

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on the
Commission's Own Motion to Address the
Issue of Customer's Electric and Natural Gas
Service Disconnection

Rulemaking 10-02-005
(Filed February 4, 2010)

**COMMENTS OF THE UTILITY REFORM NETWORK ON
CERTAIN PHASE II ISSUES IDENTIFIED IN THE 8/26/2010
ADMINISTRATIVE LAW JUDGE'S RULING**

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I. Introduction

On February 5, 2010, the Commission issued *Order Instituting Rulemaking to Establish Ways to Improve Customer Notification and Education to Decrease the Number of Gas and Electric Utility Service Disconnections* (OIR). On July 29, 2010, the Commission issued D.10-07-048, titled *Interim Decision Implementing Methods to Decrease the Number of Gas and Electric Utility Service Disconnections*. In that decision, the Commission, among other things, identified certain issues to be addressed in Phase II of the instant rulemaking, R.10-02-005. As D.10-07-048 explained, “In the second phase of this proceeding we will address the following issues:

- a. What is causing the discrepancy between the disconnection rates of CARE versus non-CARE customers? How can we limit this discrepancy? For example, should the recertification of CARE customers be waived for some period and, if so, for how long?
- b. What is causing the discrepancy between the disconnection rates of PG&E and SCE as compared to SDG&E and SoCalGas? Are there certain customer service policies or practices of SDG&E and SoCalGas that PG&E and SCE should adopt in order to further decrease the number of customer service disconnection in the PG&E and SCE service territories?
- c. What is the role of CSRs in educating customers about assistance programs and assisting in completing CARE applications and what are the costs of this additional work?
- d. Should utilities provide an opportunity for customers to select a language for utility communications, and what are the associated costs?
- e. Should the utilities establish a uniform protocol for remote disconnections?
- f. Have utilities established a uniform billing and accounting methodology that ensures that the customer receives proper credit for monies paid as discussed in R.10-02-005 at 7.

- g. Have utilities established a uniform billing and accounting methodology that ensures that the customer receives proper credit for monies paid as discussed in R.10-02-005 at 7.
- h. Should particular disconnection notice practices be adopted for all utilities?
- i. What should be the sunset date for PG&E's interim practices?
- j. Should there be exceptions to deposit rules for certain customers demonstrating continued fraud or bad check activities?
- k. Should customers be allowed to choose a monthly billing date for their payments?
- l. How should sensitive customers be defined, and how can utilities identify such customers?"¹

On August 26, 2010, the Commission issued *Administrative Law Judge's Ruling Providing Opportunity for Comments and Addressing Other Phase II Issues* (8/26/10 ALJ Ruling), which provides an opportunity for comments and reply comments on a limited subset of the Phase II issues identified in D.10-07-048, including issues (j), (k) and (l) from the list above. Pursuant to the 8/26/10 ALJ Ruling, The Utility Reform Network (TURN) submits these opening comments.

As discussed in the sections that follow, TURN recommends that the Commission require the utilities offer residential customers the opportunity to select their billing date to promote timely bill payment by customers with income constraints whose income streams do not match up with utility billing cycles.² In the alternative, the Commission

¹ D.10-07-048, pp. 27-28.

² On September 9, 2010, SDG&E and SoCalGas filed on behalf of TURN and other consumer groups a settlement agreement intending to resolve all Phase I and Phase II issues in this proceeding. (See Joint Motion of San Diego Gas & Electric Company, Southern California Gas Company, Disability Rights Advocates, The Division of Ratepayer Advocates, The Greenlining Institute, The National Consumer Law Center, and The Utility Reform Network for Adoption of the Settlement Agreement (and accompanying Settlement Agreement), filed in R.10-02-005 on Sept. 9, 2010.) The Settlement Agreement is silent on the issue of allowing customers to choose a monthly billing date, one of the issues addressed by TURN in these comments. While TURN supports allowing customers to choose a monthly billing date, as discussed herein, TURN continues to support the Settlement Agreement as a package, despite its lack of this

should at least require the utilities to offer this option to CARE and FERA customers, as well as customers with a history of late payment. Furthermore, TURN recommends that the Commission expand the definition of “sensitive” customers who are entitled to protection from remote disconnection, adopted in D.10-07-048, to include additional customer segments also particularly sensitive to the health and safety risks associated with service disconnection. Those customer segments should include households with an elderly person, a young child, and/or a person with a disability, customers participating in the Third Party Notification program, and customers on an all-electric rate schedule during the coldest months of the winter heating season.³

