



Utility Quarterly News



**Rule 5.19.
Billing Corrections**

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Sometimes the clarification of a certain Rule just radiates through the walls of our office. This would be the case for the topic of this quarter's newsletter. A problem that seems to be widespread and not just limited to a few, but gaining momentum across the state to the many!

Let me just stop here and say two words that will help you understand.

DEAD METERS!

A mechanical malfunction that tends to lead to one of the main reasons this Rule has been used lately. A problem that understandably happens over time, but one in which we expect procedures in place to discover the problem before the billing situation gets out of hand. So let's take a look at a Rule that gets coded on our complaints more times than I'd like.

Rule 5.19. Billing Corrections

A correction to a customer's account shall be made for meter error when a utility tests a meter according to the Commission's **Special Rules** and the error exceeds the tolerances allowed by the those **Special Rules**.

There are three things that must be considered when having to adjust a bill either up or down.

(1st) Period of Correction - If the date the meter first became inaccurate can be ascertained, the period of correction shall begin with that date and end with the date the inaccurate meter was removed. If the date the meter first became inaccurate **cannot** be ascertained, the correction period shall begin 6 months prior to the date the inaccurate meter was removed and end with the date of the removal of the meter.



(2nd) **Usage** – If actual usage cannot be determined, it shall be the **customer's** usage at that location for the same time period of the previous year. (Not another customer's usage from this location, but the customer of record) A utility may apply a weather-sensitive factor to the consumption in arriving at the estimated usage for the correction period.

(Was it colder or warmer this year than last? The formula you choose to use is your call, but must make sense and be used consistently across the board) If no usage data is available for that customer at **that** location for the previous year, a utility shall use the class average to estimate consumption. If there is usage data at this location for the customer "when the meter was working", we suggest that you compare this actual usage to the class average, with the weather adjustment if needed. We have seen several cases where a meter has been dead for several years. While the class average is prescribed by the rules when the customer has no usage at the same location the previous year, it is sometimes much higher than the customer's actual historical usage. Our concern is that the customer pays a reasonable amount. The rules are a guideline. You can always be more lenient as long as you treat all customers in the same situation alike. We are simply suggesting that you look at the previous usage for that customer at the same location to see if the class average is comparable.

(3rd) **Rate** – A utility shall apply the rates effective during the period of correction determined in Rule 5.19.A. (2) (this is where not finding a dead meter can be a nightmare for you guys and should be reason enough to find them in a timely manner!)

Procedures for Correcting an Overbilling:

(1) When a utility has overbilled a customer, the utility shall explain the reason for the correction and refund the amount of the overbilling within **30** days after discovering or being notified of the error.

(2) The refund shall be credited to the customer's account unless the customer requests otherwise.

(3) If the overbilling was the fault of the utility, the utility shall pay the customer interest on the overbilled amount.

Procedures for Correcting an Underbilling;

- (1)** When a utility discovers it has charged a customer less than it should have, the utility shall explain the error and offer a delayed payment agreement to correct it.
- (2)** When a utility underbills a customer over one or more billing periods, the utility must allow the customer at least that many billing periods to pay the correct amount under a delayed payment agreement.
- (3)** If the under billing was the fault of the customer, the utility may charge interest for the period of time during which the underbilling occurred.
- (4)** If the under billing was caused by unauthorized use of service or tampering with utility equipment, the utility does **NOT** have to offer a delayed payment agreement.
- (5)** A utility does not have to correct an under billing if the cost of correcting the billing is not economically feasible.

And the last part of this rule deals with the billing of a situation we all wish we didn't have to address.

D. Tampering

If a customer tampers with utility equipment, the utility may charge a reasonable amount for damage to the equipment and for estimated service taken. This is in addition to the remedies in Rules 4.01.B. (3), 4.02.B. (1) and 6.01.F.

The utility may base the estimate on the customer's average lawful usage for the most recent 12 month period. If those figures are not available, the utility shall base the estimate on the class average.

