



California Public Utilities Commission
505 Van Ness Ave., San Francisco

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PRESS RELEASE

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CPUC STAFF ISSUE PROPOSAL FOR SOCALGAS SETTLEMENT ADDRESSING IMPROPER COLLECTION OF SERVICE DEPOSITS

SAN FRANCISCO, March 3, 2023 – The California Public Utilities Commission (CPUC) today issued a staff proposal for public comment that would approve a settlement agreement with Southern California Gas Company (SoCalGas) for the collection of deposits from the utility’s residential and small business customers.

Under the proposed settlement between the CPUC’s Consumer Protection and Enforcement Division (CPED) and SoCalGas, the utility would pay \$2.7 million using shareholder funds as follows: \$2,086,275 to residential and small business accounts that were billed and paid service deposits on or after May 7, 2020 that were not timely reversed; \$213,725 to SoCalGas’ Gas Assistance Fund to assist customers facing financial hardship in paying their bills; and a \$400,000 penalty to California’s General Fund. The proposed settlement will be considered by the CPUC’s Commissioners no earlier than the CPUC’s April 6, 2023 Voting Meeting. The CPUC may adopt, reject, or modify the proposed settlement agreement. Comments on the proposed settlement can be sent to Victor.Banuelos@cpuc.ca.gov.

On April 17, 2020, the CPUC issued [Resolution M-4842](#), directing investor-owned utilities (IOUs) to implement consumer protections using the emergency disaster relief program guidelines set during the COVID-19 pandemic. This included waiving deposits for residential and small business customers retroactively to March 4, 2020 – the date of Governor Gavin Newsom’s declaration of a State of Emergency in response to the COVID-19 pandemic. On May 7, 2020, the CPUC sent an email correspondence to the IOUs requesting that they provide written confirmation of their compliance with the COVID-19 consumer protection regulations and waiving security deposits requirements for service connections and re-connections. In addition, the CPUC adopted [Decision 20-06-003](#) on June 11, 2020,

which prohibits the IOUs from requiring any residential customer to pay establishment of credit deposits for new service or reestablishment of service deposits for any reestablishment of service.

On August 4, 2020, SoCalGas self-reported its collection of residential deposits. Consistent with Resolution M-4842, SoCalGas waived security deposits for active core customers that established service and suspended reassessment of creditworthiness that would trigger additional deposits for active core customers. However, SoCalGas did not waive deposits for new customer turn-ons until the CPUC communicated to SoCalGas on May 7, 2020, that the CPUC's intent was for the IOUs to waive all deposits, including to connect or reconnect service (i.e., new customer turn-ons). The proposed settlement issued today would resolve these violations through shareholder-funded measures.

CPUC enforcement staff is proposing this settlement, formally referred to as an Administrative Consent Order (ACO), for the CPUC's consideration under the umbrella of the new enforcement tools established in November 2020, when the CPUC adopted its [Enforcement Policy](#). This policy is aimed at better serving Californians through streamlined enforcement actions in lieu of issuing Citations or seeking formal Order Instituting Investigations. The addition of these tools to the CPUC's enforcement options in 2020 moved the CPUC's practices more in line with the enforcement practices of many other state and local enforcement agencies.

The proposed ACO and the draft Resolution adopting the settlement issued today will be on the CPUC's April 6, 2023 Voting Meeting agenda for Commissioners' consideration. The Resolution and related documents are available at www.cpuc.ca.gov/regulatory-services/enforcement-and-citations, under the Administrative Consent Orders heading.

The CPUC regulates services and utilities, protects consumers, safeguards the environment, and assures Californians' access to safe and reliable utility infrastructure and services. For more information on the CPUC, please visit www.cpuc.ca.gov.

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