

Secretary of State
NOTICE OF PROPOSED RULEMAKING*
A Statement of Need and Fiscal Impact accompanies this form

AR 584
FILED
9-15-14 2:19 PM
ARCHIVES DIVISION
SECRETARY OF STATE

Public Utility Commission of Oregon

Agency and Division

860

Administrative Rules Chapter Number

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RULE CAPTION

Amendments to Rules Regarding Adjustment of Utility Bills

Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

RULEMAKING ACTION

Secure approval of rule numbers with the Administrative Rules Unit prior to filing

ADOPT:

AMEND:

860-021-0135, 860-036-0135, 860-037-0120

REPEAL:

RENUMBER: Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

AMEND AND RENUMBER: Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

Statutory Authority:

ORS Ch. 183,756,757

Other Authority:

Statutes Implemented:

ORS 756.040, 757.077, 757.250

RULE SUMMARY

The proposed rule changes provide flexibility to the utilities by eliminating the requirement established in docket AR 579 to "back-bill" closed accounts for under-billed amounts. These changes will reduce administrative burdens and provide utilities discretion in the treatment of errors or incorrect information.

The PUC encourages participants to file written comments as early as practicable in the proceedings so that other participants have the opportunity to consider and respond to the comments before the deadline. Please reference Docket No. AR 584 on comments and file them by e-mail to the PUC's Filing Center at PUC.FilingCenter@state.or.us and also send a signed paper copy to the Filing Center at PO Box 1088, Salem, OR 97308-1088.

Interested persons may review all filings online at <http://apps.puc.state.or.us/edockets/docket.asp?DocketID=19189>. For guidelines on filing and participation, please see OAR 860-001-0140 through 860-001-0160 and 860-001-0200 through 860-001-0250 found online at http://arcweb.sos.state.or.us/pages/rules/oars_800/oar_860/860_001.thml.

A public rulemaking hearing may be requested in writing by 10 or more people, or by an association with 10 or more members, within 21 days following the publication of the Notice of Proposed Rulemaking in the Oregon Bulletin or 28 days from the date Notice was sent to people on the agency mailing list, whichever is later. If sufficient hearing requests are received, the notice of the date and time of the rulemaking hearing must be published in the Oregon Bulletin at least 14 days before the hearing.

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative

Last Day (*m/d/yyyy*) and Time
for public comment

Rules Coordinator Name

Email Address

AR 584

*The Oregon Bulletin is published on the 1st of each month and updates the rule text found in the Oregon Administrative Rules Compilation.

Secretary of State
STATEMENT OF NEED AND FISCAL IMPACT
A Notice of Proposed Rulemaking accompanies this form.

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Administrative Rules Chapter Number

Amendments to Rules Regarding Adjustment of Utility Bills

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of:

Amendments to Rules Regarding Adjustment of Utility Bills

Statutory Authority:

ORS Ch. 183,756,757

Other Authority:

Statutes Implemented:

ORS 756.040, 757.077, 757.250

Need for the Rule(s):

The rule changes are needed to provide flexibility to the utilities by eliminating the requirement established in docket AR 579 to "back-bill" all closed accounts for under-billed amounts. These changes will reduce administrative burdens and provide utilities discretion in the treatment of errors or incorrect information.

Documents Relied Upon, and where they are available:

Order No. 14-230 found online at http://apps.puc.state.or.us/2014_ords/14-230.pdf

ORS 757.077 found online at https://www.oregonlegislature.gov/bills_laws/lawsstatutes/2013ors757.html

Fiscal and Economic Impact:

Providing the utilities with discretion and flexibility reduces administrative burden and therefore costs to ratepayers. Because the utilities have not yet had time to gather and provide administrative burden information as a result of the rule changes, the magnitude of the potential savings to utilities and ratepayers cannot be quantified at this time.

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

Only regulated utilities are subject to the proposed rule changes. Bad debt write-offs for former customers (closed accounts) may increase, but under the rule changes costs for calculation of bills, printing, mailing, and collection activities, which may total more than the amount of the "back bill," may be avoided.

