

Rule No. 16
ADJUSTMENT OF BILLS

Sheet 1

A. ESTIMATED USAGE

When regular, accurate meter readings are not available or the gas usage has not been accurately measured, the Utility may estimate the customer's gas usage for billing purposes on the basis of information including, but not limited to, the physical condition of the metering equipment, available meter readings, records of historical use, and/or the general characteristics of the customer's load and operation.

B. ADJUSTMENT OF BILLS FOR UNAUTHORIZED USE

Unauthorized use is the use of energy in noncompliance with the Utility's tariffs or applicable law. It includes, but is not limited to, meter tampering, unauthorized connection or reconnection, theft, fraud, and/or intentional or unintentional use of gas whereby the Utility is denied full compensation for service provided.

Where the Utility determines that there has been unauthorized use of gas, the Utility may bill the person or entity, who benefited from such unauthorized use for the Utility's estimate of such unauthorized use. Such estimated billing shall indicate unauthorized use for the most recent three years and, separately, unauthorized use beyond the three-year period for collection as provided by law. However, nothing in this rule shall be interpreted as limiting the Utility's rights and/or remedies in any provisions of any applicable law.

Utility shall bill and collect interest at a rate of ten percent (10%) per annum on unauthorized use billings from the date the unauthorized use commenced, and/or Utility shall bill and collect at a rate of ten percent (10%) per annum on amortized repayment agreements.

Utility shall bill and collect the associated costs resulting from the unauthorized use including, but not limited to, investigative, repair and equipment damage costs.

C. ADJUSTMENT OF BILLS FOR BILLING ERROR

Billing error is an error by the Utility that results in incorrect billing charges to the customer. Billing errors may include incorrect meter reads or clerical errors by a Utility representative such as applying the wrong rate, wrong billing factor, or an incorrect calculation. Billing error shall also include failure to deliver a bill, actual or estimate, in a timely manner in accordance with Rule No. 14.A.

Billing error does not include a meter error or unauthorized use, or any error in billing resulting from meter dial over; switched or mismarked meters by other than the Utility; lack of access to the meter consistent with Rule No. 14.C.2.; failure of the customer to notify the Utility of a change in operation; failure of the customer to take advantage of a rate or condition of service for which the customer is eligible; or failure to issue a bill due to a natural or man-made disaster such as fire, earthquake, flood, or severe storms.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVISE LETTER NO. 3799-A
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Dec 21, 2007
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C. ADJUSTMENT OF BILLS FOR BILLING ERROR (Continued)

Where the Utility overcharges or undercharges a customer as the result of a billing error, the Utility may render an adjusted bill for the amount of the undercharge, without interest, and shall issue a refund or credit to the customer for the amount of the overcharge, without interest, in accordance with the procedures and limitations set forth below. Such adjusted bills shall be computed as follows:

1. Billing Error Resulting in Overcharges to the Customer

If either a residential or nonresidential service is found to have been overcharged due to a billing error, the Utility shall calculate the amount of the overcharge, for refund to the customer, for a period of three years. However, if it is known that the period of billing error was less than three years, the overcharge shall be calculated for only those months during which the billing error occurred.

2. Billing Errors Resulting in Undercharges to the Customer

If either a residential or nonresidential service is found to have been undercharged due to a billing error, the Utility may bill the customer for the amount of the undercharge for a period of three months for residential service or small nonresidential service, as defined in Rule No. 1, and three years for all other nonresidential service. However, if it is known that the period of billing error was less than three months for residential service or small nonresidential service, as defined in Rule No. 1, and three years for all other nonresidential service, the undercharge shall be calculated for only those months during which the billing error occurred.

D. ADJUSTMENT OF BILLS FOR METER ERROR

A meter error is incorrect gas registration resulting from a malfunctioning or defective meter or pressure correction device. A meter error does not include billing errors, unauthorized use, or errors in registration caused by meter tampering by an unauthorized person. It also does not include conditions such as incorrect meter readings, meter dial overs, accounting errors, meter configuration errors, incorrect meter sizing, or switched meters.

Where as a result of a meter test, except for "Other Than Displacement Gas Meter" as described in Section 4 below, a meter is found to be nonregistering or incorrectly registering, the Utility may render an adjusted bill to the customer for the amount of the undercharge, without interest, and shall issue a refund or credit to the customer for the amount of the overcharge, without interest, computed back to the date that the Utility determines the meter error commenced. The period of adjustment for meter error shall not exceed three years and shall be computed in accordance with the following:

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4189
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ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Dec 27, 2010
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Rule No. 16
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D. ADJUSTMENT OF BILLS FOR METER ERROR (Continued)

1. Fast Meter: If a meter is found to be registering more than two percent (2%) fast, the Utility shall refund to the customer the amount of the overcharge based on the corrected meter readings or the Utility's estimate of the gas usage either for the known period of meter error or, if the period of error is not known, for the period during which the meter was in use, not to exceed three years.
2. Slow Meter: If a meter for residential service is found to be registering more than 25% slow, or a meter for nonresidential service is found to be registering more than two percent (2%) slow, the Utility may bill the customer for the amount of the undercharge based on the corrected meter readings or the Utility's estimate of the gas energy usage either for the known period of meter error or, if the period of meter error is not known, for the period the meter was in use, not exceeding three months in the case of residential service or small nonresidential service, as defined in Rule No. 1, and three years for all other nonresidential service.
3. Nonregistered Usage: The Utility may bill the customer for the Utility's estimate of the gas used but not registered, not exceeding three months in the case of residential service or small nonresidential service, as defined in Rule No. 1, and three years for all other nonresidential service.
4. Other Than Displacement Gas Meter: For other than displacement gas meters, if the customer or the Utility shall at any time have reason to doubt the accuracy of any gauge, measuring device, other appliance, data, or method used in measuring or computing the amount of gas delivered through other than displacement meters, notification shall be given to the other party and, within a reasonable time, the accuracy of such gauge, measuring device, appliance, data, or method shall be determined (upon request, jointly in the presence of both parties) and if any of them shall be found inaccurate, the proper correction in billing shall be made as follows:

In the case of computation errors or inaccurate data, where the date can be fixed or agreed upon, such correction in billing shall begin, starting with the date of initial error.

In the case of a gauge, measuring device, or appliance found to be out of tolerance sufficient to cause a volume error greater than plus or minus two percent (2%), such correction in billing shall begin on a mutually acceptable date. In the absence of such mutual acceptance, the correction shall begin on a date equivalent to 50% of the elapsed period since the last valid calibration or test.

In all cases where corrections are to be made, the amount of the gas delivered during the established period of inaccuracy shall be recalculated and corrected. Thereafter, measurements shall be made in accordance with correct data and any inaccurate devices shall be recalibrated within published manufacturer's tolerances.

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