

Electrical audit identifies and resolves billing errors for 22 locations

(Penticton, BC – April 15, 2019) – An electrical audit targeting 575 high usage customers whose energy consumption is measured using Instrument Transformer Metering (ITM) has identified and resolved billing errors for 22 locations where service fees were either over or under collected.

“In March 2018, the City of Penticton’s Electric Utility [expedited a review](#) of its top commercial energy consumers in response to findings against a single account where improperly installed ITM equipment triggered notable overbilling. In the interest of keeping its customers informed, the Electric Utility publicly communicated its intention to immediately review all 575 locations operating similar ITM equipment,” said Chief Financial Officer, Jim Bauer.

The audit process examined the physical installation of services using ITM equipment, the meter multiplier calculation and the associated rate code. All work was carried out by an independent contractor with knowledge and expertise in ITM installations. Additional review and support was also provided by the federal agency, Measurement Canada.

“At the conclusion of the audit, the Electric Utility had successfully visited 100 per cent of the locations where ITM equipment is used. Today, we are satisfied that the scope of the problem, including both measurement and calculation errors, has been clearly identified and professionally remediated,” said Bauer.

No impact to standard residential and business customers

ITM equipment, along with the associated meter multiplier calculation, is not used in standard residential or business electrical services and constitutes only three per cent of the City’s meter population.

“It is critical that the City’s Electric Utility customers understand the narrow scope of the problem that triggered this audit. Only 0.1 per cent of the City’s 19,000 customers were affected,” said Bauer.

Refunded amounts

A sum of \$911,155, the equivalent of 2.2 per cent of annual energy sales, has been refunded to seven high usage customers whose accounts were overbilled, while \$108,538 was not collected from five

customers who underpaid. Errors on six additional accounts could not be mathematically determined and four remaining accounts were associated with properties owned by the City.

“It is also important that Penticton residents understand that the reimbursements to affected customers are not drawn from the City’s tax base. The money being repaid is money that was over collected and is therefore drawn from the Electric Utility’s \$16.8 million reserve,” said Bauer.

Corrective Actions

To maintain customer confidence in the process by which accounts using ITM equipment are calculated, the Electric Utility has introduced the following four corrective actions:

- new ITM installations are revalidated 30 days after installation;
- a new process between collection services and operations captures anomalies when setting up new accounts;
- a report has been created to review when account changes occur each month which could impact bills; and
- the billing policy is being amended to include back-billing language.

“All 22 occurrences are the result of incorrect measurements or calculations that went undetected for years, with one account containing billing errors dating back to 1991. With the corrective actions the City has introduced, we are confident that similar billing issues will not go undetected in the future.

On discovering a problem that could affect more than one customer, the City’s Electrical Utility took action. We believe the decision to expedite the audit program was the quickest and most responsible way to quickly resolve this matter. Ensuring each affected customer was successfully contacted and thoroughly advised during and following the audit was a key objective throughout the process,” said Bauer.

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