

CUSTOMER PROTECTIONS

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Meetings with Kosovo Energy Regulatory Office
(Parrish Consumer Session Three)

Topics

- Customer Bill of Rights Example
- Sample Bills
- Service Quality Standards
 - Establishing Standards
 - Reporting and Compliance
 - Enforcement, Penalties, and Remedies
 - Incentive or Penalties
- Compensation to Customers Examples
- Energy Losses
 - Metering
 - Theft
 - Non-Payment

New Jersey BOPU Bill of Rights

- You have the right to utility service if you are a qualified applicant.
- You shall not be asked to pay unreasonably high deposits as a condition of service, nor to make unreasonable payments on past due bills.
- You have the right to budget billing, or payment plans if you are an electric, or gas customer.
- You are entitled to at least one deferred plan in one year.
- You have the right to have any complaint against your utility handled promptly by that utility.
- to investigate your utility complaints and inquiries. Your service may not be terminated for non-payment of disputed charges during a BPU investigation.



New Jersey BOPU Bill of Rights

- If you suspect it is not working properly, you have the right to have your meter tested, free of charge, once a year by your utility. For a \$5 fee the meter test will be conducted under the supervision of the staff of the BPU.
- You have the right to a written notice of termination, ten days prior to the discontinuance of service.
- Residential service may be shut-off, after proper notice, Monday through Thursday, 8:00 a.m. to 4:00 p.m. A utility may not shut-off residential service on Friday, Saturday, Sunday or a holiday or the day before a holiday or if a valid medical emergency exists in your household.
- Winter Termination Program - If you are an elderly or low income customer having financial problems paying your bill you should request the company to enroll you in a budget plan in accordance with your ability to pay. You are required to make good faith payments of all reasonable bills for service and in return are assured of the right to have gas and electric utilities service from November 15, to March 15 without fear of termination of such service.



New Jersey BOPU Bill of Rights

- If you live in a multi-family dwelling, you have the right to receive posted notice of any impending shutoff. This notice must be posted in a common area and/or sent individually to occupants.
- You have the right to have a "diversion of service" investigation if you suspect that the level of consumption reflected in your utility bill is unexplainably high.
- Service shall not be shut-off for non-payment of repair charges, merchandise charges or yellow page charges nor shall notice threatening such discontinuance be given.
- You have the option of having a deposit refund applied to your account as a credit or of having the deposit refunded by separate check.



☐ Enroll in Conservation Round Up® Information on back ☐ Address Change form on back ☐ Request for information form on back

1
John Customer
Jane Customer
1000 Main Street
Anytown VA. 22737-0000

1 Account Number: 0000000000
2 Previous balance due immediately
Current Charges due 03/30/09
3 **TOTAL AMOUNT DUE:** \$211.00

AMOUNT ENCLOSED _____

PO Box 34849
Alexandria VA. 22334-0849



0 0000000000 0000000000 00000000 0

PLEASE DETACH AND RETURN THE ABOVE PORTION WITH YOUR PAYMENT

PAGE 1



Quick Payment Options

Call us 24 hours a day, 7 days a week
or visit www.myrec.coop

Phone Numbers:

540-898-8500 804-633-5011
540-825-8373 540-622-2001

4 Protect your valuable appliances for only 20 cents per day. REC's HomeGuard surge protection protects at the meter and the outlet, no store bought protector does that. Call today to upgrade your surge protection. 800-851-3275.

Account Name: John Customer
Jane Customer
Account Number: 0000000000

Billing Date: March 5, 2009

3 **TOTAL AMOUNT DUE:** 211.00

5 Account Summary

Account balance on last bill: 329.81
Payments received as of 03/05/09: -211.00
Previous balance due immediately: 118.81
Current Charges due 03/30/09: 246.74

12 Budget Summary: PLEASE NOTE NEW BUDGET PAYMENT AMOUNT.

Payments applied as of 03/05/09: -211.00
Budget previous balance due immediately: 0.00
Budget Current Charges due 03/30/09: 211.00

