

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

**AGENDA ID: 17714
RESOLUTION E-5005
October 10, 2019**

R E S O L U T I O N

Resolution E-5005. Southern California Edison Company proposes to close eleven payment offices.

PROPOSED OUTCOME:

- Approves, with modifications, Southern California Edison Company's (SCE) proposed plan to close eleven payment offices.

SAFETY CONSIDERATIONS:

- There is no direct impact on safety.

ESTIMATED COST:

- The resolution is expected to lead to reduced ratepayer costs by reducing Operations and Maintenance costs.

By Advice Letter 3968-E, Filed on March 14, 2019.

SUMMARY

This Resolution approves with modifications the proposed payment office closure plan submitted by Southern California Edison Company (SCE) in Advice Letter (AL) 3968-E, and consistent with Ordering Paragraph 4 of Decision (D.) 98-07-077.

BACKGROUND

On March 14, 2019, SCE filed Tier 3 Advice Letter 3968-E seeking approval of SCE's proposed plan to close eleven payment offices. SCE's proposed eleven

payment offices are in the following rural districts: Arrowhead, Barstow, Bishop, Blythe, Catalina, Kernville, Mammoth, Ridgecrest, Shaver Lake, Tehachapi, and Yucca Valley.¹

In D.98-07-077, the California Public Utilities Commission (Commission) established criteria for SCE to follow when closing payment offices.² In December 2016, the Commission further confirmed the appropriate use of advice letter process to request Commission approval to close these eleven payment service offices.³

As directed in D.98-07-077, SCE complied as follows: (1) provided multilingual notices to customers, 60 days prior to submitting Advice Letter 3968-E, of the proposed office closures by mail, posting, and publication;⁴ (2) compiled and included customer responses with Advice Letter 3968-E;⁵ and (3) included a listing of Authorized Payment Agency (APA) locations to serve the impacted area.⁶

SCE explains that the rational basis for closing eleven payment offices are the following: (1) the continued decline in customer usage of the payment offices; (2) the addition of APA in the same districts where SCE proposes to close payment offices; (3) the availability of convenient self-service payment options; and (4) SCE's concern of cost to keep the payment offices open.⁷ SCE also explains that

¹ SCE's Advice Letter 3968-E, page 1.

² Decision 98-07-077, Ordering Paragraph 4.

³ Scoping Memo and Joint Ruling of Assigned Commissioner and Administrative Law Judges, page 10, issued December 2, 2016, in Application 16-09-001.

⁴ SCE's Advice Letter 3968-E, page 6.

⁵ Ibid, Appendix C.

⁶ Ibid, Appendix A.

⁷ Ibid, pages 2-6.

the proposed plan to close the eleven payment offices has no discriminatory impact on the poor, elderly, minority, or rural customers.⁸

SCE expects the closure of the eleven payment offices will result in an annual net cost reduction of approximately \$200,000 of Operations and Maintenance costs.⁹

SCE plans to close the eleven payment offices no sooner than 60 days after the Commission approves Advice Letter 3968-E.

In November 2018, SCE posted notices at payment offices explaining to customers that the payment offices would close permanently, 60 days after Commission approval. In addition, SCE provided notice to customers of the proposed office closures by mail, posting, and publication. The notices were provided more than 60 days prior to submitting Advice Letter 3968-E.

NOTICE

SCE states that a copy of the Advice Letter was mailed and distributed in accordance with Section 4 of General Order 96-B.

PROTESTS

SCE's Advice Letter 3968-E was timely protested on April 3, 2019 by Public Advocates Office.

SCE responded to the protests of Public Advocates Office, on April 10, 2019.

The Public Advocates Office does not oppose the closure of some of the payment offices and recommends that the Advice Letter 3968-E be rejected in part. The Public Advocates Office does not oppose the closure of Arrowhead, Blythe, Catalina, Mammoth, and Shaver Lake, and recommends a six-month delay for the closure of Kernville, Tehachapi, and Yucca Valley. The Public Advocates Office opposes the closure of Barstow, Bishop, and Ridgecrest, due to their

⁸ Ibid, page 2.

⁹ Ibid, pages 9-10.

relatively modest levels of customer usage. Additional concerns from the Public Advocates Office include: (1) comments from the in-person customer survey suggest safety, privacy, and service quality concerns with some of the APA locations; and (2) convenience fees appear to be required when making a telephone or online credit or debit card payment, and it appears that some APAs charge additional fees.

In the response, SCE agrees with Public Advocates Office's recommendation to stagger the closure of the payment offices but opposes the recommendation to keep Barstow, Bishop, and Ridgecrest payment offices open. SCE suggests that the in-person customer traffic at the three offices is low and customer usage will continue to decline. In response to Public Advocates Office's additional concerns, SCE states that any customer complaint received about specific APA locations are directly investigated by SCE representatives. In addition, the APAs in SCE's APA network are prohibited from charging fees and will be removed from the APA network if SCE determines that a customer was charged an unauthorized fee.

