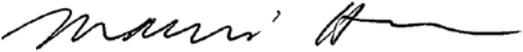


<b>Title</b> Billing Adjustments for Retail and Wholesale Customers	<b>Number</b> CS-320	<b>Rev. no.</b> 0
<b>Responsibility</b> Utility Accounts Division	<b>Supersedes</b> CS-103 CS-310.4	<b>Pages</b> 4
<b>General Manager/CEO signature</b>  Mami Hara	<b>Approval date</b> October 12, 2020	<b>Effective date</b> October 15, 2020

## 1. PURPOSE

To establish a uniform procedure for granting billing adjustments to:

- Owners or tenants of residential or commercial property within SPU's retail water, wastewater, drainage, and solid waste service areas.
- Wholesale customers who purchase water from Seattle for the purpose of reselling water to their retail customers.

If any part of this procedure conflicts with any applicable contractual agreement, the contractual agreement shall prevail. The remaining nonconflicting features of this procedure shall remain in effect.

For leak adjustments, see additional requirements in Director's Rule [CS-325](#), Leak Adjustments for Retail Customers.

## 2. SCOPE

This procedure applies to Customer Service, Solid Waste Inspection and Compliance, Development Services Office, Hearing Officer, and all other SPU groups involved in the processing of billing adjustments for retail and wholesale customers.

## 3. DEFINITIONS

*Billing adjustments.* Forms of adjustments applied to a customer's account in situations when the customer has been undercharged or overcharged for services rendered. A billing adjustment is any financial transaction that is neither a bill nor a payment (i.e., refund). This is the process of assessing fees and applying credits to an account balance or the cancellation of such fees or credits. Billing adjustments do not cancel an original transaction that is followed by the creation of a new transaction (rebill).

*Debit.* A form of billing adjustment made to correct a customer's account to collect undercharges. A debit adjustment is also known as a backbill or retroactive adjustment.

*Credit.* A form of billing adjustment made to correct a customer's account to reduce overcharges.

*Job Aid.* A document that describe the system functions in compliance with SPU business procedures.

**4. BILLING METHODOLOGY**

Service	Billing method
Water	Charges are determined based on meter readings billed either on a monthly or bimonthly basis. Rate amounts vary by residential or commercial customer classification, location inside or outside the city, and summer or winter time frames.
Wastewater	Charges are determined based on metered water usage. For residential accounts, a “sewer maximum” is applied during the summer months and is calculated based on the residential customer’s average winter water consumption (Director’s Rule CS-310.5, Sewer Maximum Recalculation and SMC 21.28.080). Commercial customers may install a sewer submeter to measure water used for irrigation, delivery of water to ships, evaporation, or the manufacture of goods for which water does not enter into the City’s wastewater system.
Drainage	Charges are calculated based on pervious and impervious surfaces on a property and the size of the property. These charges are billed on the King County property tax statements.
Solid Waste (Garbage and Food Waste / Yard Waste)	Garbage and food/yard service charges are calculated based on container sizes and frequency of pickups. Solid waste rates for all customers and services are listed in SMC 21.40. Single-family and multifamily residential services are billed for solid waste on their combined SPU bill, while solid waste contractors provide the billing and customer service for commercial services on behalf of SPU.

**5. TIMEFRAME OF ADJUSTMENTS**

Under Director’s Rule [FIN-160](#), Customer Account and Billing Management, billing adjustments are limited to a maximum of three years which run three years back from the date of the billing discrepancy is discovered by SPU or the customer, whichever is earliest.

Standard processing time for billing adjustments is 30 business days upon discovery of discrepancy.

**6. DESIGNATED AUTHORITY LEVELS**

The following levels apply when adjusting bills. Business procedures and billing system functions must have clear and accurate documentation of approvals.

