

ROCHESTER PUBLIC UTILITIES
BOARD POLICY STATEMENT

POLICY SUBJECT: ADJUSTMENT OF UTILITY SERVICES BILLED

POLICY OBJECTIVE:

Rochester Public Utilities makes every effort to eliminate billing errors to customers for the use of utility services. However, billing errors may occur as a result of many different circumstances. This policy sets forth a standard method for adjusting overcharged and undercharged customer utility accounts.

POLICY STATEMENT:

1. Billing Errors

When a customer has been overcharged or undercharged as a result of an incorrect reading of the meter, incorrect application of the rate schedule, incorrect connection of the meter, application of an incorrect multiplier or constant, or other similar reasons, the amount of the overcharge shall be refunded to the customer or the amount of the undercharge will be billed to the customer.

2. Inaccurate Meters

Whenever any water or electric meter is found upon testing to have an average error of more than the following:

Electric Meters – Watt Hour Meter (2%), Demand Meter (1.5%)

Water Meters – Displacement, Turbine and Ultrasonic Meters (1.5%), Compound (3%)

A recalculation of bills for service will be made on the basis that the meter should be one hundred percent (100%) accurate with respect to a working test standard. The refund or charge shall be based on the (actual) meter reading obtained by the RPU representative, averaging the amount registered over corresponding periods in previous months or averaging usage accumulated on the new meter.

3. Meter Fails to Register Usage or Registers Intermittently

When the error cannot be determined by testing because the meter is not registering or is registering intermittently, RPU will charge for an estimated amount of usage. This amount shall be calculated by averaging the amounts registered over corresponding periods in previous months. In the absence of such information, the average usage accumulated on the new meter will be the amount billed.

4. Refund or Charge Period

The maximum refund period will be three years from the date of discovery of an overcharge. The maximum billing adjustment period will be one year before the discovery of an undercharge, unless meter tampering is involved. If meter tampering is involved, the maximum billing adjustment period will be based on the date of the earliest evidence of meter tampering.

The utility shall offer a payment agreement to customers who have been undercharged if no culpable conduct by the customer or resident of the customer's household caused the undercharge. The agreement will cover a period equal to the time over which the undercharge occurred or a different time period that is mutually agreeable to the customer and the utility, except that the duration of a payment agreement offered by a utility to a customer whose household income is at or below 50 percent of state median household income will consider the financial circumstances of the customer's household.

No interest or delinquency fee will be charged as part of an undercharge agreement provided the payment agreement is maintained.

If a customer inquiry or complaint results in the utility's discovery of the undercharge, the utility will bill for undercharges incurred after the date of the inquiry.

5. Refunding or Billing Adjustments

Refunds to existing customers will be handled as a credit on the customer's billing. At the customer's request, the credit may be refunded after deducting any outstanding balances.

If a refund is due a customer who no longer has an active service, a letter is mailed to the last known address.


If the adjustment creates a balance due the utility for a current customer, the customer will be contacted with an explanation of charges. In addition, a corrected billing statement will be mailed to the customer.

RELEVANT LEGAL AUTHORITY:
Minnesota Statutes 216B

EFFECTIVE DATE OF POLICY: February 8, 1994

REVISED: June 29, 2021

POLICY APPROVAL:



Board President

6/29/2021
Date

