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Decision 98-07-077 July 23, 1998

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Southern California Edison Company (U 338-E) To Adopt Incentive Based Ratemaking Mechanisms Specified in D.96-09-045 and D.96-11-021.	ORIGINAL Application 97-12-047 (Filed December 31, 1997)

INTERIM DECISION REGARDING SOUTHERN CALIFORNIA EDISON COMPANY'S DISTRIBUTION PERFORMANCE-BASED RATEMAKING MECHANISM

Summary

In this decision, we consider whether Southern California Edison Company's (Edison or SCE) existing performance-based ratemaking (PBR) mechanism covering system reliability, customer satisfaction, and employee safety is in compliance with the requirements of Decision (D.) 96-09-045 and whether the modifications Edison proposes, which are related to electric restructuring, are allowable and acceptable in terms of the requirements of D.96-09-045. In the scoping memo issued on March 11, 1998, Commissioner Duque stated that any adjustments to Edison's PBR would be considered on an interim basis only and would be more fully reviewed as part of the mid-term evaluation.

D.98-02-095 consolidated into this proceeding certain issues related to business office closures, oversight of the alternatives offered customers, and response standards. In that decision, we explained that unlike Pacific Gas and Electric Company (PG&E) and Southern California Gas Company (SoCalGas), Edison is not required to notify the Commission in any way of the pending closure of a customer service center. We want to ensure that Edison ratepayers have comparable customer service protections relative to already-established protections for customers of other energy utilities, unless Edison demonstrates that such comparable protections are not appropriate. Finally, we consider Edison's proposed changes to the measurement of customer satisfaction, as described in Advice Letter 1276-E. Since these changes would affect the operation of the customer satisfaction survey, these issues are incorporated into this proceeding.

Background

Edison filed this application seeking confirmation that its existing service quality mechanisms, adopted in D.96-09-092, as part of Edison's Nongeneration PBR Mechanism comply with the requirements of D.96-09-045 and D.96-11-021.[1] Edison also seeks to update its nongeneration PBR mechanism as a result of the Commission's restructuring of the electric services industry.

On September 4, 1996, we issued D.96-09-045, which addressed service and safety standards for California's electric utilities, adopted systemwide reliability indices and annual reporting standards, and directed the electric utilities to apply for balanced reward and penalty ratemaking mechanisms for service quality in their PBR applications.

On September 20, 1996, we issued D.96-09-092, adopting a transmission and distribution PBR mechanism for Edison and provided for adapting the PBR to a distribution-only PBR mechanism, once the Federal Energy Regulatory Commission approved the separation of Edison's nongeneration business into transmission and distribution operations. The distribution-only PBR was authorized to extend through December 31, 2001. The adopted PBR mechanism

[1] We will address issues related to compliance with D.96-11-021 in a subsequent decision.

specifically addressed issues related to service, safety, and customer satisfaction measures. For duration of service outage, we adopted standards for Average Customer Minutes Interrupted (ACMI):

> "In its service reliability standard for ACMI, Edison shall use an initial standard of 59 minutes in 1997 declining by 2 minutes for each subsequent year, shall use a deadband of 6 minutes and shall use a rolling 2 year average. Edison shall not receive a penalty if it achieves an average of 55 minutes from 1997 through 2001, the 5 years of the PBR. Edison shall use a reward and penalty of one million dollars per minute with a maximum of 18 million dollars." (D.96-09-092, mimeo. Ordering Paragraph 20 at p. 67.)

Frequency is measured as the total number of circuit interruptions during the year:

> "In its service reliability for frequency, Edison shall use a standard of 10,900 interruptions with a deadband of 1,100 and a rolling 2-year average. Edison shall use a reward and penalty of one million dollars per 183 interruptions with a maximum of 18 million dollars." (D.96-09-092, mimeo. Ordering Paragraph 21 at p. 67.)

