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VIA ELECTRONIC FILING

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WASHINGTON UTILITIES &
TRANSPORTATION COMMISSION
1300 S Evergreen Park Drive, SW
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RE: Docket No. U 144155: NW Natural Comments
Rulemaking to Consider Amending Billing Requirements for Electric and Natural Gas Companies

Northwest Natural Gas Company, dba NW Natural (“NW Natural” or the “Company”), submits the following comments in response to the Washington Utilities & Transportation Commission’s (“Commission”) June 22, 2015 Notice of Opportunity to File Written Comments (the “Notice”) issued in Docket U-144155. The Notice states that a CR 101 was filed to consider the adoption of rules within Washington Administrative Code (WAC) 480-90-178 and WAC 480-100-178, Billing requirements and payment date. The Notice further states that the Commission has developed draft rules and is seeking written comments from interested persons related to the draft rules.

Please note that NW Natural’s comments are generally structured to follow the draft rule issued with the Commission Notice. NW Natural also provides with this submission a suggested alternative draft rule that is consistent with our comments below, for the Commission’s consideration. The alternative draft rule was developed through discussions with Pacific Power, Puget Sound Energy, NW Natural, and Cascade Natural Gas, although each utility may offer some slight variations to the proposed language.

Comments

1. **General.** NW Natural supports the Commission’s efforts to clarify its rules regarding utility practices around the issuance of corrective bills. However, we are concerned that the proposed rule language is overly narrow, leaving bill corrections that do not relate to meter failure or malfunction unaddressed and left to individual utility practice. NW Natural recommends that the Commission take this opportunity to incorporate language that will lead to consistent practices among the utilities for handling any bill correction. Suggested language to address other billing errors is included in the draft rule provided with these comments.

If the Commission is solely interested in addressing bill corrections due to meter failure or malfunction, then NW Natural offers that the more appropriate approach may be to accomplish this with a modification to WAC 480-90-183 [480-100-183]. This could be as simple as changing the title of the rule

and adding a new provision relating to utility initiated meter tests. We include suggested changes for consideration if this is the preferred approach (see document titled Option 1 WAC 480-90-183).

On the other hand, if the Commission's preference is to incorporate the narrow language pertaining to meter failure or malfunction within WAC 480-90-178 [480-100-178] then the Commission should simultaneously modify WAC 480-90-183(5) [480-100-183(5)] to remove the current language at subsections (a) and (b), and instead add language that refers to WAC 480-90-178(5) [480-100-178(5)] for making a bill correction (see document titled Option 2 WAC 480-90-183). NW Natural is concerned that if WAC 480-90-183 [480-100-183] is not also revised, it would unnecessarily differentiate practices for bill corrections that are discovered by the Company from bill corrections that are discovered through a customer requested meter test.

2. **Section (5)(a).** NW Natural suggests that the word "retroactive" be eliminated. The word retroactive typically carries a different connotation than Commission Staff has used in its draft rule. The use of the term "corrected bill" is sufficient.

NW Natural will not oppose the proposal to limit the bill correction related to a meter failure or malfunction to six months, provided (a) that this limitation is applicable only to residential customers, and (b) that it excludes situations where tampering or theft has occurred. This position is consistent with what was discussed at the May 20, 2015 workshop.

3. **Section (5)(b).** It is not necessary to define the term "meter" in this rule. NW Natural recognizes that the intent of Staff may be to clarify what constitutes a meter failure or malfunction, and an alternative approach to achieving this is shown in the draft rule included with these comments.
4. **Section (5)(c)(i).** There are existing rules that establish requirements for utilities to develop and maintain procedures for meter testing, repairing and replacement. As such, the language in Section (5)(c)(i) is unnecessary and should be deleted.
5. **Section (5)(c)(ii).** Similar to the comment above, there are existing rules that govern the utilities actions regarding meter accuracy and testing. As such, it is not necessary to include this language in this rule.

In addition, NW Natural objects to the inclusion of unassigned usage in this rule. Unassigned usage is not related to a meter failure or malfunction, and it is not the result of a billing error. Further, the handling of unassigned usage is already governed under WAC 480-90-128(2)(f) [480-100-128(2)(f)], and there has been no evidence or justification provided by Commission Staff to support a change to that rule. At a minimum, Staff's proposed inclusion of unassigned usage in the new WAC 480-90-178 provision cannot be adopted without at the same time revising WAC 480-90-128(2)(f) [480-100-128(2)(f)].

6. **Section (5)(c)(iii).** Suggested revisions to this section are shown in the draft rule included with these comments. The attached draft rule addresses the following concerns:

- (A) Due and Payable. This should be specific to the amount of the bill correction, exclusive of any other amounts due for service. We offer alternative language for the explanation of the usage determination. NW Natural also proposes that the customer have the option to request a detailed breakdown for the time period relating to the bill correction, but this is not something

that is required to be included with the bill correction. In many cases, NW Natural will reflect the bill correction as a single line item on a subsequent bill, and to require that a detailed breakdown be included with every bill correction could be difficult to accommodate.