6 **TOTAL ACCOUNT BALANCE** 365.55

TOTAL BUDGET BALANCE 211.00

Billing Detail 1000 Main Street

11 **SDID #** 000000000-00000000

Meter No. - 00000000

Rate Schedule A-U Residential Service - See Page 2 for schedules

Service From	To	Energy Present	Readings Previous	kWh Used	No Days	Meter Multiplier	Reading Method
02/03/09	03/03/09	4555	4368	1,870	28	10	Regular

REC Current Charges

8 **Regulated Charges:**
Distribution Delivery **a** 55.07
Electricity Supply Service **b** 102.08
Wholesale Power Cost Adj **c** 80.82
Virginia Consumption Tax 2.77
County Tax 3.00
Total REC Regulated Charges 243.74
Total Current Charges 246.74

9 **Unregulated Charges:**
Individual Outage Notification 3.00
Total REC Unregulated Charges 3.00

History	
Mo & Yr	kWh
MAR-08	2600
APR-08	2090
MAY-08	1610
JUN-08	1210
JUL-08	1170
AUG-08	1450
SEP-08	1560
OCT-08	1010
NOV-08	1090
DEC-08	1270
JAN-09	1710
FEB-09	3000

13 →


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Bill Sample from Virginia

PPL Electric (Pennsylvania) Sample Bill Explanation

PPL Electric Utilities

Electric Service



Your Bill Account Number

XXXXXX-XXXXXX

Use when calling or writing

Click the numbers below to view more information

1

2

3

4

5

6

Billing Details

Total from Last Bill \$231.76

Payment Received Feb 1 - Thank you! \$231.76

Balance as of Feb 2, 2011 \$ 0.00

Current Charges

Charges for - PPL ELECTRIC UTILITIES

Residential Rate: RS for Jan 4 - Feb 2

Distribution Charge:

Customer Charge	8.75
200 KWH at 3.300¢ per KWH	6.60
600 KWH at 3.300¢ per KWH	19.80
1.005 KWH at 3.300¢ per KWH	33.16
PA Tax Adj Surcharge at -0.276%	-0.018

Transmission Charge:

1.805 KWH at 0.092¢ per KWH	.16
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Generation Charge:

Capacity and Energy	
200 KWH at 9.205¢ per KWH	18.41
600 KWH at 9.205¢ per KWH	55.23
1.005 KWH at 9.205¢ per KWH	92.51
PA Tax Adj Surcharge at -0.286¢ per KWH	-0.047

Total PPL ELECTRIC UTILITIES Charges \$234.55

Pay This Amount No Later Than Feb 23, 2011 \$234.55

Account Balance \$234.55

PPL (Pennsylvania) Sample Bill Explanation

#1: Rate: (sample shows residential RS)

Most PPL residential customers receive electric services under the same rate class and some have special rates. This is also true for commercial and industrial customers. **#2:**

Distribution Charge:

The price for delivering electricity to your home or business.

#3: Customer Charge:

The monthly charge to cover PPL Electric Utilities' basic costs for billing, metering and meter reading.

#4: Transmission Charge:

The cost of moving electricity from a generating plant to the PPL distribution system. When you select an electric generation supplier, that supplier, not PPL, will bill you for transmission charges.

#5: Generation Charge:

The amount your electric generation supplier charges for making your electricity.

#6: PA Tax Surcharge:

A surcharge on your total distribution charges from PPL Electric Utilities, which reflects changes in various state taxes already included in your bill. This surcharge may change periodically.



Samples of Other Customer Bills

- Review Copies of Bills
 - Wyoming: Rocky Mountain Power Residential
 - Wyoming: Rocky Mountain Power Commercial
 - Wyoming: Rocky Mountain Power Transmission Level Service



Service Quality Standards

- Establishing Standards
 - Targets (Goals, Not Enforceable) versus Guarantees (Enforceable with Clear Measurement)
 - Need to be careful of not setting the standard too high if the utility has not been given adequate maintenance or capital funds.
- Reporting and Compliance
 - Regulator needs to have input on data that is reported.
- Enforcement, Penalties, and Remedies
 - What is the big stick that the regulator has to ensure that standards are met?
- Carrot (Incentive) or the Stick (Penalty)
 - Is it better to provide a reward for improvements or a penalty for failure to improve?