Finally, for customer satisfaction, we adopted the following standard:

> "For customer satisfaction, Edison shall use the historic performance standard of 64 percent, a deadband of 3 percent and use a reward and penalty of 2 million dollars for each percentage point with a maximum of 10 million dollars, and shall apply a penalty in each service area because we want Edison to offer comparable service in all areas. Edison shall not receive a reward if the percent of customers in the bottom two categories exceeds 10 percent. Edison shall use an outside survey firm to confirm a representative sample of its customer responses." (D.96-09-092, mimeo. Ordering Paragraph 22 at pp. 67 - 68.)

D.96-09-092 also recognized that Edison's PBR has few rules and must be carefully evaluated. We directed Edison to convene a working group process to assess the need for any additional standards for evaluation, but not to develop new incentive mechanisms, and suggested that this group focus on two issues initially: from the customer's perspective, whether the reliability and customer incentives are sufficiently comprehensive and protective, and from both the utility's and customer's perspective, under what circumstances might conflict arise among the PBR incentive mechanisms. This report was filed and served on September 4, 1997. We also asked the working group to assess the desirability of a comprehensive unit cost accounting system which could identify distribution services that Edison can eventually unbundle and which could track costs from inputs to outputs. In addition, D.96-09-092 orders Edison to file an interim report on March 1, 1999 to begin the midterm evaluation of the operation of the PBR.

Procedural History

The Utility Reform Network (TURN) filed a response and conditional protest to Edison's application. A prehearing conference (PHC) was held on February 23, 1998. PHC statements were filed by Edison, SoCalGas, jointly by the Office of Ratepayer Advocates (ORA) and TURN, the Coalition of California Utility Employees (CUE), and Enron. Edison filed a supplemental PHC statement on March 3 to which PG&E, CUE, Enron, and ORA and TURN (jointly) responded. Commissioner Duque issued an Assigned Commissioner Ruling (ACR) with the scoping memo for this proceeding on March 11, which confirmed the categorization of this proceeding as ratesetting, set forth the scope and schedule of the proceeding, and designated Administrative Law Judge (ALJ) Minkin as the principal hearing officer.

In response to the ACR, Edison amended its application to incorporate the changes requested in Advice Letter 1276-E (withdrawn on March 18) and filed an alternate PBR proposal to comply with the requirements of D.96-11-021. Edison also withdrew its requests 1) to exclude customer satisfaction results associated with direct access customers from the determination of Edison's 1998 PBR reward or penalty and 2) to adopt a procedure for future revisions to the customer satisfaction baseline beginning in 1999.

No evidentiary hearings have been held on the issues considered in this decision; rather, these issues have been addressed by parties in several rounds of comments.

Compliance with D.96-09-045

D.96-09-045 ordered the utilities to develop and apply for distribution PBR mechanisms that included proposals for systemwide reliability and responses to the six most frequent customer service requests by January 1, 1998. D.96-09-092 adopted a customer satisfaction PBR mechanism with a reward and penalty provision based on the average results obtained from surveys regarding Edison's performance in field service and meter reading operations, local office operations, telephone centers, and service planning activities. CUE and TURN/ORA filed comments responding to Edison's compliance with D.96-09-045 regarding system reliability, customer satisfaction, and employee safety. Edison filed reply comments on this issue.

System Reliability

Edison contends that its existing PBR mechanism conforms to D.96-09-045's requirements. The PBR mechanism incorporates two separate measures of system reliability covering both the duration and frequency of customer outages, respectively measured as ACMI per year and total number of circuit interruptions during the year. Edison proposes to exclude from its reliability measures any events that are the direct result of failures in the bulk power market controlled by the Independent System Operator (ISO) or non-Edison owned transmission facilities. CUE agrees that Edison is in compliance with D.96-09-045 and notes that D.96-09-092 tightened the standard for average duration of outages by 2 minutes per year. This modification requires Edison to improve its reliability each year to stay within the deadband. CUE also believes it is appropriate to approve Edison's proposed exclusions to reliability measures, because Edison should be responsible only for its own actions as they affect reliability.

