

ELECTRIC RULE 14 - ADJUSTMENT OF BILLS FOR BILLING ERROR AND UNAUTHORIZED USE

A. BILLING ERROR DEFINED

Billing error is the incorrect billing of an account due to an error by IPUC or the Customer, which results in incorrect charges to the Customer. Billing error includes, but is not limited to, incorrect meter reads or clerical errors, wrong daily billing factor, incorrect voltage discount, wrong connected load information, crossed meters, an incorrect billing calculation, an incorrect meter multiplier, an inapplicable rate, or IPUC's failure to provide the Customer with notice of rate options. Field error, including, but not limited to, installing the meter incorrectly and failure to close the meter potential or test switches, is also considered billing error. Billing error which does not entitle the Customer to a credit adjustment includes failure of the Customer to notify IPUC of changes in the Customer's connected load, equipment or operation or failure of the Customer to take advantage of any noticed rate option or condition of service for which the Customer becomes eligible subsequent to the date of application for service.

B. ADJUSTMENT OF BILLS FOR BILLING ERROR

Where IPUC overcharges or undercharges a Customer as the result of a billing error, IPUC may render an adjusted bill to the Customer for the amount of any undercharge, without interest, and shall issue a refund or credit to the Customer for the amount of any overcharge, without interest, in accordance with the procedures and limitations set forth below. Such adjusted bill 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 billing error, IPUC will 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 will be calculated for only those months during which the billing error occurred.

2. BILLING ERRORS RESULTING IN UNDERCHARGES TO THE CUSTOMER

If a nonresidential service is found to have been undercharged due to a billing error, IPUC may bill the Customer for the amount of the undercharge for a period of three years. However, if it is known that the period of billing error was less than three years, the undercharge will be calculated for only those months during which the billing error occurred.

C. UNAUTHORIZED USE DEFINED

Unauthorized use includes, but is not limited to:

1. Unmetered use of electricity resulting from unauthorized connections, alterations or modifications to electric supply lines and/or electric meters;
2. Placing conductive material in the meter socket to allow energy to flow from the line side of the service to the load side of the service without a meter (cut in flat);
3. Installing an unauthorized electric meter in place of the meter assigned to the account;
4. Inverting or otherwise repositioning the meter, thereby altering registration;
5. Damaging the meter to stop registration, thereby rendering it untestable;
6. Using IPUC service without compensation to IPUC in violation of applicable tariffs and/or statutes. Where IPUC determines there has been unauthorized use, IPUC shall have the legal right to recover, from any Customer or other person who caused or benefited from such unauthorized use, the estimated undercharges for the full period of such unauthorized use. The estimated bill 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. Nothing in this rule shall be interpreted as limiting IPUC's rights under any provisions of any applicable civil or criminal law.

D. INVESTIGATION OF UNAUTHORIZED USE

Where unauthorized use is suspected by IPUC, IPUC shall promptly conduct an investigation. Whenever possible, IPUC shall collect and preserve evidence in the matter, test the meter and obtain connected load information from the Customer or other person sought to be charged for the unauthorized energy use. If the meter cannot be tested or connected load data cannot be obtained; IPUC will document the reasons why such information could not be obtained. Whenever possible, upon completion of IPUC's investigation, the Customer or other person being billed will be advised of IPUC's claim and shall be given an opportunity to respond to the claim. Notwithstanding any provisions herein, IPUC reserves all evidentiary privileges and rights.

E. ADJUSTMENT OF BILLS FOR UNAUTHORIZED USE

1. ACTUAL USAGE

If accurate meter readings are available for the unauthorized use period, they will be used for billing purposes.

2. ESTIMATED USAGE

If accurate meter readings are not available or the electric usage has not been accurately measured, IPUC may estimate the energy usage for billing purposes. The basis for the estimate may include, without limitation and for illustrative purposes only, the physical

condition of the metering equipment, available meter readings, records of historical use, or the general characteristics of the load and operation of the Customer or person being billed, with consideration of any appropriate seasonal adjustment. Estimated bills for the unauthorized use period may be determined by IPUC based on one or more of the following, without limitation and for illustrative purposes only:

- a. Accurately-metered use from a remote check meter;
- b. The known percent error in metering attributable to the unauthorized use condition as determined by IPUC;
- c. Accurately-metered use prior to the onset of the unauthorized use;
- d. The equipment and hours of operation of the Customer or person being billed;
- e. Accurately-metered subsequent use of 30 days or more (if available);
- f. Annual use profile of at least five Customers with similar connected load, premises load profiles, hours of energy use, etc. (percent of annual use); or
- g. Other reasonable and supportable billing methodology when none of the aforementioned billing techniques IS appropriate under the circumstances.

D. INTEREST ON BILLS FOR UNAUTHORIZED USE

1. IPUC may bill and collect interest at a rate of 10 percent per annum on unauthorized use billings from the date the unauthorized use commenced, and/or
2. IPUC may bill and collect interest at a rate of 10 percent per annum on amortized repayment agreements.

E. RECOVERY OF ASSOCIATED COSTS

IPUC may recover the associated costs resulting from the unauthorized use including, but not limited to, investigative and equipment damage costs.

F. DISCONTINUANCE OF SERVICE

In accordance with the provisions of Rule 11, where IPUC determines unauthorized use is occurring, IPUC may refuse or discontinue service without further notice. If any part of the Customer's wiring or any other equipment, or the use thereof, is determined by IPUC or any other authorized public agency to be unsafe or in violation of applicable laws, ordinances, rules or regulations of public authorities, or is in such condition as to endanger IPUC's service facilities, IPUC may discontinue service without further notice. IPUC may also discontinue service in accordance with the provisions of its tariffs, for nonpayment of a delinquent billing for unauthorized use and for associated costs, including nonpayment under an amortization agreement.