

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

AR 567

In the Matter of a

Rulemaking Regarding Energy Utility
Billing Error Reporting.

ORDER

DISPOSITION: RULE ADOPTED

I. INTRODUCTION

In this order, we adopt a rule to establish billing error reporting for all energy utilities.

Northwest Natural Gas Company, dba NW Natural, and Portland General Electric Company (PGE) have been subject to billing error reporting requirements under service quality measures imposed by Order Nos. 11-422 and 97-196, respectively, that sunset in September 2012. After meeting with stakeholders, Commission Staff proposed this rulemaking to continue the reporting by NW Natural and PGE and to expand the reporting requirements to encompass all energy utilities on an ongoing basis.

II. PROCEDURAL HISTORY

On August 14, 2012, we filed a Notice of Proposed Rulemaking Hearing and Statement of Need and Fiscal Impact for this rulemaking with the Secretary of State. On that same day, we provided notice to all interested persons on the service lists established under OAR 860-001-0030(1)(b) and to legislators specified in ORS 183.335(1)(d). Notice of the rulemaking was published in the September 2012 *Oregon Bulletin*. A rulemaking hearing was held on October 4, 2012.

Prior to the hearing, NW Natural, PGE, and Idaho Power Company filed written comments. At the hearing, Staff provided brief comments on the proposed rule and comments filed before the hearing. The Administrative Law Judge (ALJ) posed questions to Staff, PGE, Idaho Power, and Avista Corporation, dba Avista Utilities, regarding the purpose of the rule and the threshold of billing errors that would trigger reporting. Written comments were subsequently filed by Staff, Idaho Power, the Citizens' Utility Board of Oregon (CUB), Avista Utilities, PacifiCorp, dba Pacific Power, NW Natural, and PGE.

III. DISCUSSION

A. Comments

As originally written, Staff's proposed rule would have required utilities to report billing errors that affected 1.5 percent or more of customer bills in any billing month, and any billing error that affected a single customer by \$25.00 or more. The utilities also would have been required to file an annual report summarizing all billing errors in the previous year.

In their pre-hearing comments, NW Natural, Idaho Power, and PGE proposed language to clarify that a reportable billing error would only occur when both conditions were met—the amount of the error was \$25.00 or more, and the error affected more than 1.5 percent of the utility's customers. The utilities also proposed that the annual report be limited to only those billing errors that triggered the reportable threshold. At hearing it was determined, however, that none of these utilities had ever had a billing error that would have triggered this proposed reporting threshold.¹

After the hearing Staff held further discussions to formulate a revised proposed rule. Staff filed its revised proposed rule on November 20, 2012. Staff's revised proposed rule is attached as Appendix A.

In its revised proposed rule Staff proposes a much lower threshold for reporting billing errors—any error in a billing month that affects 0.5 percent or more of customers by an average amount of \$5.00. The revised proposed rule retains the annual reporting requirement, but limits the reporting to only those billing errors that meet the reportable criteria.

Idaho Power and Avista each support Staff's revised proposed rule. Pacific Power and PGE also support the same change to the reportable bill criteria as Staff, and also propose minor changes in editing.

NW Natural believes that the original reporting parameters were reasonable, but can support the lower reporting parameters contained in Staff's revised filing. NW Natural also proposes slight modifications to Staff's proposed language.

CUB objects to the proposed change in the scope of the annual report. According to CUB, "absent an obligation to report all billing errors on an annual basis, the Consumer Services Section may not be in a position to ensure that the utility was appropriately remedying the error, and to ensure that the error was identified and would not be repeated."² CUB argues that the annual report should include all billing errors.

¹ In its post hearing comments Pacific Power stated that it estimated that it would have reported one billing error over the past five years, using the proposed thresholds. Comments of Pacific Power at 3 (Nov 20, 2012).

² Comments of CUB at 1 (Nov 20, 2012) (emphasis in original).

B. Resolution

We adopt, with modification, Staff's revised proposed rule. We incorporate some non-substantive changes proposed by the utilities, and make additional edits to clarify the reporting requirements.

We decline to adopt CUB's proposed annual requirement to report every billing error. We adhere to Staff's recommendation, which was based on its experience dealing with billing error reporting and after meeting with interested persons.

IV. ORDER


IT IS ORDERED that:

1. Oregon Administrative Rule 860-021-0170, as set forth in Appendix A, is adopted.
2. The rule becomes effective upon filing with the Secretary of State.

Made, entered, and effective FEB 11 2013.


Susan K. Ackerman
Chair


John Savage
Commissioner


Stephen M. Bloom
Commissioner



A person may petition the Commission for the amendment or repeal of a rule under ORS 183.390. A person may petition the Court of Appeals to determine the validity of a rule under ORS 183.400.

860-021-0170

Billing Error Reporting

(1) As used in this rule, "billing error" means an error by an energy utility in the calculation of tariffed amounts billed to customers that:

(a) Is due to a single, specific event, reason, or condition;

(b) Resulted in the issuance of a corrected bill; and

(c) Affected an estimated 0.5 percent or more of customer bills issued in any billing month by an average of \$5.00 or more.

(2) Within 10 business days of discovering a billing error, an energy utility must report the error via electronic mail to the Commission's Consumer Services Section.

(3) Within 60 calendar days from the date the billing error was first reported, an energy utility must file a final report via electronic mail with the Commission's Consumer Services Section. The report must include the following information:

(a) A description and cause, if known, of the billing error;

(b) The number of bills affected by the billing error;

(c) The number of bills adjusted due to the billing error;

(d) The time period in which the billing error affected customer bills;

(e) The actions taken to correct the error; and

(f) The actions taken to prevent the same error from occurring in the future.

(4) Within 60 calendar days following the end of each calendar year, an energy utility must file an annual report with the Commission's filing center that summarizes all billing errors reported during the prior calendar year.

Statutory Authority: ORS Ch. 183, 756 & 757

Statutes Implemented: ORS 756.040 & 757.020

History: NEW