So there you have it, plain and simple: If you over charge a customer on a bill, the Rule states you must refund it back to the customer and if you under charge a customer, the Rule allows you to recover the under billing amount within the same time frame the mistake occurred and by using the formula laid out within this Rule.

The greatest gift you can give somebody is your own personal development. I used to say, "If you will take care of me, I will take care of you." Now I say, I will take care of me for you, if you will take care of you for me."

Jim Rohn





You cannot offer less than the required number of months for the customer to pay the underbilled amount. You **CANNOT** be stricter than the rule, but you can be more lenient which means you can offer longer for the customer to pay. Just make sure you document this on the account. NOTES, NOTES, NOTES, trust me; you'll wish they were there if we start asking questions!

Of course it is the “underbilling” part that doesn't sit well with the customer. In fact, this is when our phones start to ring. We have no problem backing you up when you are following our Rules, but let's face it....discovering a meter has been dead longer than a few months without you guys noticing it can be a little harder to explain or excuse.

Yes, we tell the customer it is their responsibility to insure they agree with the billing statement before paying each month. We also review the temperatures during the time frame involved, the highs, the lows and the average for each month the meter was dead. We request bills, current and previous (if the customer has a history.) We make charts to show this year vs. last and include the temperatures. We include service dates, actual usage, corrected usage, dollar amounts billed and dollar amounts corrected. All of this is done in an effort to try and help the customer understand the situation.

Needless to say, it makes all of our jobs easier and the customer less distrustful if we only have to look at a few months, but when the meter has been dead for a year or longer, it's a whole different can of worms to try and defuse!

Add in a customer on levelized billing with a dead meter and the nightmares really start to stack up! So please look into your companies' procedures for finding these dead meters and insure the procedure is being worked on a regular basis.

Needless to say, taking a few moments on a routine call from the customer to look at their account could be a great way for the frontline to catch this situation ahead of any procedure in place. A lot can be looked at and discussed in a short amount of time guys. EXAMPLE: (Are you noticing accounts being billed just the customer charge for many months in a row?)

I've always used the analogy of a watch battery to try and explain the situation to a customer who doesn't understand a meter going dead. The problem with this analogy is we tend to notice the battery in a watch slowing down and stopping much sooner than we are finding those dead meters out there. Please be aware that I'm starting to wonder what procedures are being used to insure you are finding these situations in a timely manner? So in keeping with that old Christmas tradition...just know that the auditor is now making a list and checking it twice as to how many dead meter complaints for each utility are coming through our office.

The Melting Pot

Course: Customer Service 101 Part III

Preface

Welcome to yet another peek at a complaint filed through our office. One of the first questions we ask a customer is if they have talked to the company to try to resolve the problem first. We explain that we cannot take a complaint until the company has a chance to resolve the situation. Many customers tell us they have called you when in fact they haven't. We won't know this unless you tell us when we call to start the investigation. So always look to see if there are notes on the account to show they tried to talk to you about this problem. If this is not the case, we will back out of it and let the customer know they must first give the company a chance to solve or explain their questions. If they are still unhappy after doing this, we explain they are welcome to call us back. I don't tell you this as a threat to solve all problems from your end or deal with us later. If you have followed the rules and they are still unhappy, the call they make to us will just be giving you back up and reinforcement that you were correct in your actions. Many of the complaints that we work are not difficult to figure out, but rather the customer seems to be calling us for a better explanation.

Christmas is forever, not for just one day,
for loving, sharing, giving, are not to put away;
like bells and lights and tinsel, in some box upon a shelf,
the good you do for others is good you do yourself... ~ Norman Wesley
Brooks





The greatest gift you can give somebody is your own personal development. I used to say, "If you will take care of me, I will take care of you." Now I say, I will take care of me for you, if you will take care of you for me."

I often wonder if this is because the company is putting time restraints on customer calls. The time needed to discuss a dead meter or service refusal cannot be the same as a simple bill inquiry! Think about it. Now let's take a look at complaint dealing with a dead meter that had to be adjusted due to mistakes.

Dead Meter

Tuesday October 10, 2011 Time 9:30 a.m.