Establishing Targets or Standards

- Targets versus Guarantees
 - Would it be best to start with targets and build up some history with new owners before setting guarantees?
 - Or, should guarantees be part of the license or contractual agreement?
 - Would there be an opportunity to reset the standard over time?
- Is there adequate funding in the rates to meet the target or standard? Are the rate and standards being considered together?



Establishing Targets or Standards

- Targets or Guarantees
 - Is there a clear way of measuring the standard?
 - Is there a definition of *normal conditions* versus *catastrophic conditions* or *exceptional circumstances*?
 - Is there a way to verify or audit the data?
 - Are records or supporting documents available to support the reported data?



Reporting and Compliance

- Reporting should provide useful information to regulator and/or customers
 - Figure out purpose:
 - Used to Set Tariffs?
 - Used to Determine Future Maintenance or Capital Expenditures?
 - Used to Establish Incentives or Penalties?
 - Is Desired Data Readily Available in Company Records?
 - Will Data be Confidential or Public?
- Real Time versus Near Term versus Historical Reporting
- What happens if company fails to report?
- What happens if company fails to meet the standard?



Wisconsin Service Reliability Reporting

PSC 113.0605 Initial historical reliability performance report.

(1) Each electric utility with 100,000 customers or more that has historically used measures of system, operating area and circuit reliability performance, shall initially submit annual SAIFI, SAIDI and CAIDI data for the previous three years. Those utilities that have this data for some time period less than three years shall submit data for those years it is available.

Kentucky PSC Real Time Outage Reporting

Incidents within Past 24 Hours

Incident Time	Company			
5/4/2011 1:42:00 AM	<input type="checkbox"/> American Electric Power	Possible Cause: At 0142 the Coleman-Sprigg 69Kv line locked out interrupting 1740 Kentucky Power customers from Barrenshe Station. At the time of this report the cause of the outage has not been determined. updated 5/4/2011 9:11:47 AM		
			County	Customers Out
			Johnson	100
			Pike	1,590
5/3/2011 10:00:00 PM	<input type="checkbox"/> Windstream Kentucky East, LLC	Possible Cause: Mud slide on Highway #38 in Evarts KY. Large amount of debris on Windstream cables. updated 5/4/2011 4:40:20 PM		
			County	Customers Out
			Harlan	626



Wisconsin Public Service Corporation Real Time Report

- See website at
<http://www.wisconsinpublicservice.com/outagesummary/view/outagegrid.aspx>

to see the live map of the current outages



Enforcement, Penalties, Remedies

- Can Fines be Imposed?
 - If yes, will fines actually make service better?
 - Better to put the money into construction?
- Is there a way to take the complaints and outage data to provide input as to future expenditures? Or, should that strictly be the role of utility management ?
- What is the best motivation to assure that service improves?
 - Separately Examine Best Path for Distribution, Transmission, Generation



Incentive or Penalty

- Incentives

- Do you want to incent new investment or penalize bad performance?
- Example:
 - Incentive provided through increased return or revenue or rates for good performance; decrease for bad
 - When set baseline rates, need to make sure that establish proper expense level for items to be measured
 - If plant keeps going out of service due to reduced maintenance expenditures and regulator wants to focus on outages as a performance factor, make sure that maintenance expense in rates is at a level where expectations can be met

Incentive or Penalty

- Incentives Example (Continued)
 - From 2002 Massachusetts Electric Company Plan

<u>Measure</u>	<u>Weight</u>	<u>Incentive or Penalty</u>
Outages	40%	\$6 million
Distribution Losses	6.7%	\$1 million
On cycle Meter Reads	6.7%	\$1 million
Customer Satisfaction	20%	\$3 million
Timely Call Answering	6.7%	\$1 million
Complaints to Regulator	6.7%	\$1 million
Lost Work Time Accidents	13.3%	\$2 million

