

July 21, 2015

***VIA ELECTRONIC FILING***

Steven V. King

Executive Director and Secretary

Washington Utilities and Transportation Commission

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**RE: Docket U-144155—Pacific Power & Light Company Comments**

Pacific Power & Light Company, a division of PacifiCorp (Pacific Power or Company), submits the following comments in response to the Washington Utilities and Transportation Commission’s (Commission) Notice of Opportunity to Submit Written Comments issued June 22, 2015, in Docket U-144155.

**General Comments**

Pacific Power appreciates the Commission’s efforts to clarify the rules governing corrected bills. In reviewing the draft rules proposed by Staff, Pacific Power notes there are other scenarios in which a customer would receive a corrected bill which are not related to a meter failure or malfunction. Pacific Power believes this is an appropriate opportunity to address these scenarios. Pacific Power worked collaboratively with the other utilities to provide proposed rule language that will achieve consistent handling of all corrected bill scenarios, not just those related to meter failure or malfunction. The draft rule language is enclosed as Attachment 1.

Additionally, throughout the proposed rules, “retroactive” has been used to describe a corrected bill. It is, however, not the common usage of the term and may cause confusion in the application of this rule. Because bills for metering or billing errors have previously been issued, Pacific Power proposes for clarity that the adjusted billing statement is simply referred to as a “corrected bill.”

Pacific Power also suggests for ease of application and clarity, all rules concerning a billing adjustment be reflected in WAC 480-100-178 and any conflict between what is proposed in WAC 480-100-178 and the existing rules should be eliminated at this time:

**Proposed** WAC 480-100-178(5)(a): No utility, upon discovery of a meter malfunction or failure, including but not limited to: stopped, slowed, erratic, or unassigned usage meters, may retroactively bill a customer for corrected usage charges that exceed six months from the date the error was discovered.

Current WAC 480-100-183(5)(a): 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;

(b) If the utility cannot identify the date the customer was first billed from a defective meter, the utility must refund or bill the customer for the proper usage, not to exceed six months.

Current WAC 480-100-128(2)(f): The utility has determined a customer has used service prior to applying for service. The utility must charge the customer for service used in accordance with the utility's filed tariff.

As noted above, the draft rules include a six month limitation for corrected bills when the utility discovers a meter error. However, if an error is identified through a customer-requested meter test in accordance with WAC 480-100-183(5)(a), the utility is required to bill from “the date the customer was first billed from a defective meter,” if that date is identifiable. Additionally, WAC 480-100-128(2)(f) requires unassigned usage be billed to the customer and does not contemplate a time limitation as proposed by Staff.

The Company offers the following comments to further clarify the draft rules and address all scenarios in which a bill correction would occur.

**Specific Comments**

Corrected Bill: Meter Failure or Malfunction

Pacific Power proposes for ease of use that this subsection be titled “Corrected Bill: Meter Failure or Malfunction.” Additionally, Pacific Power suggests the following:

* Pacific Power suggests that “unassigned usage meters” be removed from this subsection and addressed in its own subsection. Unassigned usage situations are not metering errors since the meter has not failed or malfunctioned. Unassigned usage simply occurs when service is being used at a site but the Company does not have a customer to bill.
* Based on concerns raised by the utilities at the May 20, 2015 workshop, Pacific Power proposes to limit the six-month adjustment limitation on corrected bills for meter failure or malfunction to residential customers only. Nonresidential customers may operate their business seasonally or shut down for several months due to financial reasons, making it difficult to identify a slowing or stopped meter.
* Pacific Power suggests an additional sentence be added to allow 60 days from the date the utility confirmed the under-billing or over-billing to issue the corrected bill. This would provide utilities with the time required to investigate meter failure and malfunctions, and process the appropriate billing adjustments.
* Pacific Power proposes deleting the statements that pertain to the development of procedures for identifying and repairing/replacing meters and the immediate investigation of meter errors and unassigned usage as they are unnecessary. The draft rule includes a built-in incentive for utilities to develop such procedures by enforcing a six-month limitation for corrected bills. Utilities that do not implement procedures are limited in their ability to adjust the bill and recover any charges from customers. However, should the Commission determine that the procedures be referenced in the rules, Pacific Power believes the development and implementation of metering procedures should be addressed in Part V, Metering Rules, for meter errors, and in WAC 480-100-128(2)(f) for unassigned usage.
* Pacific Power appreciates Staff’s proposal to require utilities to provide specific information regarding the corrected bill to customers. Pacific Power supports providing customers with information pertinent to the adjustments made on their account. However, Pacific Power believes some of the information proposed by Staff may cause confusion. Based on the Company’s experiences with its customer communications in all its jurisdictions, Pacific Power proposes the following changes:
* Make “The total amount due and payable” its own separate requirement.
* Modify “. . . an explanation of how the prior six months of usage was determined” to read “A breakdown of the bill correction for each month included in the corrected bill”. Most customers appreciate this information because they can compare the previously billed charges to the corrected charges.
* Modify “A description of the cause of the metering error” to read “The reason for the bill correction.” While a utility may know the cause for the corrected bill, e.g. stopped meter, slowing meter, etc., the technical reason for the meter failure or malfunction may have no meaning for the customer, and in some cases the cause of the meter malfunction is unknown. For the past several years, Pacific Power has provided customers with the reason for the bill correction when it issues a corrected bill and has found this to be the right amount of detail for the majority of its customers.
* Modify “The full time period in which the meter error affected the customer’s bill” to read “The time period covered by the bill correction” and eliminate “the date the error was discovered.” Pacific Power has concerns with a requirement to provide the full time period the error affected the customer’s bill if the corrected bill does not reflect the same time period. The meter may have been malfunctioning for eight months, and yet the Company will be correcting six months of bills. Having multiple dates on the bill will be confusing for customers and may prompt customer complaints.
* Modify “The actions taken to fix the malfunctioning meter” to read “The actions taken to eliminate the cause of the bill correction”.
* Eliminate “The actions taken to prevent a meter error from occurring in the future.” This information may not be known at the time the adjustment is made, i.e., problem with a particular make or model of a meter that is recognized after a period of months or years.

