



CUSTOMER APPEAL FOR BILLING OF UNDERCHARGES FOR ELECTRIC SERVICE MICROFLEX FILM

Riverside Public Utilities

Board of Public Utilities
November 5, 2018

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OVERVIEW

1. Billing inaccuracy resulted in \$33,486.38 undercharge to customer, Microflex Film Corporation
2. "Undercharge" = electricity consumption without cost of service recovery
3. If not recovered, other customers must bear the cost
4. Electric Rule 6 allows recovery of up to 3 years of undercharges from commercial customers
5. RPU offered customer 5-year payment plan
6. Customer disputing bill under Electric Rule 21

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BILLING ISSUE

1. "Billing Factor"
 - a. Meter not designed to measure full current
 - b. Standard industry practice to use billing factor to calculate actual usage
2. Billing system had changed billing factor from 40 to 1, resulting in understatement of energy consumed
3. Customer billed for 1/40th of energy consumed
4. RPU discovered inaccurate billing factor on May 1, 2018



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CAUSE

1. Change to billing factor occurred September 8, 2015
2. Billing factor incorrectly changed by billing system
 - a. On September 8, 2015, a previous customer moved in and activated a vacant service connection
 - b. On October 21, 2015, Microflex Film Corporation moved in and established a new customer account
3. Staff did not change meter or billing factor
4. Weekly process now in place to identify similar occurrences and avoid future billing inaccuracies



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ELECTRIC RULE 6

METER INVESTIGATIONS AND ADJUSTMENTS OF BILLS

1. May recover undercharges up to 3 years prior to discovery of error
2. July 19, 2018: Letter sent to customer (also contacted by phone)
3. July 30, 2018: Rate changed from Commercial Flat to Demand
4. August 29, 2018: Undercharges applied to customer account

Charges	November 2015 – April 2018	Calculation
Billed	\$1,813.99	\$60/month average
Actual Usage	\$35,300.37	\$1,177/month average
Undercharge	\$33,486.38	$\$35,300.37 - \$1,813.99$



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ELECTRIC RULE 21

DISPUTED BILL APPEAL PROCESS

1. Customer contacted RPU staff to dispute bill
 - a. RPU Offer: Repayment of undercharge for energy consumed over 5 years with 60 equal monthly interest-free payments of \$558.10
 - b. Not recovering undercharge results in costs that must be borne by other rate-paying customers
2. Customer opted to appeal to Board of Public Utilities



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APPEAL ORDER OF DISCUSSION

1. Staff presentation, information and reports
2. Appellant presentation, comments and information
3. Public comments
4. Closing statements by appellant
5. Closure of public testimony
6. RPU Board members, including questions, discussion, motion and action

STAFF RECOMMENDATION

That the Board of Public Utilities deny the appeal of Microflex Film Corporation and require Microflex Film Corporation to repay the amount due of \$33,486.38 for energy consumed pursuant to Electric Rule 6 – Meter Investigations and Adjustment of Bills.