

Decision 11-12-028 December 15, 2011

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on the  
Commission's Own Motion to Address the  
Issue of Customers' Electric and Natural  
Gas Service Disconnection.

Rulemaking 10-02-005  
(Filed February 4, 2010)

**DECISION TEMPORARILY EXTENDING INTERIM PRACTICES TO REDUCE  
THE NUMBER OF GAS AND ELECTRIC SERVICE DISCONNECTIONS**

**1. Summary**

Decision (D.) 10-07-048 adopted several interim practices to achieve the objective of reducing residential service disconnections in the service territories of San Diego Gas & Electric Company (SDG&E), Southern California Gas Company (SoCalGas), Pacific Gas & Electric Company (PG&E), and Southern California Edison Company (SCE). In Phase II of this proceeding we are addressing whether to extend any of the interim measures and take any additional steps to reduce the number of disconnections.

After D.10-07-048 was issued, SDG&E, SoCalGas, and parties representing consumer interests entered into a settlement agreement resolving Phase II issues with respect to SDG&E and SoCalGas. D.10-12-051 approved the settlement agreement. Thus, Phase II of this proceeding applies to PG&E and SCE.

Pursuant to D.10-07-048, the interim practices applicable to PG&E and SCE are scheduled to be effective until January 1, 2012, or soon thereafter with respect to SCE. We plan to issue a Phase II decision in the near future. However, it is apparent that we cannot do so prior to the end of 2011. In this decision, the

Commission determines that the interim practices applicable to PG&E and SCE should be temporarily extended pending issuance of the Phase II decision.

## **2. Background**

The first phase of this proceeding was resolved by Decision (D.) 10-07-048, which adopted the following provisions:

- Continued the requirement that all Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), Southern California Edison Company (SCE), and Southern California Gas Company (SoCalGas) customer service representatives must inform any customer that owes an arrearage on a utility bill that puts the customer at risk for disconnection that the customer has a right to arrange a bill payment plan extending for a minimum of three months the period in which to repay the arrearage.
- Continued to allow customer service representatives the discretion to extend the period in which to pay the arrearage from three months up to twelve months.
- Provided that California Alternate Rates for Energy and Family Electric Rate Assistance customers in the PG&E, SDG&E, SCE, and SoCalGas service territories are not required to pay additional reestablishment of credit deposits with a utility for either slow-payment/no-payment of bills or following a disconnection.
- Provided that medical baseline or life support customers shall not be disconnected without an in-person visit from a utility representative.
- Directed SDG&E and SoCalGas to develop an automatic payment plan that allows new customers or reconnecting customers a payment option that is in lieu of a cash deposit for credit. Required PG&E and SCE to continue to offer their non cash credit deposit options to all new customers and those required to post a reestablishment of credit deposit following a disconnection.

- Directed PG&E, SDG&E and SCE to collect from customers a reestablishment of credit deposit following a disconnection based on twice the average monthly bill, rather than twice the maximum monthly bill. Required SoCalGas to continue its current reestablishment of credit deposit amount of a two-month average bill.
- Directed SoCalGas and SDG&E to waive reestablishment of credit deposits for late payment of bills. Required PG&E and SCE to continue their practice of not collecting credit deposits for late payment of bills.
- Directed PG&E and SCE to provide a field representative who can collect on a bill during an in-person visit prior to disconnection for medical baseline or life support customers. Required SDG&E and SoCalGas to continue this practice.
- Directed PG&E, SCE, SDG&E and SoCalGas to implement these customer service disconnection practices by October 1, 2010.
- Directed SoCalGas, SDG&E, SCE and PG&E to recommend to the Commission, by October 1, 2010, uniform notice of disconnection procedures.
- Authorized PG&E, SCE, SDG&E and SoCalGas to charge significant costs associated with complying with the new practices in the decision to their memorandum accounts.

