

Jane K. Yura Vice President Regulation and Rates Pacific Gas and Electric Company 77 Beale St., Mail Code B10B P.O. Box 770000 San Francisco, CA 94177

Fax: 415.973.6520

August 27, 2010

#### Advice 3148-G/3724-E

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Revisions to Gas and Electric Rule 7 – Deposits in Compliance with Decision 10-07-048

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its gas and electric tariffs. The affected tariff sheets are listed on the enclosed attachment 1.

# **Purpose**

In compliance with Ordering Paragraph (OP) 8 of California Public Utilities Commission's (Commission) Decision (D.) 10-07-048, PG&E is revising the language in its Gas and Electric Rule 7 – *Deposits* to provide for reestablishment of credit deposits for customers, which are based upon twice the "average" monthly bill instead of twice the "maximum" monthly bill.

# **Background**

On November 19, 2009, the Division of Ratepayer Advocates (DRA) released a report, "Status Report on Energy Utility Service Disconnections," which discussed service disconnections and reconnections data from January 2006 through August 2009. Based on the data in DRA's Report, Commission President Michael Peevey announced that the Commission would hold an en banc on December 17, 2009. Following the en banc, the four utilities, PG&E, Southern California Gas Company (SoCalGas), San Diego Gas and Electric Company (SDG&E) and Southern California Edison Company (SCE), agreed to a moratorium on service disconnections through January 5, 2010.

On January 5, 2010, the Commission held a workshop to provide utilities and other stakeholders an opportunity to discuss best-practices for customer outreach and education so that customers could address repayment of arrearages before disconnection. Although the Commission envisioned that the en banc and workshop would result in the development of innovations to reduce customer disconnections, it concluded that a rulemaking was necessary to gather input from the utilities and consumer groups on ways to decrease the number of household disconnections while not shifting the cost burden of non-paying customers to other ratepayers.

On February 5, 2010, the Commission issued Rulemaking (R.)10-02-005 to continue their efforts to reduce the number of residential gas and electric service disconnections due to non-payment by improving customer notification and education, and by identifying more effective ways for the utilities to work with their customers to reduce unnecessary disconnections without placing an undue cost burden on other customers. Among other things, R.10-02-005 directed PG&E, SoCalGas, SDG&E and SCE to implement three interim practices:

- "1. Customer service representatives (CSRs) must inform any customer that owes an arrearage on a utility bill that puts the customer at risk for disconnection that the customer has a right to arrange a bill payment plan extending for a minimum of three months the period in which to pay the arrearage. CSRs may exercise discretion as to extending the period in which to pay the arrearage from three months up to twelve months depending on the particulars of a customer's situation and ability to repay the arrearage. CSRs may work with customers to develop a shorter repayment plan, as long as the customer is informed of the three month option. Customers must keep current on their utility bills while repaying the arrearage balance.
- Once a customer has established credit as a customer of that utility, the utility must not require that customer to pay additional reestablishment of credit deposits with the utility for either slow-payment/no-payment of bills or following a disconnection.
- 3. Utilities were authorized to establish memorandum accounts using Tier 1 Advice Letters (AL) to track any significant additional costs, including operations and maintenance charges associated with implementing the customer practices, and any uncollectable expenses that exceed those projected in the utility's last general rate case."

On July 29, 2010, the Commission issued D.10-07-048, which directs the utilities to implement additional measures to decrease the number of utility service disconnections. This Decision:

- Continues the requirement that all PG&E, SDG&E, SCE, and SoCalGas
  customer service representatives (CSRs) must inform any customer that owes an
  arrearage on a utility bill that puts the customer at risk for disconnection that the
  customer has a right to arrange a bill payment plan extending for a minimum of
  three months the period in which to repay the arrearage.
- Continues to allow these CSRs the discretion to extend the period in which to pay
  the arrearage from three months up to twelve months.
- Provides that California Alternate Rates for Energy (CARE) customers in the PG&E, SDG&E, SCE, and SoCalGas service territories are not required to pay

additional reestablishment of credit deposits with a utility for either slow-payment/no-payment of bills or following a disconnection.