Corrected Bill: Billing Errors

Pacific Power proposes to add a subsection to WAC 480-100-178 to address corrected bills related to billing errors. Billing errors are not addressed in the current rules, and have been a source of ambiguity in the past. The Company proposes to define billing errors to include such things as an incorrect meter read, an incorrect rate schedule, a mislabeled meter base, misinformation during the installation of the meter, or an incorrect meter multiplier.

Pacific Power has been addressing billing adjustments in accordance with the Company’s Rule 10 tariff. However, adding a provision to address billing errors in the Commission’s rules would eliminate any ambiguity and help provide consistency throughout Washington utilities.

A time period of 36 months for under-billing and over-billing for billing errors is being proposed consistent with Pacific Power’s current tariff. As with the meter errors, Pacific Power is also recommending for billing errors an additional sentence be added to allow 60 days from the date the utility confirmed the under-billing or over-billing to issue the corrected bill. Other proposed changes are consistent with the proposed rules for meter failure or malfunctions.

Payment Arrangements

Pacific Power proposes adding subsection (7) to acknowledge a customer’s right to payment arrangements, or renegotiated payment arrangements, when a corrected bill is issued.  Although Pacific Power is proposing the payment plan language to be included in WAC 480-100-178, as an alternative, the language could be included as a separate subsection in WAC 480-100-138, Payment arrangements.

Unassigned Usage

Unassigned usage occurs when an individual uses the energy at a site prior to applying for service with the utility. It is unrelated to meter failure or malfunction. Unassigned usage is also unrelated to billing errors since the utility has not issued a bill for the usage. Since WAC 480-100-128(2)(f) addresses unassigned usage, Pacific Power proposes to include a separate subsection to clarify this distinction and refer back to the appropriate rule.

Theft, Tampering or Fraud

WAC 480-100-128(2)(a)(i)(A) allows for utilities to collect from customers the “tariffed rate for service that the utility estimates was used as a result of the theft, tampering, or fraud”. To ensure utilities maintain this right, Pacific Power proposes an exemption to the limitations on corrected bills for meter and billing errors, and bills for unassigned usage related to theft, tampering, and fraud.

Estimated Bills

Similarly, an estimated bill issued in accordance with WAC 480-100-178(I)(i) and (ii) is unrelated to meter failure and malfunction or billing errors. When a utility is unable to obtain a meter reading due to circumstances such as access or weather issues, the utility will provide a bill based on an estimated meter reading. Once an actual metering reading is obtained the subsequent billing is a true-up or catch-up bill, not a correction of a prior billing statement. Since the current rules already address estimated reads and the associated estimated bills, Pacific Power proposes to clarify the distinction and refer back to the appropriate section.

Exclusion from Revenue Requirement

Pacific Power proposes deleting the proposed rule language that the utility exclude unbilled charges that exceed six months from its revenue requirement as it would require an onerous and burdensome process. Further, regulatory treatment of utility costs should be considered in the context of a general rate proceeding. The utility’s records may be reviewed during a general rate case and the Commission may determine whether an adjustment to revenue is needed at that time.

Pacific Power appreciates the opportunity to provide these comments. If you have any questions regarding these comments, please contact Barbara Coughlin, Director, Customer & Regulatory Liaison, at (503) 331-4306.

Sincerely,

R. Bryce Dalley

Vice President, Regulation

Enclosures