Customer Satisfaction

Edison's customer satisfaction PBR mechanism requires Edison to measure the level of customer satisfaction associated with transactions in the following areas: telephone center, field delivery, local office operations, and service planning. Within each of these four areas, transactions are grouped by type and customer satisfaction surveys sample a particular number of transactions for each type. The PBR baseline for transactions in these areas is based on 1992 data. According to Edison, it is assumed that 1992 customer service transactions would be representative of customer service transactions occurring during the term of the PBR (1997-2001).

Edison's data from 1994-1996 shows that its six most frequent customer service transactions include the following: in-person payments, payment arrangements, collection/disconnects, turn-ons, outage related calls, and turn-offs (with the frequency varying from year to year). Each of these transactions is included in Edison's customer service surveys. Edison states that the six most frequent customer service transactions involve one or more of the areas addressed by its customer satisfaction PBR and is nondiscriminatory because it treats all customers engaging in the measured transactions uniformly.

Edison contends that its customer satisfaction PBR must be flexible enough to accommodate changes in the six most frequent customer requests through the full 5-year PBR term, because the impact of Edison's service in response to such requests will still be reflected in the survey results for each of the four areas where customer transactions occur. Edison thus requests to modify its baseline to reflect survey results obtained from customers served at authorized payment agencies (APAs) and the telephone center rather than the closed local offices. This request was originally made in Advice Letter 1276-E and incorporated into these proceedings.

Edison believes it is more appropriate to include in-person services, rather than local office operations, as the measure of customer satisfaction. This category will use the same five transactions originally measured (turn-ons/turn-offs, credit/extensions, payments, deposits, and reconnects). This area of measurement will include a weighted score that represents the combined score of both the local offices and the APAs. Edison also proposes incorporating a sample of customers interviewed with regard to their satisfaction with its telephone center's voice response unit that did not exist in 1992. Finally, Edison proposes to conduct customer satisfaction surveys continually throughout the January - November period, rather than during short time periods during the spring and fall. Edison does not believe this operational change introduces any bias into the sample.

In general, TURN and ORA believe that Edison is not in compliance with D.96-09-045 in terms of service quality, but recommend that this should be remedied as part of the midterm review. TURN and ORA are concerned about Edison's aggregated service quality index, which could allow the company to offset lower achievement in one area with higher performance in another. TURN and ORA prefer a system of specific individual objective measures.

Service Quality Issues Related to Local Office Closures

On March 23, Edison filed comments on service quality issues raised in Case 96-12-028, in which the Gray Panthers of Santa Barbara (Panthers) filed a complaint alleging that Edison's closure of business offices in Goleta and Santa Barbara reduced the service quality to unacceptable levels. In D.98-02-095, we dismissed the complaint, but determined that these issues should be addressed in this proceeding to ensure that Edison customers have customer service protections comparable to customers of other energy utilities, unless Edison demonstrates that such comparable measures are unnecessary. ORA and TURN jointly filed comments responding to these issues, as did SoCalGas. Edison, ORA and TURN, and SoCalGas filed timely reply comments.

Prior to closing 52 business offices over a five-month period in 1996, Edison operated 64 business offices and 150 APAs. Based on market research and customer satisfaction surveys, Edison opted to close 52 offices (81% of the existing offices) and shift services to APAs and its telephone center (or customer communication center). Edison held several meetings with local government officials, community leaders, legislators, and Commission staff to advise them of this change and to ease the transition from local offices to APAs. Edison believes that this transition did not impact service quality or response time.

Edison now operates 12 business offices and 440 APAs, which are typically located in grocery stores, discount stores, check cashing stores, senior centers, etc. Edison believes that the APAs offer greater convenience, safety, and multi-lingual access to customers and states that its PBR customer satisfaction mechanism assures the Commission and its customers that Edison will maintain adequate levels of customer service.

