

PUBLIC LAW NO. 22-53

Bill No. 484 (COR)

Date Became Law: December 2, 1993

Governor's Action: Approved

Introduced by:

D. Parkinson
T. C. Ada
M. Z. Bordallo

M. D. A. Manibusan
D. F. Brooks
D. L. G. Shimizu
F. P. Camacho
T. S. Nelson
E. D. Reyes
P. C. Lujan
E. P. Arriola
F. E. Santos

J. T. San Agustin
A. C. Blaz
J. G. Bamba
H. D. Dierking
V. C. Pangelinan
A. R. Unpingco
J. P. Aguon
C. T. C. Gutierrez
T. V. C. Tanaka

AN ACT TO ADD NEW §§12027 AND 12028 TO TITLE 12, GUAM CODE ANNOTATED, TO PREVENT ANY UTILITY OPERATING ON GUAM FROM USING ESTIMATED METER READINGS FOR BILL PURPOSES, AND TO PREVENT ANY UTILITY OPERATING ON GUAM FROM COLLECTING "UNDERCHARGES" BASED ON THE UTILITY'S MISTAKE.

Section 1 ... Legislative findings and intent.

Section 2 ... Added a new §12026 Chapter 12, 12GCA, "Estimated Billings."

Section 3 ... Added a new §12027 Chapter 12, 12GCA, "Back Billing."

BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:

Section 1. Legislative findings and intent. The Legislature finds that the Public Utility Agency of Guam ("PUAG") and the Guam Power Authority ("GPA") routinely use estimated readings for billing purposes, and that utilities regularly back bill customers for undercharges as a result of malfunctioning meters. These estimated billings are in most cases higher than if correct readings had actually been taken and computed. There have actually been cases of consumers being disconnected because of estimated billings or back billings based on faulty meters. It is the utilities' responsibility to maintain their meters in working order and to promptly identify and repair or replace malfunctioning meters. The Legislature finds that estimated billings are unfair. It is the intent of the Legislature that neither PUAG nor GPA may require payment in advance

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for any utility service, based on estimated future consumption, nor may they back-bill for more than sixty (60) days in the case of broken meters.

Section 2. A new §12026 is added to Chapter 12, Title 12, Guam Code Annotated, to read:

"§12026. Estimated billings. Except as provided in §12027 of this title neither the Public Utility Agency of Guam nor the Guam Power Authority may bill consumers for consumption based upon estimated usage. All bills shall be rendered only upon actual readings taken within no more than seventy (70) days of the billing, provided, that regular bills are sent at approximately thirty (30) day intervals, and further provided that effective July 1, 1994, all meters shall be read at least every forty (40) days unless the Public Utilities Commission ("PUC") has approved a billing plan to read the meters approximately every two (2) months and estimate every other bill. All estimated bills shall clearly reflect that they are based on estimated readings. After July 1, 1994, all estimated billings permitted pursuant to this section and §12027, Title 12, Guam Code Annotated, shall be allowed only if the PUC has approved a comprehensive billing plan permitting estimated readings as permitted by said sections, and has established a formula for determining the estimated bills and has established a formula to ensure that all under- and over-estimated bills be fully adjusted for actual usage at the next subsequent billing based on actual usage. If a utility fails to read a meter for more than seventy (70) days, it can only charge the customer for actual usage based upon consumption between the dates of a new actual reading of the customer's meter and a subsequent timely reading to determine actual usage, and subsequent timely readings thereafter. In the event of a natural disaster such as a typhoon, earthquake, tidal wave or other natural disaster or unusual circumstances, the Governor may by executive order, extend this seventy-(70) day period for readings of the utility in question, up to a period of one hundred twenty (120) days, in increments of fifteen (15) days at a time, with any subsequent orders signed at least three (3) days after the previous order, which orders may not cumulatively extend the time for billing beyond a total of one hundred twenty (120) days from the date of the last billing. This section shall not apply in any case where the utility proves that there was fraud or tampering with the meter [s] in question on the part of the consumer or by an agent or employee of the

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consumer, or where there is proof of fraud, collusion or conspiracy by the consumer to pay less than the proper charges to the utility concerned. If the meter in question is inaccessible to the utility's meter readers as a result of the fault of the consumer, and the consumer has been notified in writing of such inaccessibility, then this section shall not apply and the utility can make estimated billings until the meter is accessible."

Section 3. A new §12027 is added to Chapter 12, Title 12, Guam Code Annotated, to read:

"§12027. Back billing. Neither the Public Utility Agency of Guam ("PUAG") nor the Guam Power Authority ("GPA") may back bill customers for additional consumption of water, sewer, or electric power due to faulty meters or previous billing errors, except as provided in this section. In cases of non-functioning or defective meters, GPA and PUAG are prohibited from back billing customers for additional consumption of water and power based upon estimated usage except for back billing not exceeding the four billing cycles of approximately thirty (30) days each immediately preceding the discovery by such utility of the error, and not to exceed four (4) months, for the reasonably estimated usage for such cycles, using reasonable estimates based upon subsequent actual average daily consumption by the consumer over a two (2) month period, or other formula, with any such other formula to approved by the Public Utilities Commission. In cases of other billing errors or omissions GPA and PUAG are prohibited from back billing customers for additional consumption of water, sewer and power except for back billing not exceeding the four billing cycles of approximately thirty (30) days each immediately preceding the discovery by such utility of the error, and not to exceed four (4) months. The time limitations of this section shall not apply in any case where a meter is shown by the utility to have been damaged or to be unavailable to be read as a result of actions or negligence of the consumer, where there is active fraud or tampering with the meters in question on the part of the consumer or by an agent or employee of the consumer, or where there is proof of fraud, collusion or conspiracy by the consumer to pay less than the proper charges for water, sewer or power."