Amount	Approval Authority
\$1,000 or less	Lead (requires management oversight)
\$1,001 to \$4,999	Manager
\$5,000 to \$19,999	Division Director
\$20,000 to \$49,999	Deputy Director
\$50,000 or more	General Manager/Chief Executive Officer

These authority levels also apply to procedures CS-330, Refunds for Retail and Wholesale Customers and CS-340, Waivers for Retail Customers.

## 7. ALLOWABLE AND NONALLOWABLE ADJUSTMENTS

Adjustments are allowed for the following reasons:

- Water consumption charges, as measured by meters
  - Incorrect meter readings on an account that created either an undercharge or overcharge
  - Multiple estimated readings with subsequent actual meter readings
  - Crossed-meter situations where a meter was assigned to the incorrect property
- Solid Waste service charges and services
  - Incorrect service levels delivered to a customer
  - Penalty or other charges imposed related to compliance with solid waste rules
  - Charges incorrectly billed or omitted for solid waste services that were either requested by the customer or delivered by the contractor
- Rate corrections
  - Assignments of an incorrect rate code to an account for the water, sewer, or solid waste services
  - Changes in rates due to property changes (i.e., residential to commercial, or commercial to residential)
  - Changes in rate codes due to a customer not being timely removed from or placed back on the Utility Discount Program
- Special services provided by SPU as established under Director's Rule [FIN-220.1](#), Customer Charges.

Adjustments are not allowed for the following reasons:

- Theft
- Vandalism
- Fraud
- System tampering
- Customer negligence

## 8. ROLES AND RESPONSIBILITIES

The roles and responsibilities for the following groups may vary for each billing adjustment. They include processing, review, and approval of adjustments.

- **Development Services Office** makes corrections to account setups to ensure accurate billing.
- **Customer Response Division** responds to customers inquiries regarding utility services and educates them about their service. Agents are responsible for adjusting accounts as appropriate for their authority level.
- **Utility Accounts Division** reviews and coordinates with other groups to document the basis for billing adjustments, completes adjustment requests, and provides quality assurance on billed accounts.
- **Solid Waste Compliance and Inspection** investigates customer issues when requested and contacts the customer with the results of the investigation. Inspectors will also notify the collection contractor of service-delivery disputes and apply contractually approved performance fees as required. Inspectors issue requests to Utility Accounts Division for any adjustments to customer accounts. Billing adjustment approvals are made in coordination with Solid Waste staff as applicable in Section 5, Designated Authority Levels.
- **Hearing Officer** responds to customers' appeals on billing charges and renders decisions on billing disputes.

**9. DOCUMENTATION AND EXPECTATIONS**

In compliance with this procedure, Customer Service job aids may be created for technical reference. The Utility Accounts Division Director oversees the job aids and ensures compliance with Director’s Rule FIN-160, Customer Account and Billing Management. A list of job aids will be stored on the division’s SharePoint site.

A billing adjustment requires appropriate documentation including, but is not limited to:

- Nature of the adjustment
- Justification for the adjustment
- Investigations and communication by the lines of business with customers, contractors, or developers
- Findings and decisions

Creating and retaining records that document what transpired, including, but are not limited to:

- System notes that summarize the chronology of events
- Spreadsheet(s) showing the calculations
- Electronic record exchanges between SPU and the customer
- Copy of the customer’s written dispute letter
- Any other supporting documentation submitted that captures the amount of the refund sought or outcome desired

Retention of records shall comply with City of Seattle and State of Washington retention schedule.

**10. QUALITY ASSURANCE**

On a monthly basis, the Utility Account Division Director shall review adjustment transactions submitted by management. Management shall identify any issues for review and resolution. On an annual basis, the Deputy Director of the Utility Accounts Division shall submit a billing adjustment report to the General Manager/Chief Executive Officer, based on this review for further analysis and decision making.

**11. AUTHORITY/REFERENCES**

- Director’s Rule FIN-160, Customer Account and Billing Management
- SMC 21.28.080, Calculation of residential wastewater volume charge
- SMC 21.40.050, Residential can rates and charges
- SMC 21.40.060, Residential detachable container rates and charges