing errors" and replace with "the issuance of<br>corrected bills" before "due to incorrect prorated<br>bills."   |
|   | Delete "mislabeled meter bases" and replace with<br>"improperly assigned meters" after "due to incorrect<br>prorated bills."   |
|   | Delete "or" before "incorrect billing multipliers."  |
|   | Insert ", or any other event that may affect billing accuracy" after "incorrect billing multipliers."  |
| WAC 480-90-178(5)(c)(ii)<br>WAC 480-100-178(5)(c)(ii) | Delete "Procedures for investigating meter errors<br>including, but not limited to, those created by<br>stopped, slowed, and erratic usage meters" and<br>replace with "Processes for the investigation of<br>meter issues include, but are not limited to, stopped,<br>slowed, and erratic usage meters." |
|   | slowed, and chance usage meters.   |

| WAC 480-90-178(6)<br>WAC 480-100-178(6)       | First sentence - insert "or bi-monthly" after<br>"subsequent monthly."   |
|---|--|
| WAC 480-90-178(6)(e)<br>WAC 480-100-178(6)(e) | Delete section.  |
| WAC 480-90-178(6)(f)<br>WAC 480-100-178(6)(f) | Change section designation from (f) to (e).  |
| WAC 480-90-178(7)<br>WAC 480-100-178(7)       | First sentence – insert "Exceptions to billing correction rules."  |
|   | Second sentence, insert subsection (a) before<br>"Corrected bills."  |
|   | Delete "issued for the following purposes are<br>exempt from the provisions of subsection (5)(a) of<br>this section: Meter failure or malfunction of billing<br>error related to customer tampering with the<br>utility's property" and replace with "related to an<br>underbilling due to tampering or interfering with the<br>utility's property."                   |
|   | Delete "customer fraudulently obtaining service"<br>after "use of the utility's service through an illegal<br>connection, or the" and replace with "fraudulent use<br>of a utility's service, are exempt from the six-month<br>restriction set forth in subsection (5)(a) of this rule."   |
|   | Insert new subsection (b): "Adjustments for<br>underbilling of nonresidential customers will be<br>limited to six months. However, the utility may<br>extend this period for good cause if a longer period<br>is appropriate due to circumstances such as the<br>complexity of certain accounts, changing metering<br>configurations, load changes of large industrial |

|   | customers, special meter configurations involving<br>current transformers, or wiring reconfigurations by<br>the customer. Utilities must report to the<br>commission within sixty days the reasons for any<br>adjustments longer than six months." |
|---|--|
|   | Insert new subsection (c): "The utility may choose<br>not to issue a corrected bill to recover underbilled<br>amounts of less than \$50.00."   |
| WAC 480-90-178(7)(b)<br>WAC 480-100-178(7)(b) | Change to new section 480-90-178(8) and 480-100-178(8)   |
|   | First sentence – delete "billing error" after "a meter<br>failure or malfunction or a" and replace with<br>"situation where energy usage was inaccurately<br>billed."  |
|   | Second sentence – insert "(correction)" after "A bill true-up."  |

## 42 STATEMENT OF ACTION; STATEMENT OF EFFECTIVE DATE: After

reviewing the entire record, the Commission determines that WAC 480-90-178 and WAC 480-100-178 should be amended and adopted to read as set forth in Appendix B, as rules of the Washington Utilities and Transportation Commission, to take effect pursuant to RCW 34.05.380(2) on the thirty-first day after filing with the Code Reviser.

#### ORDER

### THE COMMISSION ORDERS:

(1) The Commission amends and adopts WAC 480-90-178 and WAC 480-100-178 to read as set forth in Appendix B as rules of the Washington Utilities and Transportation Commission, to take effect on the thirty-first day after the date of filing with the Code Reviser pursuant to RCW 34.05.380(2).

44 (2) This Order and the rule set out below, after being recorded in the order register of the Washington Utilities and Transportation Commission, shall be forwarded to the Code Reviser for filing pursuant to RCW 80.01 and RCW 34.05 and WAC 1-21.

DATED at Olympia, Washington, February 23, 2016.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Varid W Jann

DAVID W. DANNER, Chairman

In 2 Rodell

ANN E. RENDAHL, Commissioner

Note: The following is added at Code Reviser request for statistical

purposes:

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, amended 0, repealed 0; Federal Rules or Standards: New 0, amended 0, repealed 0; or Recently Enacted State Statutes: New 0, amended 0, repealed 0.

Number of Sections Adopted at Request of a Nongovernmental Entity: New 0, amended 0, repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, amended 2, repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, amended 0, repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, amended 0, repealed 0; Pilot Rule Making: New 0, amended 0, repealed 0; or Other Alternative Rule Making: New 0, amended 0, repealed 0.

# Appendix A

U-144155 Corrected Billing Issues Rulemaking Comment Summary Matrix

Appendix B

WAC 480-90-178 and WAC 480-100-178 - RULES