2. Cost of compliance effect on small business (ORS 183.336):

a. Estimate the number of small business and types of businesses and industries with small businesses subject to the rule:

Regulated electric, natural gas, water, and wastewater utilities are subject to the rules. PUC Staff estimates that there are about 85 small water companies subject to the rules.

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:

The changes may reduce reporting, recordkeeping and other administrative activities required for compliance.

c. Equipment, supplies, labor and increased administration required for compliance:

The changes may reduce labor and administration required for compliance.

How were small businesses involved in the development of this rule?

This rulemaking was initiated by comments received by Staff from utilities subject to the rules.

Administrative Rule Advisory Committee consulted?:No

If not, why?:

The rule changes in docket AR 579 initially resulted from changes to the law. These changes address unforeseen consequences and PUC Staff sought informal comment from members of the industry and consumer advocates.

10-22-2014 5:00 p.m.	Diane Davis	diane.davis@state.or.us
Last Day (m/d/yyyy) and Time for public comment	Printed Name	Email Address

Administrative Rules Unit, Archives Division, Secretary of State, 800 Summer Street NE, Salem, Oregon 97310.

ARC 925-2007

860-021-0135

Adjustment of Utility Bills

(1) Except as provided in section (7) of this rule, when a large telecommunications utility has incorrectly billed a customer, the large telecommunications utility must take corrective action as follows:

(a) If the date of the error can be determined, the large telecommunications utility must issue a bill credit or refund for the over charge or a corrected bill for the under charge back to such date. If the date of the error cannot be determined, the large telecommunications utility must refund the over charge or rebill the under charge for no more than six months' usage.

(b) In no event may a large telecommunications utility issue a corrected bill or refund for more than three years of incorrectly billed charges.

(2) Except as provided in sections (6) and (7) of this rule, if an energy utility determines that a current or former customer of the energy utility was under-billed or over-billed for a service provided by the energy utility under rate schedules or tariffs in effect when the service was provided:

(a) The energy utility ~~must~~may issue a bill to collect amounts previously under-billed during the 12-month period ending on the date on which the customer or former customer was last under-billed. The energy utility may not bill for services provided more than two years before the date the energy utility discovered the under-billing.

(b) The energy utility must issue a refund or bill credit for amounts previously over-billed during the 12-month period ending on the date on which the customer or former customer was last over-billed. The energy utility is not required to issue a refund or bill credit for amounts over-billed more than three years before the date the energy utility discovered the over-billing.

(3) Notwithstanding subsections (1)(a) and (2)(a) of this rule, if the under-billing was the result of fraud, tampering, diversion, theft, misinformation, false identification, or other unlawful conduct on the part of the customer or former customer of the energy or large telecommunications utility, the utility may collect full payment for any amount owed without limitation.

(4) When a utility issues a bill to collect under-billed amounts, a current or former customer of an energy utility, or current customer of a telecommunications utility, may enter into a time-payment agreement as provided in OAR 860-021-0415. If the utility customer is already on a time-payment plan, the utility must offer to renegotiate the payment plan to include the under-billing error. If the customer and utility cannot agree upon payment terms, the Commission will establish terms and conditions to govern the customers' obligation. This section does not apply if the corrected billing is the result of the conditions listed in section (3) of this rule.

(5) When an energy or large telecommunications utility requires payment for amounts previously under-billed, the utility must provide a written notice that explains:

- (a) The circumstance and time period of the under-billing;
- (b) The corrected bill amount and the amount of the necessary adjustment,
- (c) The Commission's consumer complaint process; and

(d) The right of current or former customers of an energy utility or current customers of a telecommunications utility to enter into a time-payment agreement with the utility.

(6) A billing adjustment is not required if an electric or gas meter registers less than a two percent error under conditions of normal operation.

(7) The energy or large telecommunications utility may waive rebilling or issuing a refund check when costs make such action uneconomical.