- Provides that no customer who is disabled or otherwise presents evidence that a
  disconnection would create a safety or health risk shall be disconnected without
  an in-person visit from a utility representative.
- Directs SDG&E and SoCalGas to develop an automatic payment plan that allows new customers or reconnecting customers a payment option that is in lieu of a cash deposit for credit. Requires PG&E and SCE to continue to offer their non cash credit deposit options to all new customers and those required to post a reestablishment of credit deposit following a disconnection.
- Directs PG&E, SDG&E and SCE to collect from customers a reestablishment of credit deposit following a disconnection based on twice the average monthly bill, rather than twice the maximum monthly bill. Requires SoCalGas to continue its current reestablishment of credit deposit amount of a two-month average bill.
- Directs SoCalGas and SDG&E to waive reestablishment of credit deposits for late payment of bills. Requires PG&E and SCE to continue their practice of not collecting credit deposits for late payment of bills.
- Directs SoCalGas, SDG&E, SCE and PG&E to recommend to the Commission uniform notice of disconnection procedures.
- Directs PG&E and SCE to provide a field representative who can collect on a bill during an in-person visit prior to disconnection for medical baseline, life support or disabled customers. Requires SDG&E and SoCalGas to continue this practice.
- Directs PG&E, SCE, SDG&E and SoCalGas to implement these customer service disconnection practices by October 1, 2010.
- Authorizes PG&E, SCE, SDG&E and SoCalGas to charge significant costs associated with complying with the new practices in this decision to their memorandum accounts.

In accordance with D.10-07-048, PG&E either has or will shortly implement all of these measures. In addition, in accordance with OP 8, PG&E is submitting revisions to its Gas and Electric Rule 7 to implement the interim change to the basis for reestablishment of credit deposits.

# **Tariff Revisions**

In accordance with OP 8 of D.10-07-048, PG&E proposes the following tariff modifications:

 Section A.2.a of Gas Rule 7 – Deposits has been revised to change the basis for reestablishment deposits from twice the "maximum" monthly bill to twice the "average" monthly bill. The revised paragraph now reads (bold emphasis added):

"The amount of deposit required to reestablish credit for both residential and nonresidential accounts may be twice the **average** monthly bill as determined by PG&E."

 Section A.2 of Electric Rule 7 – Deposits has been revised to change the basis for reestablishment deposits from twice the "maximum" monthly bill to twice the "average" monthly bill. The revised paragraph now reads (bold emphasis added):

"The amount of deposit required to reestablish credit for both residential and nonresidential accounts may be twice the **average** monthly bill as determined by PG&E."

This filing will not affect any other rates or charges, cause the withdrawal of service, or conflict with any other rate schedule or rule.

# **Protests**

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than **September 16, 2010,** which is 20 days after the date of this filing. Protests should be mailed to:

CPUC Energy Division
Tariff Files, Room 4005
DMS Branch
505 Van Ness Avenue
San Francisco, California 94102

Facsimile: (415) 703-2200

E-mail: jnj@cpuc.ca.gov and mas@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission:

Jane K. Yura
Vice President, Regulations and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10B
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-6520 E-mail: PGETariffs@pge.com

# **Effective Date**

PG&E requests that this advice filing become effective on **August 27, 2010**, in accordance with D.10-07-048. This advice letter is submitted with a Tier 1 designation.

# **Notice**

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list. Address changes to the General Order 96-B service list and all electronic approvals should be directed to email PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: http://www.pge.com/tariffs.

