



## CONSIDERATION OF THE TIME PERIODS USED TO CALCULATE OVERCHARGES AND UNDERCHARGES IN ACCORDANCE WITH ELECTRIC AND WATER RULE 6

### Riverside Public Utilities

Customer Relations/Finance Committee  
January 11, 2019

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## ELECTRIC & WATER RULE 6

1. Meter Investigations and Adjustment of Bills
  - A. Metering of consumption or billing inaccuracies
  - B. Rules for calculating overcharges and undercharges
2. "Overcharges":
  - A. Over collection of costs for electricity and water consumption
3. "Undercharges":
  - A. Electricity or water consumption without cost of service recovery
  - B. If not recovered, other customers must bear the cost

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2

## BACKGROUND

1. Electric and Water Rule 6 establish limitations for calculating adjustments after the discovery of a billing error:

Period of Calculation	RPU Policy for Overcharges		RPU Policy for Undercharges	
	Residential	Commercial	Residential	Commercial
4 Months			RPU	
1 Year	RPU	RPU		
3 Years				RPU

## BACKGROUND (Con't)

2. On May 4, 2010, the City Council approved changes to Electric and Water Rule 6
  - A. Reduced period of overcharges from three years to one year
  - B. Consistent with the Riverside Municipal Code
    - i. All claims for money damages must be presented to the City within one year
  - C. Inconsistencies with overcharges
    - i. Three year time period for non-residential accounts
    - ii. Four month time period for residential accounts

## UTILITY SURVEY

Period of Calculation	Utility Policy for Overcharges		Utility Policy for Undercharges	
	Residential	Commercial	Residential	Commercial
If due to Utility, no adjustment, correct going forward			1	1
No adjustment, correct going forward			2	2
3 Months			4	2
3 Months (if unknown date of error)			1	2
4 Months	1		1 (RPU)	
6 Months	1	1	3	3
6 Months (if unknown date of error)	2	2	1	1
1 Year	2 (RPU)	2 (RPU)	1	1
1 Year (if unknown date of error)	1	1		
2 Years	1	1		
3 Years	3	4	1	4 (RPU)
3 Years (if unknown date of error)	1	1	1	1
4 Years	1	1		
From date of error	6	6	3	3
<b>Total</b>	<b>19</b>	<b>19</b>	<b>18</b>	<b>19</b>
<small>Note: Some utilities may have different policies for known and unknown dates of error. RPU= Riverside Public Utilities current policy.</small>				

## STAFF PROPOSAL

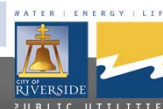
1. Reduce the time period for undercharges for non-residential customers from three years to one year
  - A. Consistency with the time period for overcharges and Riverside Municipal Code
  - B. Lessens the burden of repayment for non-residential customers
2. Non-residential customers are typically cognizant of their monthly electric and water bills
  - A. Utility costs are direct business expenses
  - B. Typically much higher than residential bills
  - C. Impacted by the businesses' operations

## CUSTOMER APPEALS

1. On November 5, 2018, Board considered customer appeals for electric billing adjustments of undercharges.
  - A. Board approved continuing the appeal of Microflex
  - B. RPU staff administratively continued the appeal of Fusion
  - C. Board and City Council to review Electric and Water Rule 6.

Customer	Period	Undercharge	Reduction
Fusion	26 Months	\$67,838	
Fusion	1 Year	\$29,882	\$37,956
Microflex	30 Months	\$33,486	
Microflex	1 Year	\$15,793	\$17,693
Combined Reduction			\$55,649

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7

## STAFF RECOMMENDATIONS

That the Customer Relations/Finance Committee:

1. Direct staff to schedule and conduct a public hearing to be held before the Board of Public Utilities to consider changes to Electric Rule 6 and Water Rule 6 to reduce the time periods used to calculate billing of undercharges for non-residential accounts from three years to one year;
2. Recommend that the Board of Public Utilities approve changes to Electric Rule 6 and Water Rule 6 to reduce the time periods used to calculate the billing of undercharges for non-residential accounts from three years to one year; and
3. Recommend that the City Council approve changes to Electric Rule 6 and Water Rule 6 to reduce the time periods used to calculate the billing of undercharges for non-residential accounts from three years to one year.

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8