Edison recommends that we should determine that the closure of its local business offices has not resulted in degradation of customer service and that its customer service protections are comparable to those of other energy utilities. Edison also recommends that the Commission amend its PBR service satisfaction measure to substitute a question about customer satisfaction with APAs for a previous question about satisfaction with business offices.

SoCalGas recommends that the Commission should establish general guidelines and incentives for utilities to provide a level of service perceived by customers to be satisfactory and then let the utilities manage the delivery of those services. SoCalGas recommends that we adopt Edison's recommendations regarding its business office closures and related customer service issues.

TURN and ORA point out that while the local business offices offered several services directly to Edison's customers, 18 of those services are now available only through the call centers and only one of Edison's "top six" customer service transactions (in-person payment of bills) is offered at the APAs. TURN and ORA therefore believe that the performance of the call center is integral to satisfactory customer service and recommend that a standard on telephone response be established for Edison prior to the midterm review.

TURN and ORA are concerned that Edison has relaxed its telephone response standard inappropriately. Edison's average response time service level target was 45 seconds for 1993-1995, and this target was the basis for Edison's test year 1995 request for authorized revenues associated with its Customer Service and Information operations. In 1996, Edison relaxed its service goal to a 60-second average response time. In 1997, Edison again established a tighter standard of 75% of calls answered within 50 seconds, for 90% of the weeks during the year. TURN and ORA recommend a maximum of 45 seconds average response time, as was the goal in 1995, measured on a monthly basis, and that penalties for failure to meet this standard could be considered in Edison's mid-term review. TURN and ORA also recommend that Edison be required to maintain its level of busy signals at less than 1% on a monthly basis, reported quarterly to Commission staff.

TURN and ORA suggest that recent Commission decisions point to the importance of such a standard. For example, D.95-09-073 established that PG&E

is subject to a telephone response standard of an average queue wait of less than 20 seconds, and a busy signal occurrence of less than 1% during normal operations and less than 3% during outages. In D.97-07-054, we established that SoCalGas is subject to a telephone response standard of 80% in 60 seconds for regular calls and 90% in 20 seconds for leak and emergency calls. SoCalGas is subject to a penalty of $20,000 per 0.1 point decline below each standard and is also required to report its monthly level of busy signals. TURN and ORA also present studies of other utilities which nationally demonstrate a median average-seconds-to-answer of 40-45 seconds.

TURN and ORA further recommend that procedural guidelines be adopted for Edison to ensure that a similar set of procedures are in place for all investor-owned electric utilities prior to the closure of any business offices:

1. Commission approval must be obtained by way of an advice letter filing and Commission resolution.

2. Notices of proposed office closures must be provided by mail, posting, and published notices prior to Commission authorization and should include wording indicating that Commission approval is required. Notices must be pre-approved by Commission staff and given 60 days prior to an advice letter filing seeking approval to close an office. All notices must be multilingual and should include prominent statements regarding office closure, right to protest, and the Commission's 800-telephone number.

3. Edison should compile responses and include them with the advice letter filing with the Commission.

4. Advice letters must give a 45-day notice of proposed closure and must contain accurate listing of APA locations to serve areas formerly served by the business office.

5. Advice letters should contain demographic information indicating that APAs meet community service needs; substantiation that APAs can meet demand for existing and projected customer payment volumes; provide proof of community input and of public meetings (which must

include multilingual meetings at convenient community centers at convenient times, in consultation with community-based organizations and regional groups protesting the closures).

6. Advice letters must indicate that all APAs will have courtesy phones connected to the utility's service representatives.

7. Advice letters must demonstrate rational basis for the closure and no discriminatory impact of closure upon poor, elderly, minority, or rural customers.

TURN and ORA recommend that these standards be adopted prior to the mid-term review, because additional office closures could occur before the mid-term review. TURN and ORA recommend that the service quality impacts of reliance on APAs and adoption of appropriate standards to apply to closing those facilities could safely be incorporated into the midterm review.

