

ORIGINAL

Decision No. 90430 JUN 19 1979

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

RICHARD A. BARD,  
Complainant,

vs

PACIFIC GAS AND ELECTRIC  
COMPANY,

Defendant.

Case No. 10670  
(Filed September 21, 1978)

Richard A. Bard, for himself, complainant.  
Robert B. McLennan, Attorney at Law, for  
Pacific Gas and Electric Company, defendant.

O P I N I O N

This is a complaint by Richard A. Bard (Bard) against Pacific Gas and Electric Company (PG&E). The complaint questions whether PG&E's establishment of credit rules are valid, whether PG&E's discontinuance notices are reasonable, and whether PG&E properly applied its tariffs in connection with discontinuance notices sent to Bard.

A duly noticed public hearing was held in this matter before Administrative Law Judge Donald B. Jarvis in Ukiah on January 24, 1979. The case was submitted on January 26, 1979.

Prior to the hearing the assigned Administrative Law Judge ruled that the complaint "fails to state facts sufficient to constitute a cause of action with respect to defendant's establishment of credit rules." (Wood v Public Utilities Comm. (1971) 4 C 3d 288, appeal dismissed for want of substantial federal question, 404 US 931.) Accordingly, no evidence was received on this issue.

The material issues presented in this proceeding are: (1) Whether undated discontinuance of service notices are reasonable under the applicable law and PG&E's tariffs; (2) whether discontinuance of service notices properly apprise a customer that his deposit will be applied to any arrears before service is discontinued; and (3) whether PG&E properly applied its tariffs in connection with the discontinuance notices sent to Bard.

Bard objects to PG&E's establishment of credit rules. The events here under consideration arose from his attempt to use the customer deposit which was required from him as an offset against current charges. When Bard did not pay current charges his account became delinquent and in arrears, and PG&E sent a seven-day discontinuance notice. When the amount in arrears plus the amount owed for current consumption exceeded the amount of the deposit, a one-day discontinuance notice was sent to Bard. However, Bard's service was never actually disconnected because of an agreement between the parties.

Bard first contends that PG&E's discontinuance notices are unreasonable because they are undated. PG&E concedes that no date is contained within the body of the notices. It argues

that the postmark on the notice is sufficient. Some one-day notices are personally delivered. In these instances PG&E contends that the fact of delivery is sufficient.

PG&E's general office supervisor of Consumer Affairs testified that in the past discontinuance notices were dated and that, because of mailing procedures, the date on the notice was different than the postmark, thereby engendering customer complaints. As a result, PG&E eliminated the date. PG&E's procedures provide for a 10-calendar-day period before further action may be taken if there is no response to a seven-day discontinuance notice. This is to allow for the time of delivery of the letter.

The Commission finds that the discontinuance notices should be dated. There is no evidence of the magnitude of customer complaints over date variance with the postmark when the notices were dated. In any event, the problem can easily be solved by having the notice provide that it is effective from the date shown thereon or postmark, whichever is later.

Bard next contends that PG&E's discontinuance notices do not properly apprise customers that service cannot be discontinued until the amount of energy used exceeds any deposit made with PG&E.

Each discontinuance notice contains the following language:

"RULE 11(B). NON PAYMENT OF BILLS

"When a bill is past due, service may be turned off for nonpayment after seven days notice. If the customer is receiving service from PG and E at more than one location, service at all locations

5  
6/12

may be turned off for nonpayment of bills. However, service to the customer's dwelling will not be turned off for nonpayment of bills for other non-residential service. If the past due bill is for prior service at a previous location, service will not be turned off until the customer has received service at his new location for at least 15 days. If a cash deposit has been paid, service will not be turned off until the amount of the bill is greater than the deposit."

Bard argues that this language lulls a customer into thinking that a bill showing arrearages in excess of the deposit will be rendered, whereas service may be discontinued where recently consumed energy is added to a bill in arrears.

The pertinent portion of PG&E's tariff (Rule 11(A)(2)(e)) provides that: "A customer's electric service will not be discontinued for nonpayment of electric bills until the amount of any deposit made to establish credit for electric service has been fully absorbed by past due and current charges."<sup>1/</sup> The wording on the discontinuance notices is not as precise as that in the tariffs. The Commission finds that the wording in the discontinuance notices should be revised as follows:

RULE 11(A). NONPAYMENT OF BILLS.<sup>2/</sup>

When a bill is past due, service may be turned off for nonpayment after seven days' notice. The effective date of the notice is the date issued or, if mailed, the postmark date, whichever is later. If the customer is receiving service from PG and E at more than one location, service at all locations may be turned off for nonpayment of bills. However, service to the customer's dwelling will not be turned off for nonpayment of bills for other nonresidential service. If the past-due bill is

---

<sup>1/</sup> There is a similar provision in PG&E's gas tariff.

<sup>2/</sup> The current notice apparently refers to a superseded version of the tariff.

✓

for prior service at a previous location, service will not be turned off until the customer has received service at his new location for at least 15 days. If a cash deposit has been paid, service will not be turned off until the amount of past-due and current charges is greater than the deposit.

Bard asserts that PG&E did not properly apply its tariffs when it sent him the discontinuance notices which provoked this complaint. Examination of the record indicates that PG&E acted properly in accordance with its tariffs. Findings and conclusions are hereinafter set forth.

No other points require discussion. The Commission makes the following findings and conclusions.

Findings of Fact

1. On or about June 17, 1979, Bard arranged for electric service from PG&E at Apartment 23, 1450 South State Street, Ukiah, California. At that time Bard was required to and did pay PG&E a customer deposit of \$60.