Jane K. Yura

Vice President - Regulation and Rates

**Attachments** 

cc: Service List for R.10-02-005

Jane Yura OB

# CALIFORNIA PUBLIC UTILITIES COMMISSION

# ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)			
Company name/CPUC Utility No. Pacific Gas and Electric Company (ID U39 M)			
Contact Person: Olivia Brown			
5.973.9312			
@pge.com			
(Date Filed/ Received Stamp by CPUC)			
r			
Tier: <u>1</u> 7 – Deposits in Compliance with Decision 10-07-048 Services			
6 One-Time S Other			
, indicate relevant Decision/Resolution #: <u>D.10-07-</u>			
o, identify the prior AL: <u>No</u>			
ior withdrawn or rejected AL: <u>N/A</u>			
at information is the utility seeking confidential			
those who have executed a nondisclosure			
agreement: $N/A$ Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: $N/A$			
Resolution Required? ⑤ Yes Å No Requested effective date: August 27, 2010 No. of tariff sheets: 6			
<u>.</u>			
When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting). N/A			
Service affected and changes proposed: N/A			
Protests, dispositions, and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:			
Pacific Gas and Electric Company Attn: Jane K. Yura, Vice President, Regulation and Rates 77 Beale Street, Mail Code B10B P.O. Box 770000 San Francisco, CA 94177 E-mail: PGETariffs@pge.com			

		ATTACHMENT 1 Advice 3148-G
Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
28472-G	GAS RULE NO. 7 DEPOSITS Sheet 1	18212-G
28504-G	GAS TABLE OF CONTENTS Sheet 1	28497-G
28505-G	GAS TABLE OF CONTENTS Sheet 6	28360-G

#### **GAS RULE NO. 7 DEPOSITS**

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Sheet 1

#### AMOUNT OF DEPOSIT

#### **ESTABLISHMENT OF CREDIT**

- Residential accounts: The amount of deposit required to establish credit shall be twice the average monthly bill as estimated by PG&E.
- Nonresidential accounts: The amount of deposit required to establish credit may be twice the maximum monthly bill as estimated by PG&E.
- Residential and nonresidential accounts: The amount of deposit taken to establish credit may be subject to adjustment upon request by the customer or upon review by PG&E.
- Customers of PG&E's transmission services including, but not limited to, transportation, storage, parking and lending, shall establish credit in accordance with Rule 25.

#### REESTABLISHMENT OF CREDIT

The amount of deposit required to reestablish credit for both residential and nonresidential accounts may be twice the average bill as determined by PG&E.

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Reestablishment of credit, deposits, return of deposits, and interest on deposits for PG&E transmission service including, but not limited to, transportation, storage, parking and lending, is set forth in Rule 25.

#### RETURN OF DEPOSIT

- PG&E may refund a Customer's deposit by draft or by applying the deposit to the Customer's account and the Customer will be so advised. If the Customer establishes service at a new location, PG&E may retain the deposit for such new account, subject to the conditions of Sections B.3 and B.4. below.
- Upon discontinuance of service, PG&E will refund the Customer's deposit or the balance thereof which is in excess of unpaid bills for service furnished by PG&E.
- 3. When the Customer's credit is otherwise established in accordance with Rule 6, PG&E will refund the deposit either upon the Customer's request for return of the deposit or upon review by PG&E.

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Advice Letter No: Decision No.

3148-G

D.10-07-048

Issued by Jane K. Yura Vice President Regulation and Rates Date Filed Effective Resolution No.

August 27, 2010

1D4

Cancelling

Revised Revised Cal. P.U.C. Sheet No. Cal. P.U.C. Sheet No. 28504-G 28497-G

# **GAS TABLE OF CONTENTS**

Sheet 1

CAL P.U.C. **TITLE OF SHEET** SHEET NO.

