

MoNed

SEP. 8. 1995

Decision 95-09-039 September 7, 1995

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Alliance Chemical & Environmental Inc. )  
dba Alliance Finishing & Manufacturing, )

Complainant, )

vs. )

Southern California Gas Company; Gerald )  
Scarboro, Bob Wise, Jeff Mitchell, )  
Connie Christensen, )

Defendants. )

Case 95-05-061  
(Filed May 23, 1995)

**ORIGINAL**

O P I N I O N

Alliance Chemical and Environmental, Inc., doing business as Alliance Finishing and Manufacturing (Alliance or complainant), asserts in its complaint that Southern California Gas Company (SoCalGas) has (1) onerous billing and payment policies, (2) financially burdensome deposit requirements, (3) unrealistic gas billing tiers, (4) no assistance to small businesses wishing to take advantage of the core aggregation program, and (5) misleading advertisements. This complaint arose because Alliance, though it regularly paid its gas bill, was unable to pay within the 19 days allotted by SoCalGas. SoCalGas, deeming Alliance chronically late with payment, has required Alliance to pay an additional deposit of \$1,550 beyond the base deposit of \$95 to continue service.

Complainant seeks specific relief for the first two of its five assertions, and suggests Items 3, 4, and 5 require extensive evaluation of and policy changes to the gas company's rules and tariffs. For the first two assertions, Alliance asks the Commission to reevaluate SoCalGas' billing practices, payment cycles, and billing policies to align them with the business

practices of the customers SoCalGas serves. Further, Alliance seeks rescission of the requirement that it provide any additional deposits.

SoCalGas states that Alliance has been issued 11 overdue payment notices in a 12-month period. Pursuant to Tariff Rule 6.C.2, SoCalGas required Alliance "... to re-establish [its] credit by making a cash deposit with the Utility of an amount not to exceed a sum equal to twice the estimated average periodic bill for that service." Further, pursuant to Tariff Rule 9.C.1.a, a SoCalGas customer's bill is considered past due if it is not paid within 19 calendar days after mailing when bills are normally made out monthly. SoCalGas states that Alliance has not alleged SoCalGas violated the law or any order or rule of the Commission, and therefore asks the Commission to dismiss the complaint.

Public Utilities (PU) Code § 1702 states, in part, that:

"Complaint may be made by the Commission of its own motion or by...written petition or complaint, setting forth any act or thing done or omitted to be done by any public utility including any rule or charge heretofore established or fixed by or for any public utility, in violation or claimed to be in violation, of any provision of law or of any order or rule of the Commission...."

Alliance fails to allege violation of any law, order, or rule of the Commission. In its complaint, Alliance recognizes that the actions SoCalGas has taken regarding bill payment were authorized under current tariffs. Therefore, the complaint should be dismissed.

However, Alliance has raised an interesting question regarding whether the amount of time allotted for payment is onerous. Alliance asserts that the business community's billing

cycles typically revolve around 30 days, with credit card companies allowing relatively short payment time frames of 25 days.

The re-evaluation of authorized billing and payment policies, such as those raised by Alliance, is usually undertaken in general rate cases (GRC). Just this past April, we conditionally granted SoCalGas' request to suspend the requirement that it file a test year 1997 GRC (Decision 95-04-072 in Rulemaking 87-11-012). In that decision we stated our intent to institute an investigation into SoCalGas' rates and practices, which would be consolidated with the filing of SoCalGas' performance-based ratemaking (PBR) application. The application was filed June 1, 1995, and docketed as Application (A.) 95-06-002. We encourage Alliance to place its billing and payment practice concerns before the Commission in response to the PBR application and investigation. To facilitate Alliance's participation, we will provide it with notice of Commission activities in this proceeding by placing Alliance on the PBR service list as an interested party. While we undertake this review, we direct our staff to not process advice letters that request a more restrictive payment policy.

Findings of Fact

1. On May 23, 1995, Alliance filed a complaint against SoCalGas.
2. SoCalGas filed an answer to the complaint and a motion to dismiss the complaint, or alternatively, refer it to staff for informal resolution July 26, 1995.
3. A hearing is not required.
4. The SoCalGas PBR proceeding (A.95-06-002) is the appropriate proceeding in which to undertake the re-evaluation of authorized billing and payment policies, such as those raised by Alliance.

5. Staff should not process advice letters that request a more restrictive payment policy while we under take a re-evaluation of these policies.

Conclusion of Law

Complainant fails to allege SoCalGas violated any law, order, or rule of the Commission as required by PU Code § 1702.

O R D E R

IT IS ORDERED that:

1. Case 95-05-061 is dismissed.
2. Staff shall not process advice letters that request a more restrictive payment policy until further notice.
3. The money on deposit with the Commission in this case shall be paid to Southern California Gas Company.

This order is effective today.

Dated September 7, 1995, at Los Angeles, California.

DANIEL Wm. FESSLER  
President  
P. GREGORY CONLON  
JESSIE J. KNIGHT, JR.  
HENRY M. DUQUE  
Commissioners

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

*Wesley Franklin*  
Acting Executive Director