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# Evolution of the Utility- Customer Relationship with Advanced Technology

J.E.B. Pinney

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## The Filed Rate Doctrine

- Courts have defined this as:  
“[S]tand[ing] for the proposition that when the legislature has established a comprehensive ratemaking scheme, the filed rate *defines the legal relationship between the regulated utility and its customer with respect to the rate that the customer is obligated to pay and that the utility is authorized to collect.*”



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## Codified at KRS 278.160

- (1) Under rules prescribed by the commission, each utility shall file with the commission, within such time and in such form as the commission designates, schedules showing all rates and conditions for service established by it and collected or enforced. The utility shall keep copies of its schedules open to public inspection under such rules as the commission prescribes.



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## KRS 278.160 (continued)

- (2) No utility shall charge, demand, collect, or receive from any person a greater or less compensation for any service rendered or to be rendered than that prescribed in its filed schedules, and no person shall receive any service from any utility for a compensation greater or less than that prescribed in such schedules.

## Customer's Rights

- You have the right to service, provided you (or a member of your household whose debt was accumulated at your address) are not indebted to the utility.
- You have the right to inspect and review the utility's rates and tariffed operating procedures during the utility's normal office hours
- You have the right to be present at any routine utility inspection of your service conditions.



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## Customer Rights (Continued)

- You must be provided a separate, distinct disconnect notice alerting you to a possible disconnection of your service if payment is not received.
- You have the right to dispute the reasons for any announced termination of your service.
- You have the right to negotiate a partial payment plan when your service is threatened by disconnection for non-payment.
- You have the right to participate in equal, budget payment plans



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## Customer Rights (continued)

- You have the right to maintain your utility service for up to thirty (30) days upon presentation of a medical certificate issued by a health official.
- You have the right to prompt (within 24 hours) restoration of your service when the cause for discontinuance of the service has been corrected.
- a customer account shall be considered to be current while the dispute is pending if the customer continues to make undisputed payments and stays current on subsequent bills.





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## **Utility's Rights – Refusal or Termination of Service for noncompliance with tariff or regulations**

- For noncompliance with the utility's tariffed rules or the commission's administrative regulations.
- A utility shall not terminate or refuse service to a customer for noncompliance with the utility's tariffed rules or the regulations without first having made a reasonable effort to obtain customer compliance.
- After the effort by the utility, service may be terminated or refused only after the customer has been given at least ten (10) days written termination notice





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## Utility's Rights: Refusal or Disconnection due to Dangerous Conditions

- If a dangerous condition relating to a utility's service that could subject a person to *imminent harm* or *result in substantial damage to the property* of the utility or others is found to exist on the customer's premises, the service shall be refused or terminated without advance notice.

Careful....



## Utility's Rights: Refusal or Disconnection of Service for Refusal of Access

- If a customer refuses or neglects to provide reasonable access to the premises for installation, operation, meter reading, maintenance, or removal of utility property, the utility may terminate or refuse service



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**Good dog, now, SIT.**







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## Utility's Rights: Refusal or Termination of Service for Outstanding Indebtedness

- A utility shall not be required to furnish new service to a person contracting for service who is indebted to the utility for service furnished or other tariffed charges until that person contracting for service has paid his indebtedness.



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## Utility's Rights: Refusal or Termination of Service for Noncompliance with State or City Codes

- A utility may refuse or terminate service to a customer if the customer does not comply with state, municipal, or other codes. A utility may terminate service pursuant to this subsection only after ten (10) days' written notice, unless ordered to terminate immediately by a governmental official.



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## Utility's Rights: Termination of Service for Nonpayment

- A utility may terminate service at a point of delivery for nonpayment of charges incurred for utility service at that point of delivery. A utility shall not terminate service to any person contracting for service for nonpayment of bills for any tariffed charge without first having mailed or otherwise delivered an advance termination notice.



## Utility's Rights: Termination for Theft of Service

- A utility may terminate service to a customer without advance notice if it has evidence that a customer has obtained unauthorized service by illegal use or theft.
- Utility also pursue other legal remedies, such as legal action to recover payment for theft of service



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## Theft of Service



## Theft of Service





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## Utility's Rights: Customer Deposits

- Utility may require a deposit prior to initiating or reconnecting service – but it is at the discretion of the utility
- Cannot exceed 2/12 of a customers annual bill if service is billed monthly, 3/12 if billed bi-monthly and 4/12 if billed quarterly
- Utility will pay interest on deposits when refunded to the customer

## Pre-Paid Metering

- Customers pay a predetermined amount prior to receiving the service
- Customers may check their balance on the utility's website
- Service automatically terminated when funds expire
- Customer will receive an automated notice when the remaining funds drop below a predetermined level
- Prepaid customers are not required to pay disconnection or reconnection fees, deposits or late fees

## Advantages of Pre-paid Metering

- The customer is on notice of current usage and possible termination, may adjust usage to budget
- Removes the guesswork from what a customer will have to pay at the end of a billing cycle
- Some utilities report that it has led to a reduction in consumption
- Removes several problems:
  - Access to property/meter
  - Non-payment of bills





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## Disadvantages of Prepaid Metering

- Automatic disconnection – there is no “grace period” in which to pay your bill
- Customer must continuously check their meter amount
- Customers need access to the internet or reliable phone service



## Advanced Metering Technologies

- Automated Meter Readers: no longer is a physical reading of a meter necessary
- Provides 2-way communication between the customer and the utility to relay real-time information regarding consumption
- Time of day pricing (if applicable)
- Demand Side Management – customers may adjust their consumption when monitoring their consumption in real time.



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## Concerns about Smart Meters

- Reliability
- Privacy
- Cyber Security
- Health



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## Some people just don't like Smart Meters



## Anti-Smart meter





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# Questions?