Title Page	28504-G (T)
Rate Schedules	28498,28499-G
Preliminary Statements	
Rules	
Maps, Contracts and Deviations	23208-G
Sample Forms	

(Continued)

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D.10-07-048

Issued by Jane K. Yura Vice President Regulation and Rates Date Filed Effective Resolution No. August 27, 2010

# **GAS TABLE OF CONTENTS**

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Sheet 6

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Rule 02	Description of Service	
Rule 03	Application for Service	
Rule 04	Contracts	
Rule 05	Special Information Required on Forms	
Rule 06	Establishment and Reestablishment of Credit	( <del>T</del> )
Rule 07	Deposits	(T)
Rule 08	Notices	
Rule 09	Rendering and Payment of Bills	
Rule 10	2/345,28358-G Disputed Bills	
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Rule 15	Gas Main Extensions	
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	14455,14456-G	
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	Master-Metered Customers	
Rule 19.2	California Alternate Rates for Energy for Nonprofit Group-Living Facilities	
Rule 19.3	California Alternate Rates for Energy for Qualified Agricultural Employee Housing Facilities	
Rule 21	Transportation of Natural Gas	
Rule 21.1	Use of Pacific Gas and Electric Company's Firm Interstate Rights	
Rule 23	Gas Aggregation Service for Core Transport Customers	
Rule 25	Gas Services-Customer Creditworthiness and Payment Terms	
	27747,21410,27748-27755-G	
Rule 26	Standards of Conduct and Procedures Related to Transactions with Intracompany	
	Departments, Reports of Negotiated Transactions, and Complaint Procedures	

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Advice Letter No: 3148-G Decision No. D.10-07-048

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Issued by Jane K. Yura Vice President Regulation and Rates Date Filed August 27, 2010 Effective

Resolution No.

		Advice 3724-E
Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
29623-E	ELECTRIC RULE NO. 7 DEPOSITS Sheet 1	11300-E
29631-E	ELECTRIC TABLE OF CONTENTS Sheet 1	29627-E
29632-E	ELECTRIC TABLE OF CONTENTS RULES Sheet 10	29323-E

**ATTACHMENT 1** 

# ELECTRIC RULE NO. 7 DEPOSITS

Sheet 1

#### A. AMOUNT OF DEPOSIT

#### 1. ESTABLISHMENT OF CREDIT

- a. Residential accounts: The amount of deposit required to establish credit shall be twice the **average** monthly bill as estimated by PG&E.
- Nonresidential accounts: The amount of deposit required to establish credit may be twice the **maximum** monthly bill as estimated by PG&E.
- c. Residential and nonresidential accounts: The amount of deposit taken to establish credit may be subject to adjustment upon request by the customer or upon review by PG&E.

#### 2. REESTABLISHMENT OF CREDIT

The amount of deposit required to reestablish credit for both residential and nonresidential accounts may be twice the average monthly bill as determined by PG&E.

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#### B. RETURN OF DEPOSIT

- PG&E may refund a customer's deposit by draft or by applying the deposit to the customer's account and the customer will be so advised. If the customer establishes service at a new location, PG&E may retain the deposit for such new account, subject to the conditions of Sections B.3 and B.4 following.
- Upon discontinuance of service, PG&E will refund the customer's deposit or the balance thereof which is in excess of unpaid bills for service furnished by PG&E.
- When the customer's credit is otherwise established in accordance with Rule 6, PG&E will refund the deposit either upon the customer's request for return of the deposit or upon review by PG&E.

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3724-E D.10-07-048 Issued by **Jane K. Yura**Vice President
Regulation and Rates

Date Filed Effective Resolution No. August 27, 2010

Revised Cancelling Revised Cal. P.U.C. Sheet No. Cal. P.U.C. Sheet No. 29631-E 29627-E

# **ELECTRIC TABLE OF CONTENTS**

Sheet 1

# **TABLE OF CONTENTS**

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Rules	29632-E	(T)
Maps, Contracts and Deviations	23662-E	` '
Sample Forms	28385,29324,29325,28261,27639,29532,29550,29628-E	

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# **ELECTRIC TABLE OF CONTENTS RULES**

Sheet 10

CAL P.U.C.

