

Decision 25-01-004 January 16, 2025

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Flor Dieguez James and Steven O. James,

Complainants,

vs.

Southern California Edison Company,

Defendant.

(ECP)

Case 24-06-015

DECISION DENYING RELIEF AND DISMISSING COMPLAINT

Summary

Complainants, Flor Dieguez James and Steven O. James, allege that defendant Southern California Edison Company used improper accounting methods and failed to accept complainants’ “negotiable instruments” as valid payments. We find that Complainants have failed to meet their burden of proof. Complainants’ constitutional argument that defendant must only accept payment in the form of “gold or silver” is baseless, frivolous and without merit. There is no evidence or indication that the Defendant has violated any California Public Utilities Commission approved or administered rule, law, statute, or tariff.

Therefore, we deny the relief that Mr. and Mrs. James request. The Complaint is dismissed. Case 24-06-015 is closed.

1. Factual Background and Procedural History

Complainants, Flor Dieguez James and Steven O. James (hereinafter referred to as Complainants), have been long-time customers of Southern California Edison

Company (hereinafter referred to as Defendant); specifically, they have been customers since June 2013. For close to a decade, Complainants made timely payments of their energy bill. Then the Covid-19 pandemic spread across the country. Complainants state that while they were stuck at home during the pandemic, they spent a lot of time reading, including the Bible, the United States Constitution and the Uniform Commercial Code. Through these endeavors, they concluded that they have “no obligation to pay” Defendant for the electricity provided to them because “gold and silver coin” is the only form of currency allowed under the Constitution.

Complainants stopped paying for their electricity usage in July 2022. Defendant offered Complainants the opportunity to request an installment plan; in addition to making this request, Complainants needed to specify the monthly term of the installment plan and the date that payments would be due each month. Such a plan would have avoided collection action while the balance was delinquent. But Complainants did not request an installment plan. Defendant initiated a collection action, but, as was mentioned during the hearing, Defendant was not pursuing service termination at this time. The current outstanding balance total now exceeds \$5,780.

On February 25, 2024, Complainants filed an Informal Complaint with the California Public Utilities Commission (Commission). On July 10, 2024, Complainants filed this Expedited Complaint Proceeding (Complaint) with the Commission. On September 12, 2024, the Commission held a hearing via Webex. Mr. and Mrs. James appeared at the hearing. Robert Rojas, an advisor for Southern California Edison, appeared for Defendant. Administrative Law Judge (ALJ) Alberto T. Rosas presided over the hearing. Assistant Chief ALJ, W. Anthony Colbert was also in attendance.

2. Issue Before the Commission

In their Complaint, Complainants indicate that the only issue to be considered is whether Defendant “should release the full accounting ledger according to GAAP and [Complainants’] service agreement.” But there is more to this issue than this single sentence. Generally, the only question that the Commission needs to answer to resolve most complaints of this nature is: “Was energy used by the customer but not paid for?” But here, however, there is no doubt that Complainants used the electricity for which Defendant billed them—an outstanding balance currently totaling over \$5,780. The heart of the issue is whether Complainants actually “paid” for that energy. This question is made complicated by Complainants’ claims that they have in fact “paid” for energy used, but that Defendant refuses to accept their “negotiable instruments” as valid payment.

2.1. Complainant’s Contentions

The reason Complainants requested the full accounting ledger according to Generally Accepted Accounting Principles (GAAP) is because they believe that they have made all required “payments” and that a full accounting ledger according to GAAP would prove that their accounts receivable offsets their accounts payable, resulting in Complainants not owing any additional moneys to Defendant.

Complainants contend that they submitted two “payments” in the form of “negotiable instruments” but that Defendant refused to accept these instruments as valid payment.¹ Complainants essentially returned two electricity bills back to Defendant but failed to include checks or money orders.

¹ During the hearing, when asked about the specific “negotiable instruments” they had submitted as “payment,” Complainants testified that they returned two electricity bills to Defendant and referred to two evidentiary exhibits. The first bill, dated February 14, 2014, is in the sum of \$5,072.66. Complainants handwrote “accepted for deposit” and “pay to the order of: Southern California Edison” and “sureties A.R.R. w/o recourse” on the face of this bill. Mrs. James also signed her name to this bill.

The second bill, dated July 17, 2024, is in the sum of \$5,524.51. Complainants handwrote “accepted for deposit without recourse” and “pay to the order of: Southern California Edison” on the face of this bill. On the face of this bill, we also observed what seemed to be a fingerprint in red ink, followed by Mrs. James’ name.

Complainants also contend that they have “no obligation to pay” Defendant for the electricity provided to them because “gold and silver coin” is the only form of currency allowed under the Constitution.

