

July 21, 2015

***Via Electronic Mail***

Steven V. King, Executive Director and Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
1300 S. Evergreen Park Drive S.W.  
Olympia, Washington 98504-7250

**Re: Docket U-144155: Comments of Puget Sound Energy, Inc. on Rulemaking to Consider Amending Billing Requirements for Electric and Natural Gas Companies**

Dear Mr. King:

Puget Sound Energy, Inc. (“PSE”) submits the following comments in response to the request in the Washington Utilities and Transportation Commission’s (“Commission”) June 22, 2015 Notice of Opportunity to Submit Written Comments (“Notice”) issued in Docket U-144155.

PSE appreciates the Commission’s efforts to clarify its rules regarding utility practices in issuing corrective bills. PSE’s comments below follow the proposed draft rule attached in the Commission’s notice. In addition, PSE has attached as Attachment A an alternative draft rule developed jointly with other utilities and consistent with PSE’s comments. PSE supports the intent of the Commission’s draft rules and offers the following comments and proposed language to provide greater clarity and to better align the final rule with existing statutes. The proposed language in Attachment A represents the viewpoints of the energy utilities including Pacific Power, NW Natural, Avista and PSE.

**Comments**

*Unassigned Energy Usage (“UEU”)*: UEU is unrelated to meter malfunctions or billing errors. UEU occurs at a location before the current occupant applies for utility service and becomes a utility customer. In addition, WAC 480-100-128(2)(f) and WAC 480-90-128(2)(f) already addresses the billing of unassigned usage. UEU issues should be considered outside of this rulemaking or at most the Commission could consider including a subsection in these rules to clarify that UEU will be billed by the utility in accordance with WAC 480-100-128(2)(f) and WAC 480-90-128(2)(f).

*Six-Month Adjustment Limit:* PSE supports a six-month adjustment limit on corrected bills for meter errors to residential customers. Non-residential customers should not be subject to the six-month limit because the varying nature of this customer class makes it difficult for the utility to identify slowed or stopped meters. For example, businesses may operate seasonally, temporarily close, or not notify the utility of equipment or facility changes. Utilities require flexibility to address the varying scenarios that occur with non-residential versus residential customers.

*Revenue Requirement Exclusion:* PSE proposes not to include any language in the final rule that would require utilities to exclude from their revenue requirement any unbilled charges that exceed six months from the date the error was discovered. Ratemaking treatment of unbilled charges should be considered as part of a general rate case and are not appropriate to include in this proposed rule.

*Communicating Errors With Customers:* PSE appreciates the Commission's intention to provide the customer with more detailed information in the event of a meter malfunction or failure. However, PSE suggests alternative language in Attachment A sub-section (5)(d) that is designed to provide customer's with commonsense information that meets their expectations. For example, providing the information about the time period the error affected the customer's bill as customers can see on their corrected bills is more relevant than the particular date that the error was discovered by the utility as suggested in (5)(c)(iii)(C) of the draft Commission rule. Another example is providing a description of the meter or billing error instead of the "cause" of the error as drafted in (5)(c)(iii)(B) of the draft Commission rule. PSE's experience indicates that a better approach is to provide the customer with a simple description of the meter or billing error such as 'stopped meter' or 'slowing meter' without specific technical details.

*Billing Errors:* PSE encourages the Commission to include a sub-section under these rules to address corrected bills related to billing errors. The current rules do not specifically address billing errors and a separate sub-section would provide greater clarity and consistency. PSE suggests language for the Commission to consider in sub-section (6) of Attachment A.

*Meter Tampering:* PSE supports the Commission including additional language in the rule that exempts utilities from any limitations on the corrected bills for meter or billing errors associated with meter fraud, tampering or theft. PSE suggests further clarification language for the Commission to consider in sub-section (9) of Attachment A to call out the billing-correction exception for such illegal activity.