Discussion

D.96-09-045 established that customers are entitled to reliable service and that the electric utilities must provide services that do not jeopardize service reliability or safety as it relates to distribution. We emphasized billing services, call center operations, and the utility's responsiveness to service orders as the types of customer services related to distribution that we will continue to monitor and oversee. We determined that the PBR proceedings were the appropriate forums to consider economic incentives to encourage utilities to provide high-quality service above and beyond that statutorily required.

In D.96-09-092, we reiterated that effective PBR regulation must include appropriate standards for service and safety and emphasized that the PBR was to emulate the competitive process to encourage utility management to effect efficient decisions without sacrificing utility employees or service quality.

While we allowed Edison to continue using its customer survey program to measure customer satisfaction, we did so with certain reservations. Edison began this program in 1992 and uses a sample of customers to survey satisfaction in five areas: field service and meter reading operations, local office operations, telephone center operations, service planning activities, and energy service representative activities. Edison proposed to use the first four areas in its customer satisfaction incentive. Respondents to the survey choose from a subjective scale of six descriptive adjectives, such as "completely satisfied" and "delighted," as the top two categories of this scale.

We adopted Edison's historic performance standard of 64% of the responses rating Edison in the two highest categories, using a simple average across the four service areas, but we noted our concern with the subjectivity of such a measure. We also ordered that Edison shall apply a penalty in a service area if its performance in any service area is below standard, determined that no reward would be made if more than 10% of customers responses are in the bottom two of the six categories on the scale, and ordered Edison to use an outside survey firm to confirm a representative sample of its customer responses.

We are satisfied that Edison's existing PBR complies with D.96-09-045's requirements in terms of system reliability. Edison's current PBR mechanism incorporates two separate measures of system reliability: duration, measured as ACMI per year, and frequency, measured as total number of circuit interruptions per year. These two mechanism comply with the requirement of D.96-09-045 to establish PBR mechanisms addressing systemwide reliability. We adopt Edison's proposed adjustments to its system reliability measures, so that its PBR measures only those system outages that are within its operational control.

We are not as confident with respect to Edison's customer satisfaction PBR. We agree with TURN and ORA that greater specificity is desirable in terms of measuring customer satisfaction; indeed, D.96-09-092 established this requirement: ". . . for the mid-term review, we order Edison to develop a more objective measure of customer satisfaction which includes such aspects as response time, problem resolution and customer comparison with similar service contacts and which ensures that Edison's internal and external measures of performance are consistent." (D.96-09-092, mimeo. at p. 54.) At this juncture, it is sufficient to determine that Edison's customer satisfaction PBR mechanism complies on an interim basis with D.96-09-045's requirements to establish a PBR that measures the six most frequent customer service requests. It is reasonable to hold Edison to its recent corporate goals regarding telephone response standards and to require that 75% of calls be answered within 50 seconds, for 90% of the weeks during the year.

We will consider more specific objective measures during the mid-term review and will order the Energy Division to convene workshops to begin this process. D.96-09-092 ordered Edison to file an interim report on March 1, 1999 to begin the midterm review process. This report should be filed as part of Edison's application for initiating the midterm review. The dates of the workshops and issues to be addressed will be provided by ruling in the new proceeding, but the issues should include specific telephone response standards and other objective measures of service quality, rather than the more nebulous customer satisfaction survey.

We will institute procedures comparable to those already in place for PG&E and SoCalGas regarding closure of Edison's business offices. SoCalGas is subject to D.92-08-038, which requires it to obtain prior Commission approval through an application process to close any business office. In D.96-12-055, we ordered PG&E to obtain approval through the advice letter process before closing any business offices. It is reasonable that Edison be required to file an advice letter informing the Commission of its intent to close business offices well before such closures occur, so that we can be sure of an appropriate public notice and information process. This requirement is certainly reasonable in view of the service quality concerns we expressed in D.98-02-095:

> "The service quality concerns identified by Panthers may not be unique to Panthers, but may be of concern to the general population served by SCE. The intended closure of 81% of SCE's business offices certainly has the potential to adversely impact SCE customers. These service quality issues have now been brought to our attention. We will not dismiss these issues lightly simply because Complainant lacks the resources to prosecute this complaint. Ensuring high quality service through our regulatory oversight is part of the job the Commission performs for California's ratepayers, a job that may take on a greater urgency and importance as the Commission is embarking on an ambitious program for allowing competition in 1998 in the market served by SCE." (D.98-02-095, mimeo. at p. 3.)

