

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass as Amended and Be Printed Engrossed

Vote: 5 - 0 - 1

Yeas: Edwards, Girod, Monroe, Starr, Beyer

Nays: 0

Exc.: Thomsen

Prepared By: Patrick Brennan, Administrator

Meeting Dates: 2/12, 3/11, 3/12

WHAT THE MEASURE DOES: Specifies that in cases where customer was billed amount less than owed, utility may only collect on amounts incorrectly billed for one year following issuance of the last incorrect bill and may not collect amounts incorrectly billed more than two years after the date on which utility identified last incorrect bill. Specifies that in cases where customer was billed an amount more than owed, utility may only refund amounts incorrectly received for one year following the date on which the last incorrect bill was issued and may not refund amounts received more than three years before the date on which the utility identified the incorrect bill. Provides exception for collection on customers billed less than owed in cases involving fraud, tampering, diversion, theft, misinformation or other dishonest or unlawful conduct on part of customer.

ISSUES DISCUSSED:

- Examples of underbilling due to equipment failure
- Examples of situations where billing did not occur because services were obtained fraudulently
- Effect of committee amendment

EFFECT OF COMMITTEE AMENDMENT: Clarifies measure applies to current and former customers of utility. Provides for incorrect underbilling and overbilling. Specifies that utility may only collect amounts incorrectly billed for one year following issuance of the last incorrect bill, and may not collect on amounts incorrectly billed more than two years before the date on which the utility identified the last incorrect bill. Provides that the utility may collect in full on incorrect billings resulting from fraud, tampering, diversion, theft, misinformation or other dishonest or unlawful conduct. Specifies that refunds on overbilling may only be for amounts incorrectly received during the previous year, and may not be refunded on amounts incorrectly received more than three years before the date the utility identified the last incorrect bill.

BACKGROUND: Senate Bill 237-A addresses instances in which a public utility underbills a customer (charges them less than the customer was supposed to owe for provision of the utility services) or overbills a customer for a specific period of time. Erroneous billing can result from a number of reasons, such as faulty or misread meters or mathematical errors. Under current administrative rules adopted by the Public Utility Commission, a bill for services provided previously can be issued up to six months after the fact in cases where an exact date cannot be identified, or up to three years later in cases where the exact date of usage for which billing did not occur previously can be identified.

Senate Bill 237-A provides an exception for collection of underbilled amounts in cases where actions of a customer, through misrepresentation, tampering with a device, diversion of product or services, providing false information, or theft, resulted in the customer receiving unbilled or incorrectly billed services. The measure also sets statutory limits on collection of incorrect billings.

3/18/2013 12:47:00 PM

This summary has not been adopted or officially endorsed by action of the committee.