

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: May 3, 2016

REGULAR _____ CONSENT X EFFECTIVE DATE May 16, 2016

DATE: April 26, 2016

TO: Public Utility Commission

FROM:  Lisa Gorsuch

THROUGH:  Jason Eisdorfer and  Michael Dougherty

SUBJECT: AVISTA UTILITIES: (Docket No. ADV 276/Advice No. 16-06-G) Requests modifications to normal billing cycle period when pro rata corrections are made to bills.

STAFF RECOMMENDATION:

Staff recommends that Avista Utilities' (Avista or Company) Docket No. ADV 276/Advice No. 16-06 be approved and the associated tariff sheet revisions be allowed to go into effect on May 16, 2016.

ISSUE:

Avista filed Docket No. ADV 276/Advice No. 16-06 on April 15, 2016, proposing to revise Rule 9, Rendering and Payment of Bills, changing the Company's normal billing period for when pro rata corrections are made to bills.

APPLICABLE STATUTES AND RULES:

Under ORS 757.205(1), a public utility must file schedules showing all rates, tolls and charges for service that have been established and are in force at the time. Tariff revisions or corrections may be made by filing revised sheets with the information required under the Commission's administrative rules, including OAR 860-022-0005 and OAR 860-022-0025. Filings that make any change in rates, tolls, charges, rules or regulations must be filed with the Commission at least 30 days before the effective date of the changes.

DISCUSSION:

Avista is proposing to change its normal billing period for when pro rata corrections are made to bills from less than 27 days or more than 33 days, to less than 27 days to more than 35 days. This is relevant to when meters are read for billing purposes, as it is not always possible to read meters on the same day each month.

Avista's Rule 9, Rendering and Payments of Bills, currently specifies pro rata correction of bills on Sheet 9A of the tariff, as follows:

g. It may not be possible always to read meters on the same day of each month, and should a monthly billing period contain less than 27 days or more than 33 days, a pro rata correction in the bill will be made in accordance with A.3.below.

3. Pro Rata Correction

Except as otherwise provided in specific rate schedules, all bills rendered for periods of less than 27 days or more than 33 days will be computed in accordance with the applicable rate schedule, but the size of the commodity blocks, or fixed charge blocks, and the amount of the fixed charge, or minimum charge therein, will be prorated on the basis of the ratio of the number of days in the period to the number of days in an average month. The average monthly billing period is 30 days.

A customer inquiry regarding a prorated bill and prorated basic charge instigated a review of this tariff, and a discussion between Avista and Staff about how often pro rata corrections with periods longer than 33 days were occurring. As reported in the Company's filing, more than 68,300 bills prorated for periods longer than 33 days were issued in 2014 and more than 64,500 were issued in 2015.

Avista worked with Staff to come up with a solution to reduce the number of bills issued with pro rata corrections due to billing periods longer than normal, without impacting bills issued with shorter than normal billing periods. By changing the normal billing period from less than 27 or more than 33, to less than 27 or more than 35, approximately 1,294 bills would have been prorated in 2014 versus 68,300, and approximately 1,229 would have been prorated in 2015 versus 64,500.

Staff and Avista agree that extending the normal billing period from more than 33 days to more than 35 days will reduce the issuance of bills with pro rata corrections due to billing periods longer than normal to a more reasonable level.

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PROPOSED COMMISSION MOTION:

Avista's Advice No. 16-06-G be allowed to go into effect May 16, 2016.

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