Incentive or Penalty

- **Penalty Example**

- On October 8, 2009, **FERC approved a \$25 million civil penalty** as part of a settlement with Florida Power & Light Company (“FPL”) stemming from a joint investigation by FERC and the North American Electric Reliability Corporation (“NERC”) into the **circumstances surrounding a significant loss of load** event in Florida on February 26, 2008 (“the Florida Blackout”). The settlement alleged numerous violations by FPL of the Mandatory Reliability Standards for the Bulk-Power System, Order No. 693, FERC Stats. & Regs. ¶ 31,242 (2007) (“Reliability Standards”), the framework for which was established by the Energy Policy Act of 2005.
- **After the blackout caused millions of south Florida consumers—approximately eight percent of all Florida electric customer accounts—to lose power for several hours**, FERC publicly announced a formal non-public investigation into the cause and events surrounding the event. FERC eventually concluded that the Florida Blackout originated at an FPL substation when a field engineer was diagnosing a piece of transmission equipment that previously had malfunctioned.



Compensation to Customers

- A few utilities (not common practice) have a requirement to compensate customers for extended outages.
- Examples
 - Pacific Gas and Electric Compensation for Extended Outages
 - Michigan PSC Rules for Penalties and Incentives
 - ConEdison Food Spoilage
 - Wyoming Rocky Mountain Power Customer Guarantees



Pacific Gas and Electric Extended Outages

- If you are a **residential** customer and have gone without power for at least 48 hours due to severe storm conditions, you may qualify for a payment under *PG&E's Safety Net Program*. This program provides automatic payment of \$25-\$100, which is paid about 60 days following the storm damage.
 - 48 to 72 hours = \$25
 - 72 to 96 hours = \$50
 - 96 to 120 hours = \$75
 - 120 hours or more = \$100



Michigan PSC Penalties and Incentives

- Rule 41
 - The commission may authorize an electric utility to receive a financial incentive if it **exceeds** all of the service quality and reliability standards adopted by these rules.
 - A request for approval shall be made in either
 - A rate case proceeding or
 - A single-issue proceeding filed specifically to address adoption of an incentive program
 - Request can not file the application seeking incentive until it has exceeded all of the service quality for a period of at least 12 months



Michigan PSC Penalties and Incentives

- Unacceptable Levels of Performance during Service Interruptions (only a partial list of Michigan's requirements – others include downed wire and call answer data)
 - Considering data derived from the combination of both normal and catastrophic conditions, an electric utility shall restore service within 36 hours to not less than 90% of its customers experiencing service interruptions
 - Considering data including only catastrophic conditions, an electric utility shall restore service within 60 hours to not less than 90% of its customers experiencing service interruptions
 - Considering data derived from the combination of both normal and catastrophic conditions, an electric utility shall not experience 5 or more same circuit repetitive interruptions in a 12-month period on more than 5% of its circuits.

Michigan PSC Penalties and Incentives

- Rule 44
 - Unless an electric utility requests a waiver pursuant to part 5 of these rules, an electric utility that fails to **restore service to a customer within 120 hours after an interruption that occurred during the course of catastrophic conditions** shall provide to any affected customer **that notifies the utility of the interruption** with a bill credit on the customer's next bill. The amount of the credit provided to a **residential customer shall be the greater of \$25.00 or the customer's monthly customer charge**. The amount of the credit provided to any other distribution customer shall be the customer's minimum bill prorated on a daily basis.

Michigan PSC Penalties and Incentives

- Rule 45
 - Unless an electric utility requests a waiver pursuant to part 5 of these rules, an electric utility that fails to **restore service to a customer within 16 hours after an interruption that occurred during normal conditions** shall provide to any affected customer **that notifies the utility of the interruption** with a bill credit on the customer's next bill. The amount of the credit provided to a **residential customer shall be the greater of \$25.00 or the customer's monthly customer charge**. The amount of the credit provided to any other distribution customer shall be the customer's minimum bill prorated on a daily basis.

Michigan PSC Penalties and Incentives

- Rule 46
 - Unless an electric utility requests a waiver pursuant to part 5 of these rules, a customer of an electric utility that experiences and notifies the utility of more than 7 interruptions in a 12 month period due to a same circuit repetitive interruption shall be entitled to a billing credit on the customer's next bill. The amount of the credit provided to a residential customer shall be the greater of \$25 or the customer's monthly customer charge. The amount of the credit provided to any other distribution customer shall be the customer's minimum bill prorated on a daily basis.

