

LOUISIANA PUBLIC SERVICE COMMISSION

ORDER NO. R-34120

LOUISIANA PUBLIC SERVICE COMMISSION, EX PARTE

In Re: Possible modification to the rules and regulations for water and waste water utilities to adopt billing rules specific to flat-rate wastewater service in multi-tenant dwellings.

(Decided at the Commission's July 27, 2016 Business and Executive Session.)

Overview

The Commission has received complaints from owners of multi-tenant dwellings regarding billing for wastewater service for vacant units. The common scenario is that a unit, or units, are vacant, but still maintain metered water service to avoid disconnection/reconnection charges. Wastewater service is provided by a separate provider than water service. The wastewater provider, billing on a flat rate basis, continues to bill the full monthly fee for each unit, as water service is still connected. While the current regulations allow for such a scenario, equity concerns are raised given the full fee is collected without the necessity of treatment of wastewater. These concerns do not exist in situations where wastewater rates are directly related to water consumption; simply put, if no water is being consumed, the wastewater rate would likewise be a minimum.

Nonetheless, stand-alone wastewater providers, absent a disconnection of service or service cancellation notice from the owner, have no way of determining whether the unit continues to use the service. In further reviewing the matter, Staff does not support a rule change that places additional burdens on regulated systems. As an alternative, Staff proposed exceptions to the general billing rules, limited specifically to flat-rate wastewater service provided to multi-tenant dwellings.

As outlined below, the proposed rules would provide property owners/landlords an opportunity, if able to provide evidence that the particular unit was vacant for a service period, to receive a billing credit. Staff's proposed recommendation was published for comment and intervention in the Commission's Official Bulletin dated July 1, 2016 with a cutoff date of July 20, 2016. The intervention and comment period ran without any interventions or comments being submitted.

Staff's Recommendation

Staff recommended the rules be modified as follows:

Section 601. Billing.

O. Special Billing Rules applicable to stand-alone, flat-rate wastewater service provided to multi-tenant dwellings.

1. These special billing rules are applicable only under the following scenario. If the below factors are not applicable, standard billing regulations apply:
 - a. Wastewater service is provided to a multi-tenant dwelling (duplex, apartment, etc.);
 - b. The wastewater provider only provides wastewater service, with a separate provider for water service;
 - c. The account is listed with the owner of the premises, not the tenant; and
 - d. The wastewater service is billed at a flat monthly rate, irrespective of water usage;
2. If the building owner can provide evidence, in the forms outlined herein, to the wastewater provider that a particular unit of the dwelling was vacant/unoccupied for a billing period, the owner will be entitled to a credit for that billing period.
3. Evidence of a vacant unit may be provided by submitting the following documentation to the wastewater provider:
 - a. Electric bill for the applicable billing period showing minimal usage, e.g. less than 200kwh of service;
 - b. Water bill for the applicable billing period showing minimal usage, e.g. less than 100 gallons.

Commission Consideration

Staff's recommendation was considered by the Commission at its July 27, 2016 Business and Executive Session. On motion of Vice Chairman Angelle, seconded by Commissioner Skrmetta, with Commissioner Campbell and Commissioner Boissiere concurring, and Chairman Holloway absent, the Commission voted to accept Staff's proposed recommendation with the following amendments:

Under Section 601 Billing Subsection O(3) the amendment shall read as follows: Evidence of a vacant unit may be provided by submitting one of the following documentation to the wastewater provider:

- a. Electric bill for the applicable billing period showing minimal usage, e.g. less than 200kwh of service, or electric service disconnect;
- b. Water bill for the applicable billing period showing minimal usage, e.g. less than 100 gallons.

All other recommendations as proposed by Staff shall remain unchanged.

IT IS THEREFORE ORDERED THAT:

Under Section 601 Billing shall include the following subsection:

O. Special Billing Rules applicable to stand-alone, flat-rate wastewater service provided to multi-tenant dwellings.

1. These special billing rules are applicable only under the following scenario. If the below factors are not applicable, standard billing regulations apply:
 - a. Wastewater service is provided to a multi-tenant dwelling (duplex, apartment, etc.);
 - b. The wastewater provider only provides wastewater service, with a separate provider for water service;
 - c. The account is listed with the owner of the premises, not the tenant; and
 - d. The wastewater service is billed at a flat monthly rate, irrespective of water usage;
2. If the building owner can provide evidence, in the forms outlined herein, to the wastewater provider that a particular unit of the dwelling was vacant/unoccupied for a billing period, the owner will be entitled to a credit for that billing period.
3. Evidence of a vacant unit may be provided by submitting one of the following documentation to the wastewater provider:
 - a. Electric bill for the applicable billing period showing minimal usage, e.g. less than 200kwh of service, or electric service disconnect;
 - b. Water bill for the applicable billing period showing minimal usage, e.g. less than 100 gallons.
4. This Order is effective immediately.

**BY ORDER OF THE COMMISSION
BATON ROUGE, LOUISIANA**

August 4, 2016

ABSENT
DISTRICT IV
CHAIRMAN CLYDE C. HOLLOWAY

/S/ SCOTT A. ANGELLE
DISTRICT II
VICE CHAIRMAN SCOTT A. ANGELLE

/S/FOSTER L. CAMPBELL
DISTRICT V
COMMISSIONER FOSTER L. CAMPBELL

/S/ LAMBERT C. BOISSIERE
DISTRICT III
COMMISSIONER LAMBERT C. BOISSIERE, III



EVE KAHAO GONZALEZ
SECRETARY

/S/ ERIC F. SKRMETTA
DISTRICT I
CHAIRMAN ERIC F. SKRMETTA