*Procedures for Metering:* PSE proposes to strike the language in the draft rule requiring utilities to develop and maintain procedures for identifying and repairing or replacing meters that are not functioning correctly (5)(c)(i). The requirement is unnecessary as utilities have a

natural incentive to develop and maintain these procedures if the Commission adopts a six-month limit for corrected bills on meter errors for residential customers.

PSE appreciates the opportunity to provide responses and proposed language to the Commission's Notice of Opportunity to File Written Comments. Please contact Kathie Barnard at (425) 462-3716 or Nate Hill at (425) 457-5524 for additional information about this filing. If you have any other questions please contact me at (425) 456-2110.

Sincerely,



Ken Johnson  
Director, State Regulatory Affairs

# **Attachment A**

## WAC 480-100-178 and 480-90-178

### (5) Corrected Bills: Meter Failure or Malfunction

- (a) Upon discovery of an under-billing or over-billing resulting from a meter failure or malfunction, a utility may issue a corrected bill to a customer to recover under- or over-billed amounts under rate schedules in effect when the billing statement with under- or over-billed amount was rendered. The utility may recover such amounts for the period that the error occurred, but in no case shall a residential customer be issued a corrected bill for a period greater than six billing months, except as provided for in subsection (9). The utility will have 60 days from the date the utility confirmed the under- or over-billing to issue the corrected bill.
- (b) For the purposes of this subsection (5):
  - (i) A meter failure or malfunction is defined as: a mechanical malfunction or failure that prevents the meter or any ancillary data collection and transmission device from registering or transmitting the actual amount of energy used by the customer. A meter failure or malfunction includes, but is not limited to a stopped meter, a meter that is faster or slower than the metering tolerance specified in WAC 480-90-338 or WAC 480-100-338, or an erratic meter.
- (c) For the purpose of this rule, a corrected bill may take the form of a new restated bill or may be reflected as a line item adjustment on a subsequent monthly bill. When a corrected bill is issued the utility must provide the following information on the corrected bill or in a letter sent to the customer:
  - (i) The total amount of the bill correction that is then due and payable;
  - (ii) A breakdown of the bill correction for each month included in the corrected bill;
  - (iii) The reason for the bill correction;
  - (iv) The time period covered by the bill correction; and
  - (v) The actions taken to eliminate the cause of the bill correction.

### (6) Corrected Bills: Billing Errors

- (a) Upon discovery of an under- or over-billing resulting from a billing error, a utility may issue a corrected bill to a customer to recover under- or over-billed amounts under rate schedules in effect when the billing statement with under- or over-billed amount was rendered. The utility may recover such amounts for the period that the error occurred, but in no case shall the residential customer be issued a corrected bill for a period greater than 36 billing months, except as provided for in subsection (9). The utility will have 60 days from the date the utility confirmed the under- or over-billing to issue the corrected bill.
- (b) For the purposes of this subsection (6):
  - (i) A billing error is defined as: incorrect billing of an account due to some error which results in incorrect charges to the customer, including but not limited to: incorrect meter read, incorrect prorated bill, mislabeled meter base, incorrectly installed meter, incorrect billing rate schedule, or incorrect billing multiplier.
- (c) When providing a corrected bill for a billing error, a utility must include the information specified in subsection (5)(c).

(7) The utility must offer payment arrangements in accordance with WAC 480-90-138(2) or WAC 480-100-138(2), Payment arrangements.

(8) The utility will issue a bill for unassigned usage used in accordance with WAC 480-90-128(2)(f) and WAC 480-100-128(2)(f). Bills will comply with WAC 480-90-178 and WAC 480-100-178.

(9) The provisions of sections (5)(a) and (6)(a) shall not apply if the utility determines the meter failure or malfunction or billing error was related to tampering with the utility's property, use of the utility's service through an illegal connection, or the customer fraudulently obtaining service.

(10) An estimated meter read made in accordance with subsection (1)(i) is not considered a meter failure or malfunction or a billing error. A bill true-up based on an actual meter reading after one or more estimated bills is not considered a corrected bill for purpose of subsections (5) and (6).