



PROPOSED CHANGES TO THE TIME PERIODS USED TO CALCULATE OVERCHARGES AND UNDERCHARGES FOR CUSTOMERS IN ELECTRIC AND WATER RULES 6

Public Utilities Department

City Council
April 16, 2019

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ELECTRIC & WATER RULES 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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BACKGROUND

1. Electric and Water Rules 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 (Billing Periods)			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 Rules 6
 - A. Reduced period of overcharges from 3 years to 1 year
 - B. Consistent with the Riverside Municipal Code
 - i. All claims for money damages must be presented to the City within 1 year
 - C. Inconsistencies with overcharges
 - i. 3 year time period for non-residential accounts
 - ii. 4 month (billing period) 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
Total	19	19	18	19

Note: Some utilities may have different policies for known and unknown dates of error.
RPU= Riverside Public Utilities current policy.

COMMITTEE RECOMMENDATION

1. Provide consistency between non-residential and residential undercharges
2. Reduce time period for undercharges for non-residential customers from 3 years to 6 months
3. Increase time period for undercharges for residential customers from 4 billing periods to 6 months
4. Requested that the revised Electric Rule 6 be applied to the pending appeals filed by Fusion Sign and Design and Microflex Film Corporation

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 Rules 6.

Customer	Billing Periods	Undercharge	Reduction
Fusion	26 Months	\$67,838	
Fusion	6 Months	\$12,443	\$55,395
Microflex	30 Months	\$33,486	
Microflex	6 Months	\$8,116	\$25,370
Combined Reduction			\$80,765



OTHER CHANGES

1. Terminology for Overcharges
 - A. Replace 1 year with 12 monthly billing periods
2. Overcharges for Fast Meters – Section C.2
 - A. Replace with reference to section A-4 general overcharges
 - I. Consistent with time period for all other overcharges
 - II. Consistent with Riverside Municipal Code



BOARD OF PUBLIC UTILITIES

On March 11, 2019, the Board of Public Utilities held the requisite public hearing and with two members absent unanimously voted to:

1. Adopt a resolution establishing the changes to Electric Rule 6 and Water Rule 6 that include reducing the time periods used to calculate billing of undercharges for non-residential accounts from three (3) years to six (6) monthly billing periods, increasing the time periods used to calculate billing of undercharges for residential accounts from four (4) billing periods to six (6) monthly billing periods, change the terminology of the time period used to calculate overcharges from one (1) year to twelve monthly billing periods, and changing the period used to calculate billing of overcharges for fast meters to be consistent with the monthly billing period for general overcharges;

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BOARD OF PUBLIC UTILITIES

2. Recommend that the City Council adopt a resolution approving the changes to Electric Rule 6 and Water Rule 6; and
3. Recommend that the City Council apply the changes to Electric Rule 6, if adopted, to the pending appeals filed by Fusion Sign and Design and Microflex Film Corporation.

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RECOMMENDATIONS

That the City Council:

1. Adopt a resolution approving the changes to Electric Rule 6 and Water Rule 6 that include reducing the time periods used to calculate billing of undercharges for non-residential accounts from three (3) years to six (6) monthly billing periods, increasing the time periods used to calculate billing of undercharges for residential accounts from four (4) billing periods to six (6) monthly billing periods, change the terminology of the time period used to calculate overcharges from one (1) year to twelve monthly billing periods, and changing the period used to calculate billing of overcharges for fast meters to be consistent with the monthly billing period for general overcharges; and

RECOMMENDATIONS

2. Apply the changes to Electric Rule 6, upon adoption, to the pending appeals filed by Fusion Sign and Design and Microflex Film Corporation, reducing the time period of the undercharges from three (3) years to six (6) monthly billing periods.