2.2. Defendant’s Response

Defendant contends that Complainants’ form of “payment”—the purported “negotiable instruments”—are not acceptable forms of payment. Defendant’s evidentiary exhibits included a list of the accepted forms of payment.²

Defendant indicated that Complainants are enrolled in the California Affordable Rates for Energy (CARE) Program and, therefore, are not subject to late fees on their lack of payments. Defendant also indicated that that the utility has tried to work with Complainants and even enrolled them in the Arrearage Management Plan (AMP), in which eligible customers may receive forgiveness of 1/12 of their starting arrearage balance for every timely payment of a current monthly bill. Complainants failed to make timely AMP payments and were removed from the program.

3. Discussion

3.1. Burden of Proof

California law has long held that the party bringing a claim generally has the burden of proving that claim by a preponderance of the evidence.³ The Commission follows this rule in its complaint cases.⁴ This means that plaintiffs—or in this case,

² Accepted forms of payment include: (1) checks sent via U.S. mail; (2) checks, money orders, or cash paid at any SCE Payment Office or an authorized payment location; (3) electronically through one of several specifically enumerated electronic payments services; (4) electronically by a recurring automatic bank debit or funds transfer; or (5) any other means mutually agreed upon to SCE and the customer.

³ Cal. Evid. Code §§ 115, 500; *see also Sargent Fletcher Inc. v. Able Corp.* (2003) 110 Cal.App.4th 1658, 1667 (citations omitted).

⁴ *See, for example, In Complaint of Service-All-Tech, Inc. v. PT&T Co.* (Cal. PUC, 1977), Decision No. 88223 (complaint relating to the disconnection of telephone service where the court found that complainant had the burden of proof and that complainant’s “failure to present any evidence present[ed] a total lack of meeting that burden”). *See also* Decision 99-06-004, * 4 (“In a complaint, the complainant has the burden of proving his allegations”) and Decision 82-07-037, * 5 (same).

complainants—must persuade decisionmakers that, considering all the evidence in the case, the proposition on which that party has the burden of proof is more likely to be true than not true.

First, we note that Complainants are not seeking any monetary damages. Complainants indicated that they are seeking equitable relief: a Commission decision finding that they have “paid” for all electricity received. Although monetary relief is the norm, decisionmakers and adjudicators may also grant equitable relief.⁵

To succeed in their request, Complainants must prove that Defendant’s accounting is incorrect, and that Complainants have actually paid the approximate \$5,780 balance that remains outstanding. This Complainants cannot do because there is no evidence that Complainants have made payments in forms acceptable by Defendant. There is no evidence that Complainants paid their balance due via checks, money orders via U.S. mail and/or cash paid at any SCE Payment Office or an authorized payment location. There is no evidence that Complainants paid their balance due electronically through one of several specifically enumerated electronic payments services, or electronically by a recurring automatic bank debit or funds transfer. Although the evidence shows that Defendant may accept payment in any other means mutually agreed upon to SCE and the customer, there is no evidence that the parties agreed to payment in the form of the “negotiable instruments” that Complainants mailed back to Defendant.

Below we will turn to a legal discussion on the Constitutional arguments surrounding Complainant’s gold-or-silver contentions. But before doing so, we note that even if the Commission were to find that Defendant must accept payment in the form of gold or silver, there is absolutely no evidence that Complainants are ready, willing, and able to transport to a SCE Payment Office or an authorized payment location a chest or bag containing \$5,780 worth of gold and/or silver.

⁵ See, for example, Code of Civil Procedure section 116.220(b).

Thus, from an evidentiary perspective, Complainants have failed to meet their burden of proof.

3.2. Gold or Silver Only

Complainants claim that Defendant—a utility regulated by the State of California and operating pursuant to Commission approved or administered rules, laws, statutes, and tariffs—is prohibited from accepting payments in “dollars.” Complainants cite article I, section 10, clause 1 of the United States Constitution, which provides that “No State shall . . . make anything but gold and silver coin a tender in payment of debts; . . .” Complainants seem to interpret this clause to mean that “a state dollar must be either gold or silver.” Complainants “No State” Constitutional argument is directed at Defendant, as the State of California regulates the Defendant.

Complainants’ gold-or-silver-only contention would receive high marks for ingenuity were it not for the fact that similar arguments have been made, and uniformly rejected, in numerous states across this great nation, including California, which rejected a taxpayer’s argument that California state taxes must be paid in either gold or silver. *Spurgeon v. Franchise Tax Bd.* (1984) 160 Cal. App. 3d 524. As California’s Third District Court of Appeal explained in *Spurgeon*:

Article I, section 8 of the federal Constitution grants Congress the power to coin money and regulate the value thereof. This constitutional provision was designed to grant Congress the exclusive power to provide a uniform currency, with the same legal value, throughout the states.