Stat. Auth.: ORS 183, ORS 756, ORS 757 & ORS 759

Stats. Implemented: ORS 756.040 & ORS 757.250

Hist.: PUC 164, f. 4-18-74, ef. 5-11-74 (Order No. 74-307); PUC 5-1983, f. 5-31-83, ef. 6-1-83 (Order No. 83-284); Renumbered from 860-021-0030; PUC 16-1990, f. 9-28-90, cert. ef. 10-1-90 (Order No. 90-1105); PUC 13-1997, f. & cert. ef. 11-12-97 (Order No. 97-434); PUC 11-1998, f. & cert. ef. 5-7-98 (Order No. 98-188); PUC 4-1999, f. & cert. ef. 8-12-99 (Order No. 99-488); PUC 16-2001, f. & cert. ef. 6-21-01 (Order No. 01-488); PUC 5-2014, f. & cert. ef. 6-26-14 (Order No. 14-230)

860-034-0130

Adjustment of Utility Bills

(1) When a small telecommunications utility has incorrectly billed a retail customer, the utility must take corrective action as follows:

(a) If the date of the error can be determined, the small telecommunications utility must issue a bill credit or refund for the over-charge or a corrected bill for the under-charge back to such date. If the date of the error cannot be determined, the small telecommunications utility must issue a refund or bill credit for the over-charge or rebill the under-charge for no more than six months' usage.

(b) In no event may a small telecommunications utility issue a corrected bill or refund for more than three years of incorrectly billed charges.

(2) When a small telecommunications utility issues a bill to collect under-billed amounts, a customer may enter into a time-payment agreement as provided in OAR 860-034-0276. If the utility customer is already on a time-payment plan, the utility must offer to renegotiate the payment plan to include the under-billing error. If the customer and utility cannot agree upon payment terms, the Commission will establish terms and conditions to govern the customers' obligation.

(3) When a small telecommunications utility requires payment for amounts previously under-billed, the utility must provide a written notice that explains:

- (a) The circumstance and time period of the under-billing;
- (b) The corrected bill amount and the amount of the necessary adjustment,
- (c) The Commission's consumer complaint process; and
- (d) The right for a customer to enter into a time-payment agreement with the utility.

(4) The small telecommunications utility may waive rebilling or issuing a refund check when costs make such action uneconomical.

Stat. Auth.: ORS 183, 756 & 759

Stats. Implemented: ORS 759.045

Hist.: PUC 6-1993, f. & cert. ef. 2-19-93 (Order No. 93-185); PUC 12-1998, f. & cert. ef. 5-7-98 (Order No. 98-188); PUC 4-1999, f. & cert. ef. 8-12-99 (Order No. 99-488); PUC 15-2001, f. & cert. ef. 6-21-01 (Order No. 01-488); PUC 6-2009, f. & cert. ef. 5-5-09 (Order No. 09-157); PUC 5-2014, f. & cert. ef. 6-26-14 (Order No. 14-230)

860-036-0135

Adjustment of Bills

(1) Except as provided in sections (4) and (5) of this rule, if a water utility determines that a current or former customer of the water utility was under-billed or over-billed for a service provided by the water utility under rate schedules or tariffs in effect when the service was provided:

(a) The water utility **must** issue a bill to collect amounts previously under-billed during the 12-month period ending on the date on which the customer or former customer was last under-billed. The water utility may not bill for services provided more than two years before the date the utility discovered the under-billing.

(b) The water utility must issue a refund or bill credit for amounts previously over-billed during the 12-month period ending on the date on which the customer or former customer was last over-billed. The water utility is not required to issue a refund or bill credit for amounts over-billed more than three years before the date the utility discovered the over-billing.

(c) Notwithstanding subsection (1)(a) of this rule, if the under-billing was the result of fraud, tampering, diversion, theft, misinformation, false identification, or other unlawful conduct on the part of the customer or former customer of the water utility, the water utility may collect full payment for any amount owed without limitation.

(2) When a water utility issues a bill to collect under-billed amounts, a current or former customer of a water utility may enter into a time-payment agreement as provided in OAR 860-036-0125. If the utility customer is already on a time-payment plan, the water utility must offer to renegotiate the payment plan to include the under-billing error. If the customer and water utility cannot agree upon payment terms, the Commission will establish terms and conditions to govern the customers' obligation. This section does not apply if the corrected billing is the result of the conditions listed in subsection (1)(c) of this rule.