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Rule 03	Application for Service	
Rule 04	Contracts 13612-E	
Rule 05	Special Information Required on Forms	
Rule 06	Establishment and Reestablishment of Credit	
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Rule 08	Notices	
Rule 09	Rendering and Payment of Bills25145,25146,28692,27801,26311,27862,27863-E	
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Rule 11	Discontinuance and Restoration of Service13140-13143,27802,23967,13146, 13147- 13150,27803,26314-E	
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Rule 13	Temporary Service22472-E	
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Rule 15	Distribution Line Extensions	
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Rule 16	Service Extensions20096,15595,14880-14881,15596-15598,16987,15600, 15601-15608,14254,13775,15609-15610-E	
Rule 17	Meter Tests and Adjustment of Bills for Meter Error20099,12050,12051,25149-E	
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Rule 17.2	Adjustment of Bills for Unauthorized Use22707,12056,12057,12058-E	
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Rule 19.1	California Alternate Rates for Energy for Individual Customers and Submetered Tenants of Master-Metered Customers	
Rule 19.2	California Alternate Rates for Energy for Nonprofit Group-Living Facilities	
Rule 19.3	California Alternate Rates for Energy for Qualified Agricultural Employee Housing Facilities	
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Rule 21	Generating Facility Interconnections	
Rule 22	Direct Access Service	
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Vice President 10D3 Regulation and Rates (Continued)

# PG&E Gas and Electric Advice Filing List General Order 96-B, Section IV

Aglet

Alcantar & Kahl Ameresco Anderson & Poole

Arizona Public Service Company

**BART** 

BP Energy Company Barkovich & Yap, Inc. Bartle Wells Associates

Bloomberg New Energy Finance

**Boston Properties** 

Brookfield Renewable Power

C & H Sugar Co.

CA Bldg Industry Association

CAISO

CLECA Law Office CSC Energy Services

California Cotton Ginners & Growers Assn

California Energy Commission
California League of Food Processors
California Public Utilities Commission

Calpine

Cameron McKenna
Casner, Steve
Chris, King
City of Glendale
City of Palo Alto
Clean Energy Fuels

Coast Economic Consulting

Commerce Energy Commercial Energy

Consumer Federation of California

Crossborder Energy

Davis Wright Tremaine LLP

Day Carter Murphy

Defense Energy Support Center Department of Water Resources

Department of the Army Dept of General Services

Division of Business Advisory Services

Douglass & Liddell Downey & Brand Duke Energy Dutcher, John

Economic Sciences Corporation Ellison Schneider & Harris LLP

Foster Farms

G. A. Krause & Assoc. GLJ Publications

Goodin, MacBride, Squeri, Schlotz &

Ritchie

Green Power Institute Hanna & Morton

International Power Technology
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Lawrence Berkeley National Lab
Los Angeles Dept of Water & Power
Luce, Forward, Hamilton & Scripps LLP

MAC Lighting Consulting

MBMC, Inc.

MRW & Associates Manatt Phelps Phillips McKenzie & Associates Merced Irrigation District

Mirant

Modesto Irrigation District

Morgan Stanley Morrison & Foerster

NRG West

New United Motor Mfg., Inc.

Norris & Wong Associates North America Power Partners North Coast SolarResources
Occidental Energy Marketing, Inc.

OnGrid Solar Praxair

R. W. Beck & Associates

RCS, Inc.

Recon Research Recurrent Energy SCD Energy Solutions

SCE
SMUD
SPURR
Santa Fe Jets
Seattle City Light
Sempra Utilities

Sierra Pacific Power Company

Silicon Valley Power Silo Energy LLC

Southern California Edison Company

Sunshine Design

Sutherland, Asbill & Brennan Tabors Caramanis & Associates

Tecogen, Inc.

Tiger Natural Gas, Inc.

Tioga Energy TransCanada

Turlock Irrigation District

U S Borax, Inc. United Cogen

**Utility Cost Management** 

**Utility Specialists** 

Verizon

Wellhead Electric Company Western Manufactured Housing Communities Association (WMA)

eMeter Corporation