



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

FOR IMMEDIATE RELEASE

PRESS RELEASE

Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov

CPUC DIRECTS SOCALGAS TO MAKE PAYMENTS TO CUSTOMERS THROUGH SETTLEMENT OVER IMPROPER COLLECTION OF SERVICE DEPOSITS

SAN FRANCISCO, April 6, 2023 – The California Public Utilities Commission (CPUC) today approved a \$2.7 million settlement agreement with Southern California Gas Company (SoCalGas) for its improper collection of deposits from the utility’s residential and small business customers.

Under the settlement between the CPUC’s Consumer Protection and Enforcement Division (CPED) and SoCalGas, the utility will pay: \$2,086,275 to residential and small business customers that were improperly billed for deposits; a \$400,000 penalty to California’s General Fund; and \$213,725 to SoCalGas’ Gas Assistance Fund to assist customers facing financial hardship in paying their bills.

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. 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 to the CPUC. Consistent with Resolution M-4842, SoCalGas waived security deposits for active customers that established service, and it 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 funding.

“This settlement results in a fair outcome for customers who were wrongly charged for deposits at the beginning of the pandemic,” said CPUC President Alice Reynolds. “I am glad to see that part of the penalty resulting from this settlement will go toward assisting low-income families pay their natural gas bills.”

“This settlement highlights the importance of our staff work in using the enforcements tools available to them,” said Commissioner John Reynolds. “Every day our dedicated staff investigate allegations of fraud and abuse. This work is particularly important as we continue to see an affordability crisis impacting Californians across the state.”

The settlement is formally referred to as an Administrative Consent Order (ACO). This enforcement tool is one of many included in the CPUC’s [Enforcement Policy](#) established in 2020 to better serve 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 moved the CPUC’s practices more in line with the enforcement practices of many other state and local enforcement agencies.

The Resolution voted on is available at docs.cpuc.ca.gov/PublishedDocs/Published/G000/M504/K578/504578521.pdf 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.

###