(3) When a water utility requires payment for amounts previously under-billed, the utility must provide a written notice that explains:

- (a) The circumstance and time period of the under-billing;
- (b) The corrected bill amount and the amount of the necessary adjustment,
- (c) The Commission's consumer complaint process; and
- (d) The right for a current or former customer to enter into a time-payment agreement with the utility.

(4) A billing adjustment is not required if a water meter registers less than a two percent error under conditions of normal operation.

(5) The water utility may waive rebilling or issuing a refund check when the costs make such action uneconomical.

Stat. Auth.: ORS 183, 756, 757

Stats. Implemented: ORS 756.040, 757.250

Hist.: PUC 13-1997, f. & cert. ef. 11-12-97 (Order No. 97-434); PUC 15-1998, f. & cert. ef. 8-27-98 (Order No. 98-359); PUC 9-1999(Temp), f. 10-22-99, cert. ef. 10-23-99 thru 4-19-00 (Order No. 99-650); PUC 6-2000, f. 4-18-00, cert. ef. 4-20-00 (Order No. 00-194); PUC 5-2014, f. & cert. ef. 6-26-14 (Order No. 14-230)

860-037-0120

Adjustment of Bills

(1) Except as provided in sections (4) and (5) of this rule, if a wastewater utility determines that a current or former customer of the utility was under-billed or over-billed for a service provided by the wastewater utility under rate schedules or tariffs in effect when the service was provided:

(a) The wastewater utility **must** issue a bill to collect amounts previously under-billed during the 12-month period ending on the date on which the customer or former customer was last under-billed. The wastewater utility may not bill for services provided more than two years before the date the utility discovered the under-billing.

(b) The wastewater utility must issue a refund or bill credit for amounts previously over-billed during the 12-month period ending on the date on which the customer or former customer was last over-billed. The wastewater utility is not required to refund amounts which were received more than three years before the date the wastewater utility discovered the over-billing.

(c) Notwithstanding subsection (1)(a) of this rule, if the under-billing was the result of fraud, tampering, diversion, theft, misinformation, false identification, or other unlawful conduct on the part of the customer or former customer of the wastewater utility, the wastewater utility may collect full payment for any amount owed without limitation.

(2) When a wastewater utility issues a bill to collect under-billed amounts, a current or former customer of a wastewater utility may enter into a time-payment agreement as provided in OAR 860-037-0110. If the wastewater utility customer is already on a time-payment plan, the utility must offer to renegotiate the payment plan to include the under-billing error. If the customer and wastewater utility cannot agree upon payment terms, the Commission will establish terms and conditions to govern the customers' obligation. This section does not apply if the corrected billing is the result of the conditions listed in subsection (1)(c).

(3) When a wastewater utility requires payment for amounts previously under-billed, the utility must provide a written notice that explains:

- (a) The circumstance and time period of the under-billing;
- (b) The corrected bill amount and the amount of the necessary adjustment,
- (c) The Commission's consumer complaint process; and
- (d) The right for a current or former customer to enter into a time-payment agreement with the wastewater utility.

(4) A billing adjustment is not required if a wastewater meter registers less than a two percent error under conditions of normal operation.

(5) The wastewater utility may waive rebilling or issuing a refund check when the costs make such action uneconomical.

Stat. Auth.: ORS 183, 756 & 757

Stats. Implemented: ORS 756.040, 757.005, 757.061 & 757.250

Hist.: PUC 9-1999(Temp), f. 10-22-99, cert. ef. 10-23-99 thru 4-19-00 (Order No. 99-650); PUC 6-2000, f. 4-18-00, cert. ef. 4-20-00 (Order No. 00-194); PUC 5-2004, f. & cert. ef. 1-29-04 (Order No. 04-039); PUC 5-2014, f. & cert. ef. 6-26-14 (Order No. 14-230)