

1 RESOLUTION NO. 2019-2

2 A RESOLUTION OF THE BOARD OF PUBLIC UTILITIES OF THE CITY OF
3 RIVERSIDE, CALIFORNIA (1) ADOPTING REVISED ELECTRIC RULE 6
4 AND WATER RULE 6; (2) MAKING FINDINGS OF FACT; (3)
5 RECOMMENDING CITY COUNCIL APPROVAL THEREOF; AND
6 REPEALING BOARD RESOLUTION 2019-1

7 WHEREAS, the City of Riverside's ("City") Department of Public Utilities ("RPU") has
8 submitted for action by the Board of Public Utilities ("Board") and the City Council, the
9 proposed adoption and approval of revised Electric Rule 6 and Water Rule 6, as further
10 explained herein; and

11 WHEREAS, Electric Rule 6 and Water Rule 6, both titled "Meter Investigations and
12 Adjustments of Bills", provide rules for calculating the amount of overcharges and undercharges
13 for electric and water service after the discovery of a billing error, which would then be refunded
14 to (for overcharges) or recovered from (for undercharges) the customer; and

15 WHEREAS, Section A.4 of the current Electric and Water Rules 6 establishes limitations
16 on such calculations at one year (overcharges), four billing periods (residential undercharges)
17 and three years (non-residential undercharges); and

18 WHEREAS, the terms "month" and "billing period" are similar for discussion purposes,
19 since all customers (with the exception of wind machines) are billed based on monthly billing
20 periods, which typically are on a 30-day billing cycle; the term "billing period" is currently used
21 in Electric and Water Rule 6 to define the period for residential undercharges; and the term
22 "monthly billing period" is proposed to provide clarification and improved customer
23 understanding; and

24 WHEREAS, RPU staff conducted a survey of electric and water utilities in California
25 regarding their policies on the calculation of undercharges and overcharges. The policies of the
26 utilities in the survey included differing time periods for such calculation, including variations if
27 the date of the error was known or unknown. The results of the survey reflect that utility policies
28 for undercharges vary by utility and are not consistent between overcharges and undercharges for
residential and commercial customers; and

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2 WHEREAS, currently, the time period used by RPU for calculating overcharges is
3 limited to one year and there are no proposed changes to the time period for overcharges;
4 however, staff recommends changing the terminology from one year to 12 monthly billing
5 periods to be consistent with the proposed terminology for undercharges; and

6 WHEREAS, reducing the time periods for undercharges for non-residential customers
7 from three years to six monthly billing periods lessens the burden of repayment for non-
8 residential customers; and

9 WHEREAS, a public hearing, notice of which was duly published in The Press-
10 Enterprise on February 24, 2019 and March 3, 2019, in compliance with Government Code
11 Sections 66018 and 6062a, was held on March 11, 2019 at 6:30 p.m. before the Board of Public
12 Utilities to consider the revisions noted herein; and

13 WHEREAS, on March 11, 2019, the Board adopted Resolution 2019-1, approving the
14 revisions to Electric Rule 6 and Water Rule 6 referenced herein; and

15 WHEREAS, on April 16, 2019, the City Council considered the proposed revisions to
16 Electric Rule 6 and Water Rule 6 referenced herein and conceptually approved changes to
17 Electric Rule 6 and Water Rule 6 which include reducing the time periods used to calculate
18 billing of undercharges for non-residential accounts from three (3) years to six (6) monthly
19 billing periods, changing the terminology of the time period used to calculate overcharges from
20 one (1) year to twelve (12) monthly billing periods, and changing the period used to calculate
21 billing of overcharges for fast meters to be consistent with the monthly billing period for general
22 overcharges; and

23 WHEREAS, however, the City Council did not approve the portion of the proposed
24 Electric Rule 6 and Water Rule 6 changes, which increased the undercharge calculation for
25 residential customers from four (4) to six (6) monthly billing periods, and requested that the
26 Board of Public Utilities reconsider making such a change so as to avoid unduly burdening
27 residential customers; and
28

1 WHEREAS, the Board is charged by Section 1202(e) of the City Charter to establish and
2 adopt the rates, rules, fees and charges for the Electric and Water Utilities, subject to the
3 approval of the City Council; and

4 WHEREAS, the Board is in concurrence with not changing the portion of the proposed
5 Electric Rule 6 and Water Rule 6 which sets the period for the undercharge calculation for
6 residential customers at four (4) monthly billing periods so as to avoid unduly burdening
7 residential customers; and

8 WHEREAS, the Board intends to establish and adopt the revised Electric and Water
9 Rules 6, all in accordance with City Council conceptual approval and RPU staff
10 recommendations;

11 NOW, THEREFORE, BE IT RESOLVED, based upon the foregoing facts, the staff
12 report and other evidence submitted by RPU to the Board, by the Board of Public Utilities of the
13 City of Riverside, California, as follows:

14 Section 1: The foregoing recitals are true and correct and are adopted and
15 incorporated herein by reference as findings of fact of this Board.

16 Section 2: On the basis of the RPU staff analyses, data and reports, the foregoing
17 recitals and the other evidence submitted by RPU to the Board, the Board hereby finds and
18 determines that the proposed revisions to Electric and Water Rules 6 are exempt from the
19 provisions of the California Environmental Quality Act (Pub. Res. Code Section 21000 et seq.)
20 under Public Resources Code section 21080(b) (8), as the proposed revisions to the existing rules
21 are for the purpose of (A) meeting operating expenses, including employee wage rates and fringe
22 benefits, (B) purchasing or leasing supplies, equipment, or materials, (C) meeting financial
23 reserve needs and requirements, (D) obtaining funds for capital projects necessary to maintain
24 service within existing service areas, and/or or (E) obtaining funds necessary to maintain those
25 intracity transfers as are authorized by City Charter.

26 Section 3: The proposed revisions to Electric and Water Rules 6 are exempt from the
27 voter approval requirements of Proposition 26, as adopted by voters on November 2, 2010,
28 because the rates are imposed for a specific government service provided directly to the

1 ratepayer that is not provided to those not charged and which does not exceed the reasonable
2 costs to the local government of providing the service.

3 Section 4: The proposed revisions to Electric and Water Rules 6, attached hereto as
4 Exhibit A and incorporated herein by reference, are hereby adopted and established under and
5 pursuant to Section 1202(e) of the Charter of the City of Riverside, California, are recommended
6 for approval by the City Council of the City of Riverside, California, and shall become effective
7 upon date of approval by the City Council of the City of Riverside, California.

8 Section 5: Repeal Board Resolution 2019-1.

9 ADOPTED by the Board of Public Utilities of the City of Riverside, signed by its
10 Chairman and attested by its Secretary this day of May 2019.

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13 _____
14 Chair of the Board of Public Utilities,
City of Riverside, California

15 Attest:

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17 _____
18 Secretary of the Board of Public Utilities
City of Riverside, California
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1 I, Todd Corbin, Secretary of the Board of Public Utilities of the City of Riverside,
2 California, hereby certify that the foregoing Resolution was duly and regularly introduced and
3 adopted by the Board of Public Utilities of said City at its meeting held on the ____ day of May,
4 2019, to wit:

5 Ayes:

6 Noes:

7 Absent:

8 Abstain:

9 IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of May
10 2019.
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14 _____
15 Secretary to the Board of Public Utilities
16 City of Riverside, California
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EXHIBIT A

Electric and Water Rules 6
(Effective upon Date of Approval by City Council)

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