

AGENDA ITEM SUMMARY

City Council



STAFF

Phillip Ladd, Senior Manager, Financial Operations

SUBJECT

First Reading of Ordinance No. 007, 2026, Amending Section 26-721 of the Code of the City of Fort Collins to Adjust Timelines to Correct Billing Errors.

EXECUTIVE SUMMARY

The purpose of this item is to provide a more equitable and efficient process for correcting utility billing errors. The adjusted timelines, which align with those of the Colorado Public Utilities Commission (the "PUC") improve administrative efficiency and reduce customer impact.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

Under current City Code Section 26-721, the City refunds overbilled amounts for up to six (6) years and charges customers for underbilled usage for up to six (6) years.

Staff benchmarked these timelines to determine industry standards. While timeframes are not consistent among Colorado's municipal utilities, six years was considerably longer than most other defined timelines.

The proposed Ordinance No. 007, 2026, is based on the following timelines adopted in the PUC administrative rules: two years for overbilling and six months for underbilling errors for both electrical and water utilities, 4 CCR 723-3402, 4 CCR 723-5402 (Adjustments for Meter and Billing Errors).

Staff believe that the proposed timelines in Ordinance No. 007, 2026, would reduce the financial impact for utility customers for underbilled amounts because additional charges must be discovered within six (6) months rather than six (6) years; however, the look-back period for underbilling will remain six (6) years when a utility customer takes actions to mislead the utility. In situations where overbilling is discovered, it can be difficult to identify the root cause of the error and calculate the financial implications due to rate and other changes over multiple years. Therefore, staff recommends that the City's obligation to provide refunds or credits be for a period of two (2) years following the charge, taking effect for bills issued after March 1, 2026.

CITY FINANCIAL IMPACTS

Financial impacts would be a net reduction of utility fee revenue due to the shortening of the timelines proposed; however, the impact would be immaterial to all utility enterprise revenues, and because no additional work will be necessary to implement this change, no additional expenses will be incurred.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

None.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Ordinance No. 007, 2026