

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION E-3411
June 8, 1995

R E S O L U T I O N

RESOLUTION E-3411. SAN DIEGO GAS & ELECTRIC COMPANY REQUESTS AUTHORIZATION TO REVISE ITS ELECTRIC AND GAS RULES COVERING APPLICATIONS FOR SERVICE (RULE 3).

BY ADVICE LETTERS 896-E AND 896-G, FILED ON OCTOBER 26, 1993 AND BY SUPPLEMENTAL ADVICE LETTERS 896-E-A AND 896-E-A, FILED ON JUNE 3, 1994.

SUMMARY

1. San Diego Gas & Electric Company (SDG&E) seeks to revise its Tariff Rule covering Applications for Service (Rule 3) by Advice Letters 896-E and 896-G and Supplemental Advice Letters 896-E-A and 896-G-A, filed on October 26, 1993 and June 3, 1994 respectively. The intent of the filing is to modernize the text of the rule and make it clearer and easier to apply. The proposed revision to Rule 3 would create more restrictive conditions for customers and applicants for service.
2. There were no protests to the advice letters.
3. This Resolution authorizes SDG&E's request in part but denies a new provision for liability protection.

BACKGROUND

1. SDG&E's current Tariff Rule 3 specifies that an application for service is required, that certain information is required on the application, that liability for beneficial use is assigned jointly and severally, that the customer is responsible for notifying the utility of changes in load or operation, and that the utility may refuse or discontinue service if the applicant provides false or inaccurate information.
2. In addition to reorganizing the text of Tariff Rule 3, SDG&E indicates that these are the major changes that it seeks to make to Rule 3:

Section A - Application: The utility may accept verbal applications for service in lieu of written applications. Application forms may vary for different customer classes.

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Section B - Information Required on Application: SDG&E may request that applicants for service provide the name of their spouse or other adults residing on the premises.

Section C - Changes in Load or Operation: The customer is required to notify the utility in writing within 15 days of any change in the connected load, number of residential dwelling units or spaces, or size or character of appliances or other apparatus.

Section D - Joint and Several Liability for Service/Beneficial Use: Changed "person" to "customer".

Section E - False or Inaccurate Information: Add sections E.2 and E.3 to the provisions under which the utility may refuse or disconnect service. The first new section would allow such actions when an applicant uses a fictitious name or another's name to avoid payment or when the applicant seeks to assist another to avoid payment. The second new section would allow refusal or disconnection when the applicant or other resident adults have attempted to receive service without payment.

Section F - Refusal to Provide Service: This new section would provide that the utility incurs no liability for refusal or discontinuance of service under the terms of Tariff Rule 3.

3. SDG&E indicates that its proposal was developed through the efforts of a subcommittee of the Joint Energy Tariff Review Committee (JETRC). The JETRC is an organization of energy utilities that typically meets on a monthly basis to promote uniformity of tariffs. Personnel from the Commission's Consumer Affairs Branch and Energy Branch attend the JETRC meetings. If approved, the revised Rule 3 could become a model for other utility filings.

NOTICE:

1. The Advice Letters and Supplemental Advice letters were noticed in accordance with Section III of the Commission's General Order 96-A by publication in the Commission Calendar and distribution to SDG&E's advice filing service list.

PROTESTS

1. The Commission Advisory and Compliance Division (CACD) has not received any protests to these Advice Letter filings.

DISCUSSION

1. The major changes that require discussion relate to those parts of the rule that would impose a more restrictive condition, since none of the changes raises rates.
2. In its Supplemental Advice Letter, and by further response to inquiries, SDG&E has provided more explicit descriptions of the reasons for its requested changes that would impose more restrictive conditions.

Section B - Information Required on Application: The first more restrictive change occurs in this section. Under the new rule, SDG&E can request that applicants provide the name of a spouse or other resident adults. SDG&E indicates that it needs this information for credit purposes and to determine the recipients of the beneficial use of utility service. Possession of this information will allow a spouse to access information relative to an account in the name of the other spouse. Without this relational information, SDG&E is unable to ascertain whether two customers share fiscal responsibilities and would not provide confidential information to a person other than the customer of record. SDG&E indicates that this request for relational information is part of its current practice.

Section C - Changes in Load or Operation: The second more restrictive change is the requirement that the customer notify the utility of changes in load or operation by written notice within a fifteen day time period. The current tariff requires the customer to provide written notification of changes in appliances or apparatus that would affect the supply of energy by the utility. The revised tariff would specify a fifteen day time period within which the customer must notify the utility of changes, enumerates the kind of changes (e.g. change in connected load, number of dwelling units, or size or character of appliances). In addition, the revised tariff indicates that the consequence of changes in the customer's usage may be a new service application, change in utility facilities, or transfer of the customer from one schedule to another. Timely notice will allow the utility to make appropriate changes to its facilities and/or credit the customer with proper baseline allowances. An example of a baseline allowance change occurs when a customer chooses all electric space heating, discontinuing propane gas space heating. The 15 day time period is consistent with current requirements for master-metered customers to notify the utility of changes prior to the next billing period.