Edison should submit an advice letter no less than 60 days prior to the date it plans to close a business office which describes the customer notice it provided regarding the proposed closure, the service alternatives available to local customers, and the response it received from customers and local officials following its notice. We expect Edison to be sensitive and responsive to customer requirements and to retain business offices where customers might otherwise face hardship in taking advantage of Edison's services. The steps outlined by TURN and ORA are appropriate and should serve Edison well in this regard; however, we will only require the following at this time:

1. Notices of proposed office closures must be provided by mail, posting, and published notices. Notice must be given 60 days prior to an advice letter filing notifying the Commission of planned closures. All notices must be multilingual and should include prominent statements regarding office closure and the Commission's 800-telephone number.

2. Edison should compile responses and include them with the advice letter filing with the Commission.

3. Advice letters must give a 60-day notice of proposed closure and must contain accurate listing of APA locations to serve areas formerly served by the business office.

4. Advice letters must demonstrate a rational basis for the closure and no discriminatory impact of closure upon poor, elderly, minority, or rural customers.

We will revisit this issue during the midterm evaluation to ensure that Edison is providing adequate notice and ensuring that local service alternatives are available and accessible prior to closing a business office. In the interim, should we determine that Edison is closing offices in a discriminatory manner, we will institute an appropriate proceeding.

It is reasonable to adopt Edison's proposed modifications to the determination of customer satisfaction on an interim basis. These changes are made to ensure comparability with the 1992 scores used in setting the PBR baseline. Edison should include in-person services, rather than local office operations, as the measure of customer satisfaction, with the appropriate weighting. This category will use the same five transactions originally measured (turn-ons/turn-offs, credit/extensions, payments, deposits, and reconnects). This area of measurement will include a weighted score that represents the combined score of both the local offices and the APAs. Edison should monitor the satisfaction of former local office customers whose service transactions are referred to telephone centers.

Edison should also implement the other changes proposed in Appendix B of Advice Letter 1276-E. The independent research firm conducting the 1997 and future customer satisfaction surveys should calculate the meter read score so that it carries the same one-fifth weighting as the other categories in calculating the overall score for field service and meter reading. Edison should also include a sample of customers interviewed with regard to their satisfaction with its telephone center's voice response unit. Finally, Edison may conduct customer satisfaction surveys continually throughout the January - November period.

Findings of Fact

1. Edison's current PBR mechanism incorporates two separate measures of system reliability: duration (measured as ACMI per year) and frequency (measured as total number of circuit interruptions per year).

2. The measures of system reliability comply with the requirement of D.96-09-045 to establish PBR mechanisms addressing systemwide reliability.

3. In D.96-09-092, we allowed Edison to continue using its customer survey program to measure customer satisfaction, but expressed reservations regarding the subjectivity of this measure.

4. Edison's customer satisfaction PBR mechanism complies with D.96-09-045 on an interim basis, but more specific and objective measures of customer satisfaction should be developed during the midterm review.

5. It is reasonable to hold Edison to its recent corporate goals regarding telephone response standards and to require that 75% of calls be answered within 50 seconds, for 90% of the weeks during the year.

6. Once Edison files its application initiating the midterm review, we will issue a ruling ordering workshops convened by the Energy Division to address various topics, including specific telephone response standards and other objective measures of service quality.

7. An advice letter procedure should be implemented so that we may monitor closure of Edison's business offices.

8. Business office closure procedures should be re-evaluated during the mid-term review to ensure that Edison is providing adequate notice and ensuring that local service alternatives are available and accessible prior to closing a business office.