Spurgeon v. Franchise Tax Bd., supra, 160 Cal. App. 3d at 528. “Article I, section 10, clause 1 is not a literal directive to the states to conduct their monetary transactions in gold or silver; rather, the clause is intended to prevent states from creating new forms of legal tender not recognized or authorized by the federal government.” *Id.* at 529.

Here, where a state-regulated utility operating with within state-administered rules, laws, statutes, and tariffs requests that a customer pay for utility

services provided in dollars, article I, section 10, clause 1 is inapplicable simply because the “dollar” was created by the Congress rather than by the State of California or any department thereof.

Therefore, Complainants’ contention that Defendant could not collect payment for utility services in dollars is rejected.⁶

3.3. The AMP Program

Complainants raised concerns that they are at risk of having their electricity service disconnected. Defendant assured them and the Commission that this is not happening. As mentioned above, Defendant has tried to work with Complainants and even enrolled them in AMP so that they could potentially receive forgiveness of 1/12 of their starting arrearage balance for every timely payment of a current monthly bill. But Complainants did not make timely payments.

In 2018, the Commission opened Rulemaking (R.)18-07-005 to examine new approaches to disconnections for nonpayment. Disconnecting customers’ electric or gas service can create unsafe conditions for customers who depend on electric or gas service to meet basic needs such as heating, cooking, and light. Decision (D.) 20-06-003 adopted the AMP program to assist low-income investor-owned utility customers with unpaid electric and gas utility bills. The program provides customers an opportunity to receive forgiveness for past-due arrearages in return for timely payment of current monthly bills. Customers enrolled in AMP will receive forgiveness of 1/12 of their starting arrearage balance for every timely payment of a current monthly bill, with a maximum possible amount of \$8,000 in total forgiveness per 12-month period. Only customers enrolled in either the CARE or Family Electric Rate Assistance (FERA) programs are eligible for AMP, and customers must also owe at least \$500 in arrearages, or \$250 for gas-only

⁶ We note that Complainants raised a hodgepodge of other arguments, including but not limited to arguments about the Uniform Commercial Code, GAAP, Federal Reserve Notes, and the Bible. To the extent that we do not discuss each of these arguments, it is because we find them to be baseless, meritless, and frivolous. As such, we reject the totality of these claims.

customers, with some portion of the arrearage at least 90 days past due. As stated above, Complainants are on the CARE program and were previously enrolled in AMP.

Customers enrolled in AMP who fail to make a current timely monthly bill payment in two sequential months or three non-sequential months shall be removed from participation, but they will retain any arrearage forgiveness received through AMP prior to their removal from the program. Customers removed from the program involuntarily, through failure to remain current on monthly bills, or after completing 12 months of timely monthly bill payments may re-enroll after a 12-month waiting period provided that they still meet the eligibility criteria at the time of re-enrollment.

Though Complainants were removed from AMP because they did not make timely payments, we direct the Defendant to determine if Complainants are eligible for re-enrollment in AMP and if so, re-enroll them in the program. It will be the Complainants responsibility to make timely payments—using forms of payment acceptable to Defendant (not in gold or silver)—if Complainants chose to re-enter the AMP program and apply by the program’s rules they will avoid disconnection and pay off their arrearages.

4. Conclusion

For all the reasons discussed above, we find that Complainants have not demonstrated, by a preponderance of the evidence, that Defendant violated any applicable Commission approved rule, law, tariff, or statute. Nor have Complainants demonstrated that Defendant was obligated to accept the “negotiable instruments” that Complainants attempted to submit as purported forms of payment. Nor have Complainants demonstrated that Defendant, as a California-regulated utility, was required to accept payment in the form of gold or silver only. Accordingly, we reject all of Complainants claims.

5. Waiver of Comment Period

Under Rule 14.7(b), the Commission may waive the otherwise applicable 30-day period for public review and comment on the decision of the assigned ALJ in a complaint under the expedited complaint procedure. Under the circumstances of this case, it is appropriate to waive the 30-day period for public review and comment.

6. Assignment of Proceeding

Darcie L. Houck is the assigned Commissioner and Alberto T. Rosas is the assigned Administrative Law Judge and Presiding Officer in this proceeding.

O R D E R

IT IS ORDERED that:

1. Complainants' request for relief is denied.
2. Defendant shall determine if Complainants are eligible for re-enrollment in the Arrearage Management Plan program and, if so, re-enroll them in the program.
3. The Complaint is dismissed, and Case 24-06-015 is closed.

This order is effective today.

Dated January 16, 2025, at San Francisco, California.

ALICE REYNOLDS
President
DARCIE L. HOUCK
JOHN REYNOLDS
KAREN DOUGLAS
MATTHEW BAKER
Commissioners