II. Comments on Issues in 8/26/10 ALJ Ruling

A. Allowing Customers to Choose a Monthly Billing Date

As noted above, in D.10-07-048 the Commission identified the following as an issue to be resolved in Phase II: “Should customers be allowed to choose a monthly

requirement for SDG&E and SoCalGas, because the Settlement Agreement contains other important consumer protections agreed to by SDG&E and SoCalGas. To the extent that the Commission adopts the Settlement Agreement, TURN expects that the Settlement Agreement’s provisions will govern the practices of SDG&E and SoCalGas and our recommendations herein that conflict with the Settlement Agreement should be applied to PG&E and SCE alone. If the Settlement Agreement is rejected by the Commission, TURN reverts to our litigation position, as articulated in these comments and in Phase I of this proceeding, that all IOUs should offer customers a choice of billing date.

³ On September 9, 2010, SDG&E and SoCalGas filed on behalf of TURN and other consumer groups a settlement agreement intending to resolve all Phase I and Phase II issues in this proceeding. (*See* Joint Motion of San Diego Gas & Electric Company, Southern California Gas Company, Disability Rights Advocates, The Division of Ratepayer Advocates, The Greenlining Institute, The National Consumer Law Center, and The Utility Reform Network for Adoption of the Settlement Agreement (and accompanying Settlement Agreement), filed in R.10-02-005 on Sept. 9, 2010.) The Settlement Agreement includes a definition of “sensitive” customers that is narrower than the one advocated by TURN in these comments. TURN continues to support the Settlement Agreement as a package, despite its more narrow definition of “sensitive” customers, because the Settlement Agreement contains other important consumer protections agreed to by SDG&E and SoCalGas. To the extent that the Commission adopts the Settlement Agreement, TURN expects that the Settlement Agreement’s provisions will govern the practices of SDG&E and SoCalGas and our recommendations herein that conflict with the Settlement Agreement should be applied to PG&E and SCE alone. If the Settlement Agreement is rejected by the Commission, TURN reverts to our litigation position, as articulated in these comments and in Phase I of this proceeding, that the more comprehensive definition of “sensitive” customers should be used by all IOUs.

billing date for their payments?”⁴ To resolve this issue, the 8/26/10 ALJ Ruling seeks input on the following questions⁵:

- a. Are there known advantages to allowing customers to select their own billing date, and if so, what are these advantages?
- b. Would allowing customers to select their own billing date result in less late payments/no-payments? Is there a historical or factual basis to this position?
- c. What are the potential complications and disadvantages of allowing customers to select their own billing date?
- d. What would be the estimated costs to the IOUs of allowing customers to select their own billing date?
- e. What would be the estimated costs to the IOUs of allowing only customers at risk of disconnection to select their own billing date?

TURN addresses the first two questions only in these comments, as the others call for knowledge uniquely within the IOUs’ possession. TURN may address additional questions in reply comments.

1. **(a) Are there known advantages to allowing customers to select their own billing date, and if so, what are these advantages?**
2. **(b) Would allowing customers to select their own billing date result in less late payments/no-payments? Is there a historical or factual basis to this position?**

TURN has previously requested that the utilities accommodate customer requests for a particular billing due date. In comments filed in Phase I of this proceeding on March 12, 2010, TURN explained the basis for our recommendation:

Several consumers participating in PG&E’s Oakland and Sacramento focus groups talked about how they had struggled to avoid shutoff in the

⁴ D.10-07-048, p. 28.

