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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Southwest Gas Corporation for authority to increase natural gas rates in San Bernardino and Placer Counties, California.

Application 88-02-003 (Petition for Modification filed September 28, 1989)

<u>OPINIÒN</u>

On December 19, 1988 we issued Decision (D.) 88-12-081 wherein we authorized Southwest Gas Corporation (Southwest) to increase its rates for natural gas service. One of the components of the increase was the imposition of a late payment charge of \$2.50 for residential customers who failed to pay the bill within 19 days of the mailing of the bill. The increased rates were to be effective not earlier than January 1, 1989.

On September 20, 1989 John Martin, a customer of Southwest, filed a Petition for Modification of D.88-12-081 (petition). The petition alleges that:

- 1. There was no notice to Southwest's customers of any application by Southwest to impose a late charge.
- 2. The imposition of a flat-fee late charge is inconsistent with the practices of other business, including other utilities, operating in Southwest's service area.
- 3. Such a flat-fee late charge violates California's Usury Law.

On October 23, 1989, Southwest filed its response in opposition to the petition.

The response sets forth the following with respect to the allegation 1 above:

"B. Petitioner Received Notice on at Least Four Occasions of Southwest's 1988 Request to Modify its Rates and Charges for Gas Service.

*Duplicate copies of Southwest's two notices regarding Application 88-02-003 were provided directly to Petitioner with his March and May, 1988 gas billings. Petitioner received copies at his residence address, 18125 Bellflower, Unit No. 213, Adelanto, California 92301 and at his business address, 16519 Victor Street, Suite 321, Victorville, California 92392. Additionally, notices of the pending rate changes were published in general circulation newspapers throughout Southwest's California service territory. The bill inserts and newspaper announcements specifically noted the availability of the rate case documents for public examination at either the offices of the Commission or the company's business offices and noted the opportunity to submit testimony at a public witness hearing concerning the rate increase application. Yet, Petitioner failed to act on the notices neither availing himself of the opportunity to examine the filing nor to testify at the public witness hearing. Petitioner should not now be heard to complain about the consequences of his own inaction.

"Petitioner represents that he was unaware that Southwest had been granted permission to impose a late payment charge until Petitioner received his June, 1989 gas bill. restatement of Petitioner's residential account which is attached hereto and made a part hereof as Exhibit "C" demonstrates a contrary set of facts. Petitioner was first assessed a late payment charge with his April, 1989 billing for nonpayment of his March, 1989 gas bill. On or about May 15, 1989 a late payment charge was imposed for nonpayment of Petitioner's April gas bill. In July, a late payment charge for nonpayment of Petitioner's June, 1989 gas bill was imposed. Petitioner knew from his own billings, as early as April, 1989 of the existence of the residential late payment charge. Petitioner, in fact, paid three separate late payment charges for three separate delinquent bills months prior to bringing this petition for modification. Petitioner's delayed for one half year from the time of the imposition of the initial late payment charge to his residential account in bringing his petition for modification."

Copies of the bill insert notices and the notices published in the newspapers were received in evidence. (Items A through H.)

Examination of the application discloses that the rule concerning a late charge on bills not paid within 19 days was set forth in the application at Chapter 15, Tab B, Sheet 18 of 22.

The other allegations set forth in the petition have no merit and therefore need not be discussed.

The petition should be denied.

ORDER

IT IS ORDERED that the Petition for Modification of Decision 88-12-081 is denied.

This order is effective today. Dated February 7, 1990, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

I CERTIFY THAT THIS DECISION WAS APPROVED BY THE ABOVE COMMISSIONERS TODAY.

WESLEY FRANKLIN, Acting Executive Director

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