- (B) Description. We suggest a change to “the reason for the bill correction.”
- (C) Time Period. We are concerned that a requirement to provide the full time period – particularly when the bill correction is not for the full time period – will create customer confusion and potentially increase customer complaints. We suggest changing this to “the time period covered by the bill correction.”
- (D) Actions to Fix. We suggest changing this to “actions taken to eliminate the cause of the bill correction.”
- (E) Actions to Prevent. This should be eliminated. Particularly with a meter failure or malfunction, there is nothing within the power of the utility that can be done or promised to prevent a future meter failure or malfunction from occurring.

7. **Section (5)(c)(iv)**. This section should be eliminated. First, it is administratively onerous and burdensome on the utility and would require utilities to implement significant CIS and Accounting system changes as well as other process changes that are not currently in place, the cost of which would likely far exceed any potential value to ratepayers. Second, regulatory treatment of costs are properly considered in the context of a general rate proceeding and there are existing policies and practices in place within such proceedings to address any revenue requirement adjustments.
8. **New Items**. In addition to addressing the items reflected in Staff’s proposed draft, the following new sections are also included in the proposed draft rule submitted herewith:
 - a. Section (6). The purpose of this new section is address the requirements for issuing a corrected bill related to a billing error that is not specific to a meter failure or malfunction.
 - b. Section (7). The purpose of this new section is to address the offering of a payment arrangement for a bill correction due to an under-billing. The availability of a payment arrangement is already provided for in WAC 480-90-183(6), but we note that the reference in that rule to WAC 480-90-138(2) for payment arrangements is not directly on point for a bill correction of this nature. As such, rather than reference WAC 480-90-138(2), we propose that the requirements for payment plans be specifically stated.
 - c. Section (8). The purpose of this new section is to clarify that bills for unassigned usage are subject to WAC 480-90-178 so as to eliminate any confusion between a bill for unassigned usage and a corrected bill.
 - d. Section (9). The purpose of this new section is to set forth the exceptions where tampering or illegal use is involved.
 - e. Section (10). The purpose of this new section is to clarify that a bill issued based on an estimated bill is not a corrected bill.

NW Natural appreciates the opportunity to comment in this proceeding. We would welcome a second workshop to discuss the utility comments and suggested changes to the draft rule should the Commission find it helpful.

Please address correspondence on this matter to me with copies to the following:

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Sincerely,

NW NATURAL

/s/ Onita King

Onita R. King
Rates and Regulation

Attachments (3):

Option 1 WAC 480-90-183
Option 2 WAC 480-90-183
Draft Rule WAC 480-90-178

WAC 480-90-183

~~Complaint M~~meter tests.

(1) In addition to any meter testing required by WAC 480-90-343, a gas utility must perform a meter test on any meter that the utility identifies, from its billing records or other sources, may not be properly registering gas usage.

(2) A gas utility must test and report ~~to the customer~~ the accuracy of a meter upon a customer request. The meter test must be performed within twenty business days from the date of the after receiving an initial customer request from a customer. The utility must allow the customer to order one meter test free of charge during a twelve-month period. The utility may appeal to the commission to waive the responsibility of performing the meter test, to request an extension to perform the meter test, or to be allowed to charge for the meter test. If the customer disputes the accuracy of the meter, the customer must allow the utility access for meter testing.

(3) The customer may, at the customer's option, either witness the meter test or designate a representative to witness the test. The customer may require the meter to be sealed upon removal in the presence of the customer or the customer's representative. The seal must not be broken until the test is made in the presence of the customer or the customer's representative, or until permission to break the seal has been granted by the commission. The utility must report the results of the meter test to the customer.

(4) A customer may request the utility to perform additional meter tests within twelve months of the last meter test, but additional meter tests will not delay disconnection of service under of WAC 480-90-128(9), Disconnection of service. The utility must immediately inform the customer of any additional meter test charges. If the customer elects to have the meter test performed, the utility must perform the test and report the test results to the customer within twenty business days. If the additional meter test results show the meter is performing accurately as defined in WAC 480-90-338, Metering tolerance, the utility may charge the customer for performing the additional meter tests. The charge of the meter test must be listed in the utility's tariff. The utility may not charge the customer for any additional meter test that shows the meter is performing outside acceptable tolerance levels as defined in WAC 480-90-338, Metering tolerance.

(5) If the customer disputes any meter test result, the utility or the customer may contact the commission to review the complaint. When the commission has notified the utility that a complaint has been received regarding the customer's meter, the utility may not change the meter in any manner unless authorized by the commission. If the utility violates this provision, the commission may consider it as supporting the customer's dispute since the change might affect the proof of the dispute. The commission may require the utility to perform an additional test and report the test results to the commission within ten business days.

