



# Public Service Commission of Wisconsin

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Public Service Commission of Wisconsin  
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July 21, 2014

TO: All Electric, Natural Gas, and Water Utilities

FROM: Cynthia Smith, Chief Legal Counsel

RE: Retention of Meters and Meter Reading Records

1-AC-227

During its open meeting on October 25, 2013, the Commission directed staff to gather additional information before a determination could be made on docket 1-AC-227, Retention of Meters and Meter Reading Records. In the process of analyzing the information received, Commission staff found some utilities are not in compliance with the Wisconsin Administrative Code and the Wisconsin Statutes.

At its open meeting of June 6, 2014, the Commission instructed me to remind utilities of current meter testing requirements and, when appropriate, the requirement to bill or credit customers upon discovery of inaccurate billing due to faulty meters.

This letter is a reminder to all utilities of the current meter testing rules and the requirement to backbill or credit when a meter is found to be inaccurate.

All utilities are required to bill all customers for their usage. When a customer has been under-billed, the utility is required to recalculate bills for the time period the meter has been inaccurate for up to two years. When a customer has been over-billed due to an inaccurate meter, the utility must credit or refund the customer for the full time of inaccuracy.

Wisconsin Stat. § 196.635, unbilled utility service, requires all service supplied by a public utility to be billed within two years of such service. Exceptions for the two-year limitation are: no access to metering equipment by customer; fraud or deception by customer; and customer obtained service by negligent interference with equipment necessary to measure service and the interference causes service to go unmeasured.

### **Electric Utilities:**

Electric utilities are required to test meters or have an approved statistical sampling plan for testing meters.

#### Testing Requirements

- Wisconsin Admin. Code § PSC 113.0911 requires all electric utilities to test meters in the following circumstances:
  - Before the meter is first placed in service;<sup>1</sup>
  - Whenever the meter is repaired;
  - When the meter is suspected of being inaccurate or damaged;
  - Upon request of the customer or when the accuracy is questioned by a customer;
  - Within 20 years of service for most meter types, or in accordance with the utility's statistical sample testing plan;<sup>2</sup> and
  - When the meter is removed from service. However, if the utility has opted to participate in a statistical sampling program, the meter does not have to be tested upon retirement.
- Wisconsin Admin Code §§ PSC 113.0920 and PSC 113.921 allow statistical sampling of electric meters rather than testing all meters, as required in Wis. Admin. Code § PSC 113.0911(1)(d). Statistical sampling plans must be approved by the Commission.

#### Backbilling and Crediting Requirements

- Wisconsin Admin. Code § PSC 113.0924, adjustment of bills, requires electric utilities to recalculate the bill for service for the period of inaccuracy. There are various percentages of inaccuracy based on the type of meter.
- Wisconsin Admin. Code § PSC 113.0924(3) requires electric utilities to recalculate and credit or refund the customer the difference between the recalculated bills and the amount paid for the full period of inaccuracy.

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<sup>1</sup> In the case of new meters given a prior test by the manufacturer, the utility may use the manufacturer's certified test results or implement a sample test program.

<sup>2</sup> Some specific types of meters, such as polyphase meters and meter installations using pulse initiators and pulse records, are required to be checked for accuracy more often.

## **Natural Gas Utilities:**

### Testing Requirements

Natural gas utilities are responsible for the accuracy of equipment used to measure service to customers. Gas utilities also have the option of statistical sampling or periodic testing. Meters are required to be tested in the following circumstances:

- Within 15 months of its first use or in accordance with a statistical sampling plan for testing new meters;
  - Specific types of meters, generally above a certain size, are required to be tested at various intervals ranging from one month to 180 months;<sup>3</sup>
  - Upon request of the customer; and
  - Upon retirement.<sup>4</sup>
- Wisconsin Admin. Code § PSC 134.291 allows utilities to have statistical sampling plans for new meters. Statistical sampling plans must be approved by the Commission.
  - Wisconsin Admin. Code § PSC 134.30 allows natural gas utilities to have a periodic testing and maintenance plan. Periodic testing plans must be approved by the Commission.

### Backbilling and Crediting Requirements

- Wisconsin Admin. Code § PSC 134.14, adjustment of bills, requires natural gas utilities to recalculate the bill for service for the period of inaccuracy. There are various percentages of inaccuracy based on the type of meter.
- Wisconsin Admin. Code § PSC 134.14(4) requires natural gas utilities to recalculate and credit or refund the customer the difference between the recalculated bills and the amount paid for the full period of inaccuracy

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<sup>3</sup> See Wis. Admin. Code § PSC 134.40.

<sup>4</sup> This specific testing requirement is not set forth in the code, but it is inferred therefrom based upon the code backbill/credit requirement because a utility would not be able to know if a backbill or credit is due if the utility did not test at retirement.

## **Water Utilities:**

### Testing Requirements

Meters are required to be tested in the following circumstances:

- Before use;<sup>5</sup>
  - Before and after repair;<sup>6</sup>
  - When damaged or otherwise suspected of being inaccurate;
  - If a meter is removed while a usage dispute is pending;
  - At request of the customer; and
  - At the intervals specified in Wis. Admin. Code § PSC 185.76(1), unless the utility tests a population sample in accordance with Wis. Admin. Code § PSC 185.761(1) or replaces small customer meters within 20 years of installation.
- Wisconsin Admin. Code § PSC 185.76 allows utilities to test small customer meters once every 10 years or replace small customer meters every 20 years without testing under certain conditions.
  - Wisconsin Admin. Code § PSC 185.761 allows an alternative sample-testing plan. Alternative sampling plans must be approved by the Commission.

### Backbilling and Crediting Requirements

- Wisconsin Admin. Code § PSC 185.35, adjustment of bills, requires water utilities to recalculate the bill for service for the period of inaccuracy. There are various percentages of inaccuracy based on the type of meter.
- Wisconsin Admin. Code § PSC 185.35(5) requires water utilities to recalculate and credit or refund the customer for the full period of inaccuracy

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<sup>5</sup> New meters are often tested by the supplier. If the new meters arrive without a certificate of accuracy, Wis. Admin. Code § PSC 185.751 permits random sampling of lots of meters. All rebuilt meters must be tested before use.

<sup>6</sup> Wisconsin Admin. Code § PSC 185.46(1) provides that the “As Left” test performed after a meter is repaired does not need to be performed on meters being retired.

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If you have any questions regarding this information or if you would like to receive training from Commission staff to assist you in understanding and applying the laws described in this letter, please contact the Consumer Affairs division ([PSCConsumerAffairsMail@wisconsin.gov](mailto:PSCConsumerAffairsMail@wisconsin.gov)) or Assistant Division Administrator Carrie Templeton at (608) 266-1267.

Sincerely,

A handwritten signature in black ink, appearing to be 'CS', with a long horizontal line extending to the right.

Cynthia Smith  
Chief Legal Counsel

CS:tlm:DL:00929041