D.10-07-048 adopted the customer service disconnection practices listed above on an interim basis. With respect to SCE, the practices were made effective until the effective date of SCE's next general rate case (GRC).<sup>1</sup> When it issued D.10-07-048, the Commission anticipated that the effective date of SCE's next GRC would be January 1, 2012.<sup>2</sup> With respect to PG&E, the practices were

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<sup>1</sup> D.10-07-048, Ordering Paragraph 15.

<sup>2</sup> *Id.* at 25.

made effective until January 1, 2012.<sup>3</sup> The Phase II decision will address, among other things, whether to continue any of these practices.

The August 17, 2011 *Scoping Memo of Assigned Commissioner* (Phase II Scoping Memo) included a schedule which targeted issuance of a proposed decision on Phase II issues during the fourth quarter of 2011. Two rounds of comments and reply comments have been filed by the active parties in this proceeding and the matter is ready for decision.

### **3. Discussion**

While we anticipate issuance of the proposed decision on Phase II issues during the fourth quarter of 2011, as targeted in the Phase II Scoping Memo, it will not be possible to issue a final Commission decision before the end of the year. At the same time, the interim disconnection practices applicable to PG&E and SCE that were adopted by D.10-07-048 are currently scheduled to expire at the end of the year, or soon thereafter with respect to SCE, prior to the expected issuance of the final Phase II decision.<sup>4</sup> To avoid potentially disruptive and confusing changes in disconnection practices when we are poised to issue a Phase II decision in the near future, it is prudent to direct PG&E and SCE to maintain the interim practices in effect until the final Phase II decision is issued.

In a ruling filed on October 14, 2011, the assigned commissioner granted a motion by The Utility Reform Network requesting a delay in SCE's implementation of remote disconnections pending issuance of the Phase II decision. The rationale behind the ruling is essentially the same as the rationale behind today's decision – avoiding potentially confusing and disruptive changes

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<sup>3</sup> *Id.*, Ordering Paragraph 16.

<sup>4</sup> In comments on the proposed decision, SCE notes that its 2012 GRC is expected to be effective on or soon after January 1, 2012.

in utility disconnection practices at a time when the Phase II decision that will address such practices is near at hand. We hereby affirm the October 14, 2011 ruling.

#### **4. Comments on Proposed Decision**

The proposed decision of the Commissioner in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed by SCE. No replies were filed. SCE agrees that continuing the disconnection practices ordered in D.10-07-048 for a short time until the Phase II decision will help to avoid potentially disruptive and confusing changes for customers. With minor revisions to reflect the possibility that SCE's 2012 GRC may become effective soon after January 1, 2012, we adopt the proposed decision as our own.

#### **5. Assignment of Proceeding**

Michel Peter Florio is the assigned Commissioner and Maryam Ebke is the assigned ALJ in this proceeding.

#### **Findings of Fact**

1. While proposed Phase II decision is targeted for issuance during the fourth quarter of 2011, the final Phase II decision cannot be issued before the end of the year.
2. The interim disconnection practices by PG&E and SCE are currently scheduled to expire prior to the expected issuance of the final Phase II decision, which is potentially confusing and disruptive to customers at risk for disconnection.

**Conclusions of Law**

1. The customer service disconnection practices ordered by D.10-07-048 should remain in effect until the final Phase II decision is issued.
2. The October 14, 2011 assigned commissioner's ruling temporarily suspending implementation of remote disconnections by SCE should be affirmed.

**O R D E R**

1. The customer service disconnection practices ordered in Decision 10-07-048 applicable to Pacific Gas and Electric Company and Southern California Edison Company shall remain in effect until the Commission issues the final Phase II decision in this proceeding.
2. The October 14, 2011 *Assigned Commissioner's Ruling Granting Motion to Temporarily Delay Implementation of Remote Disconnections* is affirmed.
3. Rulemaking 10-02-005 remains open.
4. This order is effective today.

Dated December 15, 2011, at San Francisco, California.

MICHAEL R. PEEVEY  
President  
TIMOTHY ALAN SIMON  
MICHEL PETER FLORIO  
CATHERINE J.K. SANDOVAL  
MARK J. FERRON  
Commissioners