*Samuel Milsap
2011 Hog Lane
Little Rock, AR 72210*

*Acct No. 955625970003
(501) 777-9311*

*Sparky Electric Co.
1000 Lightening Avenue Suite 1004
Springdale, AR 75211*

(501) 555-5555

Customer has been with Sparky Electric for ten years. He states he has gotten some sort of 12 month payment plan in the mail which he did not understand. He called the company and is being told his meter has been dead for two years and they are back billing him for usage.

He has been told this is a payment plan allowed by the Arkansas Public Service Commission. He will have to pay an extra amount every month along with his regular monthly bill and can never be one day late. Customer is saying he cannot afford to pay that amount every month for the next 12 months. He says he is taking care of two elderly parents with health issues and lots of medical bills. He also feels that the company should bear some responsibility for not catching the dead meter sooner.

He states he has always paid his bills on time and does not understand how they can do this. He would like to know how they have figured what he owes. He is being told \$2376.42.

Our office explained Rule 5.19. to the customer. He was told it works both ways and we expect the company to pay overbilling situations back as well as the customer pay back under billing situations. We ask the customer how the company explained this to him. He states they have simply said they are billing according to the Rules of the Arkansas Public Service Commission. What more should have been explained to this customer?

General Service Rule 5.19. should have been explained to the customer, rather than simply telling him they were billing as per the Rule. How about explaining the Rule allows you to look at his own usage and take into consideration a weather factor. Was it colder or warmer the year before? Sometimes even telling a customer both sides of a Rule can help calm them down. They could have pointed out his history of kWh used during the same time frame against the billing of 0 kWh. They could have politely reminded the customer that one should always review their bill before paying each month to insure accuracy. I can't tell you how many times I've reminded someone that July and August are the two worst months for electric usage in Arkansas and one should clearly know a bill so low was not right!

So we hang up with all that information and call the company to get their side of the situation. Yes, indeed, much to our surprise the meter was dead for 24 months. We request bills and all of the things we discussed earlier in this newsletter.

Unfortunately, our findings show the company is not taking the customer's own usage from the time period before the meter went dead, but billing him the class average. They thought since the meter was dead for two years there was no previous usage to reference back to. What about his usage the third year back? The class average was higher than anything this customer ever used in his history with the company. In the interest of good customer service we suggested the company take that into consideration. After all, mistakes were made on both sides of the fence here!

**Christmas is a season for kindling the fire for hospitality in
the hall, the genial flame of charity in the heart.**

~Washington Irving



The greatest gift you can give somebody is your own personal development. I used to say, "If you will take care of me, I will take care of you." Now I say, "I will take care of me for you, if you will take care of you for me."

~Jim Rohn



We also discovered that the DPA was for 12 months. (The meter was dead for 24 months.) Needless to say a correction had to be made there! Once a chart was put together to show the customer his own usage from previous years against the back billing, he was explained that the company could have used a class average, but in the interest of customer service and doing that which is fair they have now rebilled him. The bill went from \$2376.42 to \$1708.08. Customer must pay \$71.17 a month for the next 24 months plus his current bill by the due date. (Our office never stops with that explanation. We take the time to explain that this is a **PROMISE and it means they can NEVER** be one penny short or one day late. They are told if they are late or short this will **VOID** the DPA and they can be **SHUT-OFF** without notice and will have to pay the bill in **FULL**.) Wouldn't you agree this is good information to give to the customer that never pays on time?

Mr. Milsap now had answers to his questions and a better understanding of his situation. This company complaint was coded "Utility Corrected" (UC) because of the adjustments that had to be done once we got involved.

2012 Interest of Deposits

On December 2 the ORDER for Docket No. 11-086-U was issued. It states the interest rate of **0.7%** will be used on deposits for 2012.

Also, please remember to inform us if your "Class Averages" are adjusted from year to year. Send that information to Sonya Jones, now Robertson, (marriage will do that to one's last name you know☺) or myself via fax, phone, or email.

Now Just for FUN!

Word Hunt

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AUTHORIZED
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THAT'S ALL FOLKS!
Merry Christmas and Happy New Year!