(6) If a meter test reveals a meter error greater than specified as acceptable in WAC 480-90-338, Metering tolerance, the utility must repair or replace the meter at no cost to the customer. The utility ~~must~~ may adjust previously issued the bills to the customer based on the best information available to determine the appropriate charges. The utility must offer payment arrangements for an under-billing for a period equal in length to the period of the corrected bill. If the customer is already on a payment arrangement, the utility must offer to renegotiate the payment arrangement to include the under-billing amount. in accordance with WAC 480-90-138(2), Payment arrangements.

(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, but in no case shall a residential customer be issued a corrected bill for a period greater than six billing months;

(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.

(7) Reports. The commission may require the utility to provide meter test results for meter tests performed under Section (1) or (2) of this rule to the commission ~~in response to a customer's complaint~~. These reports must contain the name or address of the customer, the meter manufacturer's name, the manufacturer's and utility's meter number, the size or capacity of the meter, the date the meter was tested, the reading of the meter when tested, the accuracy of the meter as found, and the accuracy of the meter after adjustment.

WAC 480-90-183

Complaint meter tests.

(1) A gas utility must test and report to the customer the accuracy of a meter within twenty business days after receiving an initial request from a customer. The utility must allow the customer to order one meter test free of charge during a twelve-month period. The utility may appeal to the commission to waive the responsibility of performing the meter test, to request an extension to perform the meter test, or to be allowed to charge for the meter test. If the customer disputes the accuracy of the meter, the customer must allow the utility access for meter testing.

(2) The customer may, at the customer's option, either witness the meter test or designate a representative to witness the test. The customer may require the meter to be sealed upon removal in the presence of the customer or the customer's representative. The seal must not be broken until the test is made in the presence of the customer or the customer's representative, or until permission to break the seal has been granted by the commission. The utility must report the results of the meter test to the customer.

(3) A customer may request the utility to perform additional meter tests within twelve months of the last meter test, but additional meter tests will not delay disconnection of service under of WAC [480-90-128\(9\)](#), Disconnection of service. The utility must immediately inform the customer of any additional meter test charges. If the customer elects to have the meter test performed, the utility must perform the test and report the test results to the customer within twenty business days. If the additional meter test results show the meter is performing accurately as defined in WAC [480-90-338](#), Metering tolerance, the utility may charge the customer for performing the additional meter tests. The charge of the meter test must be listed in the utility's tariff. The utility may not charge the customer for any additional meter test that shows the meter is performing outside acceptable tolerance levels as defined in WAC [480-90-338](#), Metering tolerance.

(4) If the customer disputes any meter test result, the utility or the customer may contact the commission to review the complaint. When the commission has notified the utility that a complaint has been received regarding the customer's meter, the utility may not change the meter in any manner unless authorized by the commission. If the utility violates this provision, the commission may consider it as supporting the customer's dispute since the change might affect the proof of the dispute. The commission may require the utility to perform an additional test and report the test results to the commission within ten business days.

(5) If a meter test reveals a meter error greater than specified as acceptable in WAC [480-90-338](#), Metering tolerance, the utility must repair or replace the meter at no cost to the customer. The utility ~~must~~ may adjust ~~previously issued the bills to the customer as set forth in WAC 480-90-178(5). based on the best information available to determine the appropriate charges.~~ The utility must offer payment arrangements for an under-billing for a period equal in length to the period of the corrected bill. If the customer is already on a payment arrangement, the utility must offer to renegotiate the payment arrangement to include the under-billing amount. - in accordance with WAC 480-90-138(2), Payment arrangements.

~~(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.~~

(6) Reports. The commission may require the utility to provide meter test results to the commission in response to a customer's complaint. These reports must contain the name or address of the customer, the meter manufacturer's name, the manufacturer's and utility's meter number, the size or capacity of the meter, the date the meter was tested, the reading of the meter when tested, the accuracy of the meter as found, and the accuracy of the meter after adjustment.

Draft Rules for Corrected Bills (WAC 480-90-178)
NWN Version: 7/21/2015

WAC 480-100-178

(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 for the under- or over-billed amounts under rate schedules in effect when the billing statement with the under- or over-billed service 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 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) The reason for the bill correction;
 - (iii) The time period covered by the bill correction;
 - (iv) The actions taken to eliminate the cause of the bill correction; and
 - (v) The availability of a breakdown of the bill correction for each month included in the corrected bill upon a customer request.

(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 for the under- or over-billed amounts under rate schedules in effect when the billing statement with the 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) When a utility issues a corrected bill for an under-billing, the customer shall be eligible for payment arrangements for a period equal in length to the period of the corrected bill. If the customer is already on a payment arrangement, the utility must offer to renegotiate the payment arrangement to include the under-billing amount.
- (8) The utility will issue a bill for unassigned usage used in accordance with WAC 480-90-128(2)(f). Bills will comply with WAC 480-90-178.
- (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).