ConEdison Food Spoilage

If you have incurred spoilage losses during a power outage, you may file a claim with Con Edison. To file a claim, either fill out a claim form or write a letter within 30 days of the power outage. **Regrettably, Con Edison cannot provide reimbursement for losses sustained as a result of power outages caused by storms.**

Residential Customers (See separately provided form)

- You may file a claim, up to a maximum of \$450, for actual losses of food spoiled due to lack of refrigeration. Claims for food up to \$200 must include an itemized list. Claims for food over \$200 must include an itemized list and proof of loss (for example: cash register tapes, store or credit card receipts, cancelled checks, or photographs of spoiled items).
- In addition, you may file a claim for actual losses of prescription medicine, spoiled due to lack of refrigeration. You must include an itemized list and proof of loss (for example: pharmacy prescription label or pharmacy receipt identifying the medicine). We may also request authorization to enable Con Edison to verify the loss of prescription medicine.
- Claims must be filed within 30 days of the date of the power outage.
- Reimbursement is limited to food and medicine spoilage and is governed by Con Edison's electric rate schedule.
- Losses for damage to motors, equipment, or appliances are not reimbursable under the electric rate schedule.

ConEdison Food Spoilage

Commercial Customers (See separately provided form)

- You may file a claim, up to a maximum of \$9,000, for actual losses of perishable merchandise spoiled due to lack of refrigeration.
- Claims must include an itemized list and proof of loss.
- Claims must be filed within 30 days of the date of the power outage.
- Reimbursement is limited to spoilage of perishable merchandise.
- Losses for damage to motors, equipment, or appliances are not reimbursable under the electric rate schedule.



Rocky Mountain Power Guarantees

- Guarantees for which customer must make a claim for compensation
 - Restoring Supply After An Outage
 - With some exceptions, restore service within 24 hours of being notified or pay \$50 plus \$25 for each additional 12 hours
 - Notifying of Planned Interruptions
 - With some exceptions, provide customer with 2 days notice prior to turning off power for planned interruptions or pay \$50.
- Guarantees are automatically credited to customer's account (general description)
 - Missed Appointments =\$50
 - Switch On Power within 24 hours of the request if no construction required, etc. or pay \$50
 - Estimates for new supply will be provided within 15 working days or pay \$50
 - Company will respond to bill inquiries at time of initial contact from customer or within 10 days if further investigation required. If fail then pay \$50.
 - Investigate and respond to meter problems within 10 days or pay \$50.



Energy Losses

- Metering
 - Are all of the customers metered?
 - Are meters being read accurately?
 - Is there a plan for testing and / or replacing meters?
 - Reward customers and employees for reporting suspicious meters or meters tampered with
 - Reward customers and employees for reporting suspicious activities
 - Train meter readers to identify damaged meters.



Energy Losses

- Theft

- Utility may employ workers or consultants for the purpose of detecting power theft
 - BCHydro (Canada) employs former police investigators to look for theft of electricity
- When a property or premise is vacant for a long time, remove equipment so near-by customers aren't tempted to steal power
- Have utility investigate unusual billing patterns or no-usage customers
 - Advanced analytic tools and consulting firms are available to monitor customer information and customer usage
- Take action when theft found
 - Disconnect customer?
 - Prosecute?



Energy Losses

- Non Payment
 - Obtain Security Deposits from customers with poor credit history or poor payment history
 - Monitor Payment History and Do Not let non-payment go for long periods of time
 - Disconnect after proper notice and after opportunity for payment plan
 - Offer Payment Plans



Vulnerable Customers

- Separate Rate for Qualified Low-Income Customers
 - Discounted Bill or Rate
- Direct Monetary Support for Qualified Customers
 - Low Income Energy Assistance Program
 - Energy Share
- Public Benefits Charge
 - Used in Part for Low-Income Energy System
 - Used in Part for Weatherization, Energy Efficiency Programs
- Bad Debt Forgiveness
 - Part of Bad Debt Forgiven if Customer Complies with an Established Payment Plan



Vulnerable Customers

- Budget Billing Plans
 - Have an established payment in each month of the year based on historical usage
- Pre-Paid Meters
 - Customer only uses what he/she can afford
 - No risk of getting into debt that cannot afford to pay