

Article 9.

OVERCHARGES AND UNDERCHARGES.

R8-44 METHOD OF ADJUSTMENT FOR RATES VARYING FROM SCHEDULE OR FOR OTHER BILLING ERRORS

If it is found that a utility has directly or indirectly, by any device whatsoever, charged, demanded, collected or received from any consumer a greater or less compensation for any service rendered or to be rendered by such utility than that prescribed in the schedules of such utility applicable thereto then filed in the manner provided in Chapter 62 of the North Carolina General Statutes; or if it is found that any consumer has received or accepted any service from a utility for a compensation greater or less than that prescribed in such schedules; or if, for any reason, billing error has resulted in a greater or lesser charge than that incurred by the consumer for the actual service rendered, then the method of adjustment for such overcharge or undercharge shall be as provided by the following:

- (1) If the utility has willfully overcharged any consumer, then the method of adjustment shall be as provided in G.S. 62-139(b).
- (2) If the utility has inadvertently overcharged a consumer as a result of a misapplied schedule, an error in reading the meter, a skipped meter reading, or any other human, machine, or meter error, the utility shall at the customer's option, refund the excess amount paid by that consumer or credit the amount billed as provided by the following:
 - a. If the interval during which the consumer was overcharged can be determined, then the utility shall credit or refund the excess amount charged during that entire interval provided that the applicable statute of limitations shall not be exceeded.
 - b. If the interval during which the consumer was overcharged cannot be determined, then the utility shall credit or refund the excess amount charged during the 12 month period preceding the date when the billing error was discovered.
 - c. If the exact usage and/or demand incurred by that consumer during the billing periods subject to adjustment cannot be determined, then the refund shall be based on an appropriate estimated usage and/or demand.
 - d. If an overcharged consumer owes a past due electric balance for the same type of service on which an overcharge occurred, the utility may deduct the past due amount from any refund or credit.
- (3) If the utility has undercharged any consumer as the consequence of a fraudulent or willfully misleading action on that consumer's part, or any such action by any person other than the employees or agents of the company, such as tampering with, or bypassing the meter where it is evident that such tampering or bypassing occurred during the residency of that consumer, or if it is evident that a consumer has knowledge of being undercharged without notifying the utility as such the utility shall recover the deficient amount as provided by the following:
 - a. If the interval during which the consumer was undercharged can be determined, then the utility shall collect the deficient amount incurred during that entire interval, provided that the applicable statute of limitations is not exceeded.
 - b. If the interval during which the consumer was undercharged cannot be determined, then the utility shall collect the deficient amount incurred during the 12 month period preceding the date when the billing error was discovered by the utility.
 - c. If the usage and/or demand incurred by that consumer during the billing periods subject to adjustment cannot be determined, then the adjustment shall be based on an appropriate estimated usage and/or demand.
- (4) If the utility has undercharged any consumer as the result of a misapplied schedule, an error in reading the meter, a skipped meter reading, or any other human, machine, or meter error, except as provided in (3) above, then the utility shall recover the deficient amount as provided by the following:
 - a. If the interval during which a consumer having a demand of less than 50kW was undercharged can be determined, then the utility may collect the deficient amount incurred during that entire interval up to a maximum period of 150 days. For a consumer having a demand of 50 kW or greater, the maximum period shall be 12 months.
 - b. If the interval during which a consumer was undercharged cannot be determined, then the utility may collect the deficient amount incurred during the 150 day period preceding the date

when the billing error was discovered by the utility. For a consumer having a demand of 50 kW or greater, the maximum period shall be 12 months.

- c. If the usage and/or demand incurred by that person during the billing periods subject to adjustment cannot be determined, then the adjustment shall be based on an appropriate estimated usage and/or demand.
 - d. The consumer shall be allowed to pay the deficient amount, in equal installments added to the regular monthly bills, over the same number of billing periods which occurred during the interval the customer was subject to pay the deficient amount.
- (5) This rule shall not be construed as to prohibit equal payment plans, wherein the charge for each billing period is the estimated total annual bill divided by the number of billing periods prescribed by the plan, and the difference between the actual and estimated annual bill is settled by one payment at the end of the year. However, incorrect billing under equal payment plans shall be subject to this rule.
 - (6) This rule shall not be construed as to prohibit the estimation of a consumer's usage for billing purposes when it is not feasible to read the consumer's meter on a particular occasion.
 - (7) If the meter error is found upon test to be not more than 2% fast or slow, the utility shall not be required to make a billing adjustment under (2) above or allowed to make a billing adjustment under (4) above.

(NCUC Docket No. E-100, Sub 17, 5/10/74; NCUC Docket No. E-100, Sub 29, 11/29/77; NCUC Docket No. M-100, Sub 140, 12/03/13.)