9. Edison should be responsive to customer requirements and should retain business offices where customers might otherwise face hardship in taking advantage of Edison's services.

10. Edison's proposed modifications to the determination of customer satisfaction are made to ensure comparability with the 1992 scores used in setting the PBR baseline and should be adopted on an interim basis.

11. Edison should monitor the satisfaction of former local office customers whose service transactions are referred to telephone centers.

12. Edison should implement the proposals in Appendix B of Advice Letter 1276-E.

Conclusions of Law

1. It is reasonable to exclude from Edison's system reliability measures (ACMI and circuit interruption frequency) any events that are the direct result of failures in the ISO-controlled bulk power market or non-Edison owned transmission facilities, so that Edison's PBR mechanism measures only those system outages within its operational control.

2. It is reasonable to require greater specificity in terms of measuring customer satisfaction, but these measures should be developed during the mid-term review process.

3. It is reasonable to institute procedures for closure of Edison's business offices comparable to those already in place for PG&E and SoCalGas.

4. In light of the service quality concerns expressed in D.98-02-095, it is reasonable that Edison file an advice letter informing the Commission of its intent to close business offices well before such closures occur to ensure appropriate public notice and consideration of alternatives.

5. This order should be effective today so that all necessary procedures may be implemented expeditiously.

INTERIM ORDER

IT IS ORDERED that:

1. Southern California Edison Company's (Edison) performance-based ratemaking (PBR) is deemed to comply with the requirements of Decision (D.) 96-09-045 to establish PBR mechanisms addressing systemwide reliability.

2. On an interim basis, Edison's customer satisfaction PBR is deemed to comply with the requirements of D.96-09-045 to establish PBR mechanisms that address the six most frequent customer requests, but specific and objective measures of customer satisfaction shall be instituted during the midterm review process.

3. On March 1, 1999, Edison shall file an application that includes the interim report ordered in D.96-09-092 to initiate the midterm review process.

4. Edison shall submit an advice letter no less than 60 days prior to the date it plans to close a business office. The advice letter shall describe the customer notice Edison provided regarding the proposed closure, the service alternatives available to local customers, and the response Edison received from customers, and local officials following its notice, using the following procedures:

   a. Notices of proposed office closures must be provided by mail, posting, and published notices. Notice must be given 60 days prior to an advice letter filing notifying the Commission of a planned closure. All notices must be multilingual and should include prominent statements regarding office closure and the Commission's 800-telephone number.

   b. Edison should compile responses and include them with the advice letter filing with the Commission.

   c. Advice letters must give a 60-day notice of proposed closure and must contain accurate listing of authorized payment agency (APA) locations to serve areas formerly served by the business office.

d. Advice letters must demonstrate a rational basis for the closure and no discriminatory impact of closure upon poor, elderly, minority, or rural customers.

5. Edison shall modify the determination of customer satisfaction on an interim basis and shall include in-person services, rather than local office operations, as the measure of customer satisfaction, with the appropriate weighting. This category shall use the same five transactions originally measured (turn-ons/turn-offs, credit/extensions, payments, deposits, and reconnects). This area of measurement shall include a weighted score that represents the combined score of both the local offices and the APAs.

6. Edison shall ensure that the independent research firm conducting the 1997 and future customer satisfaction surveys calculates the meter read score so that it carries the same one-fifth weighting as the other categories in calculating the overall score for field service and meter reading. Edison shall also include a sample of customers interviewed with regard to their satisfaction with its telephone center's voice response unit. Edison may conduct customer satisfaction surveys continually throughout the January - November period.

7. Within 10 days of the effective date of this decision, Edison shall file a compliance advice letter implementing all required tariff changes necessitated by this decision.

This order is effective today.

Dated July 23, 1998, at San Francisco, California.

RICHARD A. BILAS
President
P. GREGORY CONLON
JESSIE J. KNIGHT, JR.
HENRY M. DUQUE
JOSIAH L. NEEPER
Commissioners