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Division of Public Utilities

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Action Request Response

To: Utah Public Service Commission

From: Utah Division of Public Utilities
Chris Parker, Director
Artie Powell, Energy Section Manager
Bob Davis, Utility Analyst

Date: March 8, 2019

Re: Approval of Tariff Sheets, Docket No. 19-035-T02 – Rocky Mountain Power’s Proposed Tariff Revisions to Electric Service Regulation Nos. 7 (Metering) and 8 (Billings).

Recommendation (Approval)

The Division of Public Utilities (“Division”) recommends the Public Service Commission (“Commission”) approve Rocky Mountain Power’s (“RMP”) proposed revisions to Electric Service Regulation No. 7 (Metering) and Electric Service Regulation No. 8 (Billings), effective April 22, 2019. The Division concludes that a review of Utah Administrative Code Rule 746-310 is not warranted at this time.

Issue

On February 21, 2019, RMP filed with the Commission its revisions to Electric Service Regulation Nos. 7 and 8. On February 21, 2019, the Commission issued an Action Request to the Division to investigate RMP’s filing and make recommendations by March 8, 2019. On the same day, the Commission issued a Notice of Filing and Comment Period. Any interested party may submit comments on or before March 8, 2019 and reply comments on or before March 15, 2019. This memorandum represents the Division’s response to the Commission’s Action Request.

Background

The Division concluded in its original comments filed in the related Docket No. 18-035-T04 that RMP's initial proposed changes to Regulation No. 7, Section 4(b) clarified the distinction between a meter that fails to register usage correctly and a meter that completely fails to register any usage. The Division suggested a review of the language in Electric Service Regulation No. 8, Section 8, referenced in Regulation No. 7(4)(b).¹

The Division raised the concern of equity in backbilling. Customers whose meter failed to register the full use because of a subset of specific reasons can be billed for twenty-four months of prior estimated use as permitted by Regulation 8.8(d), but billing is allowed for only three or six months in the event of other metering failures.²

In its reply comments, the Division recommended that the Commission direct RMP to schedule a meeting at its earliest convenience to discuss the Division's concerns regarding the fairness of backbilling.³ RMP acknowledged the Division's request and agreed to review Electric Service Regulation Nos. 7 (Metering) and 8 (Billings).⁴

On January 15, 2019, the Commission issued its Order in Docket No. 18-035-T04 rejecting RMP's proposed changes to Electric Service Regulation No. 7. The Commission cited Utah Administrative Code R746-310, Uniform Rules Governing Electricity by Electric Utilities. The Commission concluded that the rule *"does not address the language change RMP seeks to implement for a meter which fails to measure correctly."* Further, the Commission states that *"we should not adopt PacifiCorp's proposal before rules addressing the issue are proposed by a party and ultimately adopted by the PSC."* In addition, *"we conclude this issue could be applicable to other electric utilities."*⁵

On February 7, 2019, RMP met with the parties to discuss the backbilling issue and proposed revised language to Regulation No. 7, Section 4(b) and Regulation No. 8, Section 8(c). The current proceeding is the result of those meetings.

¹ Division of Public Utilities, DPU Comments, November 20, 2018, Regulation 7 – Metering, page 3.

² Id.

³ Division of Public Utilities, DPU Reply Comments, January 10, 2019, Regulation 7 – Metering, page 2.

⁴ Rocky Mountain Power, Reply Comments, December 12, 2019, Regulation No. 7, Metering, page 3.

⁵ Utah Public Service Commission, Order, January 15, 2019, Regulation No. 7 Section 4(b), page 9.

Discussion

Electric Service Regulations No. 7

RMP proposes changes to Electric Service Regulation No. 7, Section 4(b). The changes clarify the distinction between meters that register incorrectly for any reason, and meters that do not register any energy. RMP proposes the following changes to Regulation No. 7, Section 4(b), Failure to Register:

If a meter registers usage, but fails to register the correct amount of electric power or energy used by the Customer for any reason, the amount of such use will be estimated by the Company from the best available information, and billed subject to the limitations of this Section 4, and Electric Service Regulation No. 8, Section 8.

If a meter does not register any usage, the Company may bill the customer for the estimated power and energy used but not registered for a period not exceeding three months.

Electric Service Regulation No. 8

In its earlier comments, the Division expressed some concern for confusion in the wording of Regulation No. 8, Section 8(c), Limitations on Rendering a Backbill. Regulation No. 8, Section 8(c), is derived from Utah Administrative Code Rule 746-310-8(C), which refers to the amount of time the utility has to render a backbill once a meter error is discovered. After conferring with parties, RMP proposes changes to clarify the intent or purpose of Electric Service Regulation 8, Section 8(c):

If the Company is going to render a backbill it must do so within three months from the time the Company becomes aware of the circumstance, error, or condition that caused the underbilling. This limitation does not apply to fraud, and theft of service limitations.

Clarification of the time the utility can render a backbill eliminates potential confusion with the different metering errors in Regulation No. 7 and the amount of time the utility can backbill the customer (i.e., three months for a dead meter or twenty-four months for a meter that is registering incorrectly). The Division concludes the proposed language makes the distinction between the different types of meter errors, the allowed time to render a backbill, and the duration for which backbilling may occur. However, the issue of equitable backbilling remains.

Equitable Backbilling

The Division raised the question if it is equitable to backbill one customer one length of time for one type of meter error while backbilling another customer a different length of time for another type of meter error. During its discussion with the Division and other parties, RMP explained the complexities of detecting meter errors and the frequency with which they occur. RMP explained that most incorrect meter registration errors occur with three-phase service. Customer bills with three-phase service may fluctuate month-to-month making it difficult to detect errors, such as a bad current transformer on one phase. A meter that is not registering any usage is quickly discovered by the utility, either on its own, or by the customer's review of her bill. Under this scenario, the three month backbill seems reasonable. A meter that is registering usage, but incorrectly, takes more time to discover and rectify. Therefore, it seems reasonable to backbill for the allowed twenty-four months. However, given the fluctuations in usage, the Division is also wary of using estimated usage as the measure of such a long period of time. No alternative to that method of billing is apparent, but the Commission may wish to consider in a future proceeding whether any changes to the estimation provision are appropriate.

RMP's proposed changes to Electric Service Regulation No. 7.4(b) clarify the types of meter registration errors that might occur. The proposed changes to Electric Service Regulation No. 8.8(c) clarify the time-frame RMP can render a backbill. The type of error is the determinate of the backbill duration.

In reviewing RMP's advice letter for this matter, the Division reviewed Utah Administrative Code Rule 746-405-2(D)(3)(g), which requires a statement that the tariff sheets proposed do not constitute a violation of state law or Commission rule. However, the rule also states that the filing of proposed tariff sheets shall of itself constitute the representation of the filing utility that it, in good faith, believes the proposed sheets or revised sheets to be consistent with applicable statutes, rules and orders. The filing does not appear to violate statute or rule.

Conclusion

The Division investigated RMP's revised Electric Service Regulations Nos. 7 (Metering) and 8 (Billings), and concludes that RMP's filing is in the public interest. Therefore, the Division recommends the Commission approve RMP's revised Electric Service Regulations Nos. 7 and 8

effective April 22, 2019. The Division concludes that a review of Utah Administrative Code Rule 746-310 is not warranted at this time.

Cc: Joelle Steward, RMP
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