

Decision No. 15954

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application
of Southern California Edison
Company for an Order approving
change in its Rule No. 7 relative
to deposits to establish credit.

Application No. 11700.

BY THE COMMISSION:

O P I N I O N

In this application Southern California Edison Company asks authority to increase the amount of the cash deposit required of residence consumers, under certain conditions, as a guarantee of the payment of bills for electric service. The rule of the Company now on file with this Commission shows the following scale of deposits for residences of various classes:

4 Active Rooms or Less - Temporary Occupancy	\$2.00
4 Active Rooms or Less - Permanent Occupancy	1.50
5, 6, or 7 Rooms	2.50
8 or more Rooms	5.00

In lieu of this schedule of deposits applicant desires to require a uniform deposit of \$5.50 regardless of the size of residence. In support of this request it alleges that the proposed change will result in a saving of approximately \$25,000. a year in bad debt losses. This claim has not been fully substantiated and we cannot avoid some doubt as to its accuracy.

An investigation by one of our engineers indicates, from a study of typical accounts, that the average monthly bills of sixty per cent of the consumers making deposits do not exceed \$1.25, and that only fifteen per cent of the consumers making de-

posits, receive bills averaging in excess of \$2.00 per month.

According to the rules of the Company, these deposits are taken only from new consumers who cannot satisfactorily establish their credit. Where a consumer's service has been discontinued because of the non-payment of a bill, the Company may demand a deposit of twice the average monthly bill before reconnection, a practice which should afford ample protection against chronic abuse of credit.

While we believe that the refinement in the present scale of deposits is not desirable and that a minimum deposit of \$2.50 would be reasonable, we do not feel that the need for the proposed increase has been satisfactorily established.

This does not appear to be a matter in which a formal hearing is necessary.

O R D E R

Southern California Edison Company having applied to the Railroad Commission for authority to revise its Rule and Regulation No. 7 and the Commission having given due consideration to the matter and being of the opinion that certain revision of the said rule is proper;

IT IS HEREBY ORDERED THAT

(1) Southern California Edison Company be and it is hereby authorized to re-file its Rule and Regulation No. 7 so as to provide for uniform deposits for the establishment of credit of not to exceed Two Dollars and Fifty Cents (\$2.50) for houses of seven rooms or less and of not to exceed Five Dollars (\$5.00) for houses of eight rooms or more;

(2) The authority herein granted shall become effective

ten (10) days after the date of this order, and shall apply to such refiling of said rule as may be made before March 31, 1926.

Dated at San Francisco, California, this 5th day of February, 1926.

H. B. ...

E. ...

Leon ...

Commissioners.

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