2. The following table shows Bard's account at PG&E from June 9, 1978 to December 29, 1978:

C.10670 ks

<u>Meter Reading Date</u>	<u>Read</u>	<u>KWH</u>	<u>Amount of Bill</u>	<u>Payment</u>	<u>Date Paid</u>	<u>Balance Due</u>
6/9/78	00000					
6/30/78	00309	309	\$ 9.93			\$ 9.93
8/1/78	01103	794	29.37			39.30
8/30/78	01913	810	30.10			69.40
				\$39.30	9/5/78	30.10
9/29/78	02801	888	32.24			62.34
				2.34	10/16/78	60.00
10/30/78	03857	1056	37.45			97.45
				37.45		
11/30/78	05318	1461	42.23			102.23
				42.23	12/26/78	60.00
12/29/78	06807	1489	42.99			102.99

3. PG&E's tariffs and practices provide that when a bill is in arrears for 30 days, the next month's bill shows the amount in arrears and contains a reminder that it has not been paid. If payment on the arrears is not received within 13 working days a seven-day discontinuance notice is sent to the customer.

4. On July 6, 1978 PG&E billed Bard for the period June 9, 1978 to June 30, 1978 in the amount of \$9.93. This bill remained unpaid, and on August 4, 1978, PG&E billed Bard for a total of \$39.30. This bill covered current charges for the period beyond

June 30, 1978 to August 1, 1978 in the amount of \$29.37, plus the unpaid \$9.93 billing for the prior month. On August 24, 1978 PG&E sent Bard a notice advising him that his service might be turned off if the bill was not paid within seven days. On August 30, 1978, Bard's electric meter was read on a regular monthly basis. This reading showed electric usage resulting in a current billing for the period August 1, 1978 to August 30, 1978 in the amount of \$30.10. These current charges of \$30.10, plus the unpaid balance of \$39.30 for the two prior months' unpaid billings, resulted in past-due and current charges totalling \$69.40. On September 1, 1978 PG&E sent Bard a notice requesting that his past-due bill in the amount of \$39.30 be paid within 24 hours to avoid possible discontinuance of service. At this time, the charges for electric service supplied for the period of June 9, 1978, to August 30, 1978 totalled \$69.40. The parties reached an agreement about the threatened discontinuance and the service was never discontinued.

5. Neither the discontinuance notice sent to Bard on August 24, 1978 nor the one sent on September 1, 1978 contained a date within the text of the notice.

6. The Commission takes official notice that the form of discontinuance notices filed by PG&E with the Commission does not provide for a date within the text of the notices.

7. In practice, PG&E does not date the discontinuance notices sent to customers but relies on the postmark of the envelope in which the notice is sent to provide a date. This practice is, for the future, unreasonable and insufficient.

8. The discontinuance notices used by PG&E, including the ones sent to Bard, contain the following language:

"RULE 11(B). NON PAYMENT OF BILLS.

"When a bill is past due, service may be turned off for nonpayment after seven days notice. If the customer is receiving service from PG and E at more than one location, service at all locations may be turned off for nonpayment of bills. However, service to the customer's dwelling will not be turned off for nonpayment of bills for other non-residential service. If the past due bill is for prior service at a previous location, service will not be turned off until the customer has received service at his new location for at least 15 days. If a cash deposit has been paid, service will not be turned off until the amount of the bill is greater than the deposit."

The wording in these notices is not as precise as the language contained in Rule 11(A)(2)(e) of PG&E's tariffs and is, for the future, unreasonable and insufficient.

Conclusions of Law

1. PG&E should be ordered to file with the Commission and use discontinuance notices which contain a date of issue within the body of the notice.
2. PG&E should be ordered to revise its discontinuance notice forms to contain language which more precisely reflects the provisions of its Rule 11(A)(2)(e).
3. PG&E acted properly and in accordance with its tariffs in sending the discontinuance notices on August 24, 1978 and September 1, 1978, and Bard is entitled to no relief in connection therewith.



O R D E R

IT IS ORDERED that:

1. Within thirty days after the effective date of this order Pacific Gas and Electric Company (PG&E) shall file with the Commission forms of discontinuance notices which contain a date of issue within the body of the notice.

2. Within thirty days after the effective date of this order PG&E shall file with the Commission a revision of the explanatory matter in its discontinuance notices which provides as follows:

RULE 11(A). NONPAYMENT OF BILLS.

When a bill is past due, service may be turned off for nonpayment after seven days' notice. The effective date of the notice is the date issued or, if mailed, the postmark date, whichever is later. If the customer is receiving service from PG and E at more than one location, service at all locations may be turned off for nonpayment of bills. However, service to the customer's dwelling will not be turned off for nonpayment of bills for other nonresidential service. If the past-due bill is for prior service at a previous location, service will not be turned off until the customer has received service at his new location for at least 15 days. If a cash deposit has been paid, service will not be turned off until the amount of past-due and current charges is greater than the deposit.

3. The filings required by Ordering Paragraphs 1 and 2 herein shall be made in quadruplicate and conform to the requirements of General Order No. 96-A.

4. Except as provided in this order, complainant is entitled to no other relief.

The effective date of this order shall be thirty days after the date hereof.

Dated at San Francisco, California, this 19th day of UNE, 1979.

John S. Byrne  
President  
Vernon L. Sturgeon  
Clayton J. Howell  
Clair T. DeWitt  
Edward M. Smith  
Commissioners