SCE recommends a six-month transition period to close the Barstow, Bishop, and Ridgecrest payment offices to allow for sufficient time to continue outreach to notify customers of the closures, continue to educate customers on other available payment options, address customer concerns related to specific APA locations, and provide SCE with time to continue efforts to place additional APA locations within these districts.

DISCUSSION

The Commission has reviewed Advice Letter 3968-E, the protest of the Public Advocates Office, and the reply of SCE. In this section, we address concerns that were raised in the protests and our review of the Advice Letter.

The Commission finds that SCE has existing authority under D.98-07-077, Ordering Paragraph 4, to obtain Commission approval through advice letter process to close any business office.

The Commission has reviewed the information provided by SCE and determined that the closure of the eleven payment offices does not have a significant discriminatory impact on the poor, elderly, and rural customers. SCE's current APA locations are between one-half of a mile and eight miles away from SCE's

payment offices. In addition, SCE continues to place additional APA locations within these districts. For example, SCE is in negotiations to add up to four new APA locations in Bishop, California. SCE's APA locations are ADA compliant, provide customers with in-person interaction, and customers can conduct the same transactions.

We find it reasonable for SCE to immediately close Arrowhead, Blythe, Catalina, Mammoth, and Shaver Lake payment offices.

Similarly, we find that it is reasonable for SCE to close Kernville, Tehachapi, and Yucca Valley payment offices six months after this resolution takes effect. We agree with the Public Advocates Office that these payment offices have low customer usage, and that six months will provide a reasonable transition period for customers.

Nevertheless, we have some concerns with a few customer's responses showing safety, privacy, and service quality concerns with some of SCE's authorized APA locations. The Commission expects SCE to continue to address any concerns brought forth regarding any customer service or operational concerns. In addition, the Commission expects that SCE continue their outreach to ensure convenient and quality service is provided by SCE's authorized APAs.

Recognizing customer's uncertainties, we expect that SCE will, to the extent possible, continue to provide customer outreach and education at these payment offices regarding other available payment options, including available in-person options at SCE's authorized APA locations. In addition, we expect that SCE continue their efforts to place additional APA locations within these districts.

Finally, we recognize the declining trends in customer usage will continue at the Barstow, Bishop, and Ridgecrest payment offices; therefore, the Commission finds that it is appropriate for SCE to close Barstow, Bishop, and Ridgecrest payment offices no sooner than 18 months after this resolution takes effect. The Commission finds that 18 months will allow sufficient time to continue to educate customers on other available payment options and continue efforts to place additional APA locations within these districts.

The Commission understands that the closure of all eleven payment offices will result in an approximate \$200,000 savings in Operations and Maintenance costs,

and that the cost savings resulting from the closure of the payment offices will be returned to customers.

COMMENTS

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review. Please note that comments are due 20 days from the mailing date of this resolution. Section 311(g)(2) provides that this 30-day review period and 20-day comment period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day review and 20-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments, and will be placed on the Commission's agenda no earlier than 30 days from today.

FINDINGS

1. On March 14, 2019, SCE filed AL 3968-E requesting approval of the proposed plan to close eleven payment offices within 60 days after approval of the AL.
2. On April 3, 2019, SCE's AL 3968-E was timely protested by Public Advocates Office.
3. On April 10, 2019, SCE responded to Public Advocates Office protest.
4. A Tier 3 advice letter is an appropriate and approved venue for SCE to propose the closure of eleven payment offices.
5. SCE and Public Advocates Office agree that eight out of eleven payment offices should close.
6. The Commission determined that the closure of the eleven payment offices does not have a significant discriminatory impact on the poor, elderly, and rural customers.
7. The Arrowhead, Blythe, Catalina, Mammoth, and Shaver Lake payment offices to close no sooner than 60 days following this resolution.
8. SCE and Public Advocates Office agree on a six-month transition period to close Kernville, Tehachapi, and Yucca Valley payment offices.
9. SCE commits to provide customer outreach and education at the payment offices regarding other available payment options, including in-person options, like SCE's authorized APA locations.
10. SCE should continue their efforts to place additional APA locations within these districts.

11. The Barstow, Bishop, and Ridgecrest payment offices may be closed no sooner than 18 months following this resolution.
12. After the eleven payment offices are closed, there will be a savings cost of approximate \$200,000 in Operations and Maintenance costs.

THEREFORE IT IS ORDERED THAT:

1. The request of Southern California Edison Company to close eleven payment offices, as requested in Advice Letter 3968-E, is approved with modifications pursuant to Ordering Paragraph 2, Ordering Paragraph 3, and Ordering Paragraph 4 below.
2. Southern California Edison Company shall close Arrowhead, Blythe, Catalina, Mammoth, and Shaver Lake payment offices no sooner than 60 days after the effective date of this Resolution.
3. Southern California Edison Company shall close the Kernville, Tehachapi, and Yucca Valley payment offices no sooner than six months after the effective date of this Resolution.
4. Southern California Edison Company shall close the Barstow, Bishop, and Ridgecrest payment offices no sooner than 18 months after the effective date of this Resolution.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on October 10, 2019; the following Commissioners voting favorably thereon:

ALICE STEBBINS
Executive Director