
Technology & Economic Development Committee

HB 2261

Brief Description: Protecting utility customers by modifying the authority of utilities to backbill customers for charges missed due to utility error.

Sponsors: Representatives Shea, Reykdal, Taylor, Scott and Van Werven.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Limits the ability of certain utilities to backbill customers for charges missed due to utility error.
--

Hearing Date: 1/19/16

Staff: Jasmine Vasavada (786-7301).

Background:

Billing Error.

"Backbilling" generally refers to the practice of a business, such as a utility, of issuing a corrected bill to a customer to address charges that were incorrectly stated in previous billing cycles. A utility may issue a corrected bill to correct undercharges or overcharges. Undercharges may result from human error on the part of the utility, mechanical or system failure, or unauthorized use. Errors attributable to a failure of the utility may include incorrect meter reads; clerical errors; incorrect billing calculations, including the application of the wrong daily billing factor; and non-registering or incorrectly registering meters.

Consumer-owned Utilities.

Consumer-owned utilities who provide electrical service in Washington include municipal electric utilities, public utility districts, irrigation districts, rural electric cooperatives, port districts, and water sewer districts. Consumer-owned utilities are regulated by their own boards

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

of directors and are not subject to oversight by the Washington Utilities and Transportation Commission (Commission).

Oversight of Investor-owned Utilities.

The Commission regulates, in the public interest, the rates, services, facilities, and practices of investor-owned utilities. The Commission's rules for the state's three regulated electric companies and four regulated natural gas companies address billing issues resulting from billing errors, inaccurate energy usage metering, and unidentified energy usage that results in corrected billing. In 2015, the Commission proposed to modify existing rules to limit the period of time for which a regulated utility may issue a corrected bill.

Summary of Bill:

A utility customer is only liable to pay for underbilled charges for the month immediately prior to the month in which the utility customer receives notice of the underbilling from the utility. Covered utilities include municipal electric and natural gas utilities, public utility districts, and electric and natural gas companies.

"Billing error" means error arising from non-registering, incorrectly registering, or crossed meters; other faulty equipment; and administrative error, including incorrect meter reads, clerical errors, incorrect billing calculations, and application of an incorrect daily billing factor.

Legislative findings are made concerning the impact on customers of utility backbilling.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.