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Section E - False or Inaccurate Information: The third more restrictive condition is the addition of new sections to clarify when SDG&E may refuse or discontinue service or rebill an account. SDG&E considers the use of a fictitious name or the use of another's name to avoid payment an appropriate reason to refuse service, etc. The same would apply if an applicant is assisting another to avoid payment or attempting to receive the benefit of service without payment. Other provisions of the Rule require the utility to inform the customer or applicant of the reasons for refusal, discontinuance, or rebilling.

Section F - Refusal to Provide Service: This new section introduces a more restrictive condition that SDG&E incurs no liability if it refuses or discontinues service for any of the reasons stated in the Rule. SDG&E recommends the new section for the following reasons:

It is in the best interests of all of SDG&E's customers that SDG&E maintain good credit standards and that the utility minimize bad debts.

These rule revisions assist the utility in ensuring that all customers pay their bills.

If the above language is not included, a customer who evades payment could attempt to "muddy" the waters and delay the process by making claims against the utility.

If a utility should improperly refuse to provide service or should discontinue service, the Commission should be the body to discipline or otherwise penalize the utility, not an individual customer.

This language assists the utility in ensuring that all customer disputes are handled by the Commission (where they belong) and that small claims and other local courts do not inadvertently attempt to take jurisdiction.

3. "Section F - Refusal to Provide Service" is an entirely new section protecting SDG&E from liability if it refuses or discontinues service for any of the reasons stated in the Rule. CACD reasons that this section would introduce a tariff provision that would protect the utility from damage awards issued by the courts. The information provided by SDG&E has not been subject to the scrutiny provided by a formal application before this Commission. The issue of utility liability is a large one. Major legal issues could be at stake. Authorization through the advice letter process could generate concerns that the advantages

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and disadvantages of insulating the utilities from liability had not been given adequate consideration. CACD therefore recommends that SDG&E be ordered to delete Section F from its filing and instructed to seek authorization for such protection through a formal application, in which utilities and other interested parties could join. Otherwise, if this part of SDG&E's filing were approved, other utilities would interpret it as a precedent, since SDG&E developed it in concert with other JETRC members.

4. The changes that SDG&E seeks for Sections A through E of the proposed Tariff Rule 3 make the rule more understandable and provide more options for persons applying for service. The more restrictive conditions that the utility proposes would expand the information available to the utility and enable it to render more accurate service. The changes would also make customers' responsibilities more explicit. CACD has reviewed SDG&E's filings and recommends their approval, except for Section F - Refusal to Provide Service, because they should enable the utility to render, refuse, or discontinue service under clearer and more explicit terms.

FINDINGS

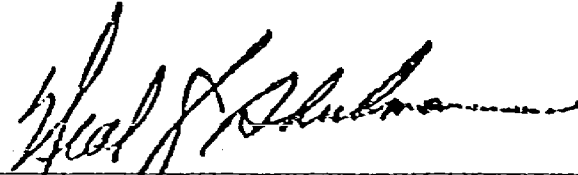
1. 1. SDG&E filed Advice Letters 896-E and 896-G On October 26, 1993 and Supplemental Advice Letters 896-E-A and 896-G-A on June 3, 1994. The filings would revise the utility's Rule 3 - Applications for Service.
2. The revised Tariff Rule 3 would create more restrictive conditions for customers and applicants for service.
3. The more restrictive conditions that the utility proposes would expand the information available to the utility and enable it to render more accurate service.
4. The changes would make customers' responsibilities more explicit.
5. SDG&E's proposed changes to Sections A through E of Tariff Rule 3 would make the rule clearer and easier to apply.
6. Proposed "Section F - Refusal to Provide Service" of Tariff Rule 3 raises significant legal and regulatory issues regarding customer/utility liability.
7. The proposed "Section F - Refusal to Provide Service" should be rejected.

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THEREFORE, IT IS ORDERED that:

1. San Diego Gas & Electric Company's Supplemental Advice Letters 896-E-A and 896-G-A, filed June 3, 1994, Sections A through E, are authorized.
2. San Diego Gas & Electric Company's Supplemental Advice Letters 896-E-A and 896-G-A, filed June 3, 1994, Section F, is rejected.
3. San Diego Gas & Electric Company shall file revised supplemental gas and electric advice letters and associated tariff sheets with Tariff Rule 3, Section F - Refusal to Provide Service, deleted. The supplemental advice letters shall be effective upon filing.
4. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on June 8, 1995. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director.

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