

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the Commission's
Own Motion to Consider Revising Energy Utility
Tariff Rules Related to Deposits and Adjusting Bills
as They Affect Small Business Customers.

R. 10-05-005

***OPENING COMMENTS OF CALIFORNIA SMALL BUSINESS ROUNDTABLE
AND CALIFORNIA SMALL BUSINESS ASSOCIATION ON
SMALL BUSINESS PROGRAM STAFF REPORT***

Pursuant to the Administrative Law Judge's Ruling of July 28, 2010, and California Small Business Roundtable (CSBRT) and California Small Business Association (CSBA) submit the following comments on the Small Business and Community Outreach Staff Report (Staff Report) dated July 28, 2010. CSBRT/CSBA commends the California Public Utilities Commission (Commission) and Assigned Commissioner Bohn for initiating this proceeding and convening the Workshop on July 6, 2010.

The rulemaking proceeding is significant in several respects. First, the OIR recognizes the importance of small businesses to the California economy. Second, the OIR examines a critical, but often overlooked aspects of how electric and gas utilities serve small businesses: the terms of establishing new service and, once service is established, terms for billing in arrears. Third, the OIR recognizes the Commission's role in ensuring that utility policies regarding deposits and back billing are fair and reasonable to small business customers.

CSBRT/CSBA particularly appreciate the Commission's efforts to reach out to the small businesses community by inviting CSBRT/CSBA and other small business groups to attend the Workshop. As reflected in the Staff Report, Betty Jo Toccoli attended the July 6 Workshop, presented CSBRT/CSBA's views on the issues in this proceeding, and actively participated in the discussions. The Staff Report also reflects that the Workshop has led to a consensus on several significant issues in this proceeding.

I. Back-Billing

As the Staff Report indicates, there was broad consensus that (a) like residential customers, small business customers should not be back-billed for more than three months and (b) small businesses should not be required to re-establish credit resulting from slow payment of any back-billed amount. (Staff Report, p. 15.) The Staff Report recommends that utility tariffs be amended to make these changes. The Staff Report also recommends making the refund period for overcharges consistent at three years regardless of whether the overcharges are due to a billing or metering error.

CSBRT/CSBA supports the Staff Report on these points. These changes will prevent small business owners from being surprised by large bills going back many months and even years, jeopardizing their credit and business. Standardizing the refund period at three years will also avoid disputes on whether overcharges were due to a billing error or meter error.

II. Deposits

Based on the responses to the data requests and Division of Ratepayer Advocates' research regarding deposit requirements in other states, the Staff Report recommends that utilities charge only up to twice the average monthly bill, instead of twice the maximum monthly bill. We support this recommendation. CSBRT/CSBA is not opposed to reasonable deposit requirements when necessary, but believes that requiring deposits of twice the maximum monthly bill is excessive.

During the Workshop CSBRT/CSBA inquired and it is still unclear from the Staff Report how and when utilities decide to require a deposit. Are deposits required for all new customers? What if a customer has or had prior service with another utility? What if a customer has good credit? What if a customer is a sole proprietorship and the individual owner has good credit and provides a personal guarantee? Do utilities obtain credit reports or use credit rating services?

Is there an appeal process for deposits short of filing a complaint with the Commission's Consumer Affairs Branch?

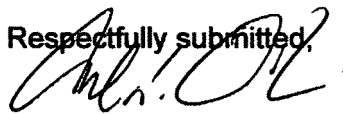
III. Definition of Small Business

The Staff Report states that after discussion there was unanimous agreement at the Workshop to allow utilities to define small businesses using demand and usage-based criteria (annual consumption of 40,000 kwh or less or an energy demand of 20 hw or less, annual consumption of less than 10,000 therms) as an alternative to the definition of "micro-business" in California Government Code Section 14837. (Staff Report, p. 11.)

CSBRT/CSBA supports the recommendation. Use of the demand and usage-based will (a) establish an uniform definition for all utilities and thereby minimize confusion, (b) be practical and cost-effective for utilities to implement, (c) avoid the need for small business owners to complete additional forms and submit gross receipts and payroll information to utilities, and (d) cover the vast majority of businesses in utility service areas (90 to 95%). CSBRT/CSBA agrees that use of the Department of General Services list of small businesses or the "micro business" definition alone are impractical and would leave out many of the small businesses that the Commission intends to cover in this rulemaking proceeding.

Dated: August 6, 2010

Respectfully submitted,



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CERTIFICATE OF SERVICE

Re. Order Instituting Rulemaking on the Commission's Own Motion to Consider Revising Energy Utility Tariff Rules Related to Deposits and Adjusting Bills as They Affect Small Business Customers (OIR 10-05-005).

I hereby certify that on this day I served a copy of the attached **OPENING COMMENTS OF CALIFORNIA SMALL BUSINESS ROUNDTABLE AND CALIFORNIA SMALL BUSINESS ASSOCIATION ON SMALL BUSINESS PROGRAM STAFF REPORT** on all known parties by (i) emailing a copy to each party with an email address appearing on the official service list for the above proceeding and (ii) mailing by first class mail to all others. (Pursuant to Rule 1.9, a list of the names of the persons and entities served is attached to the original certificate filed with the Commission.)

Dated in Larkspur, California on August 6, 2010.



Carl K. Oshiro