⁵ 8/26/10 ALJ Ruling, Attachment A.

past because of the mismatch between their income cycles and utility billing cycles. Similarly, TURN has recently received complaints from customers who have a history of paying late because the due date falls in between their pay periods and they are living paycheck to paycheck. Accommodating these customers' preference for a different billing date could reduce late payments and associated revenue lags, to the benefit of all ratepayers. Particularly as the utilities transition to remote meter reading with AMI, rather than relying on scheduled meter reader routes, it should be easier than ever to work with customers on billing due dates.⁶

Accordingly, TURN recommended that the utilities inform customers of the option to choose a billing date when a customer establishes or re-establishes service, or when a customer speaks to a customer service representative about payment difficulties.⁷

Since filing those comments, TURN has further investigated the issue of whether allowing customers to request a change to their bill due date can increase timely payments. TURN's own experience with consumers who contact us for assistance suggests that the option to choose a billing date would assist at least some customers in making timely payments. We have heard from consumers receiving a monthly benefit check such as SSI, as well as those on unemployment and living paycheck to paycheck, that the timing of the PG&E bill made it hard to pay on time. The consumers receiving payment twice a month explained that they were on a tight budget, where they could only pay certain bills from the first check and needed to wait for the second check to pay the remainder of monthly bills. The consumers mentioning bill timing problems were those who contacted TURN because they had been required to pay a late payment deposit or had been disconnected for nonpayment.

Similarly, literature on promoting utility bill affordability recommends allowing customers, particularly low income customers, to coordinate their utility bill due date

⁶ Opening Comments of The Utility Reform Network, p. 32, filed in R.10-02-005 on March 12, 2010.

⁷ Id.

with their receipt of income. In 1998, the American Water Works Association Research Foundation published the study *Water Affordability Programs*, prepared by Margot Freeman Saunders, Phyllis Kimmel, Maggie Spade and Nancy Brockway. Among the many methods for making water bills affordable for consumers, the authors recommend that water system providers consider changing “the timing of bills to more closely coincide with the income stream of the household”⁸ They explain the need for and benefits from extending this option to customers:

Another form of assistance that is relatively easy to administer to low-income households is to change the bill due date to coordinate with the receipt of income, especially public assistance. There are many households who could benefit from this type of coordination of bill due dates. For example, a family might receive a utility bill on the fifteenth of the month but not its benefit check until the twentieth. In such instances, though all payments are likely to be made, they will routinely be made after the due date.

Households who depend on SSI, AFDC [now called TANF], Social Security, and other monthly benefit programs have no control over the date on which they receive their income. They also generally have insufficient funds on a month-to-month basis to be able to set aside some amount for a contingent future liability, such as a utility bill in the next month. These households live check to check. A utility with chronic late-paying customers could consider asking these customers whether changing the due date of the bill would facilitate timely payment of the utility bills.

Changing the due date for these households has a number of advantages. It will allow the customer to pay on time, without having to save from a previous month’s income. As a result, the utility should see reduced expenses in collection and bad debt carrying costs. In addition, low-income customers who were forced to pay their bills late in the past because their income checks had not arrive by the date the bill was due should actually experience some reduction in bills because late charges will not be added on a regular basis.

While this recommendation was directed at water utilities, it is equally applicable to the energy utilities in California, whose customers experience the same budgeting

⁸ Saunders, et al., *Water Affordability Programs*, 1998, p. 65.

strains as those of water utilities, albeit with one caveat. Although *Water Affordability Programs* mentions benefits to customers from avoided late payment charges, it is important to note that SCE is the only major CPUC-jurisdictional energy utility with a late charge for residential customers, and CARE customers are exempt from paying this late charge.⁹

Furthermore, a number of gas and electric utilities across the U.S. offer residential customers (or a limited segment of residential customers) the opportunity to coordinate the utility bill due date with income streams. These programs tend to address the problems that arise, in particular, “for aging households whose Social Security checks arrive on a particular date each month; for households on public assistance whose benefits arrive on a particular day each month; and for other households receiving similar fixed-date/fixed amount incomes.”¹⁰

For instance, National Fuel Gas Distribution Corporation, which serves customers in western New York and northwestern Pennsylvania, offers what it calls the “Extra Security Plan” for qualifying retired or permanently disabled customers, which “includes coordinating bill due dates to coincide with the arrival of income checks to allow for timely payment.”¹¹ This program is intended to “offer an extra measure of security for uninterrupted gas service” for these customers.¹² Starting this fall in Ohio, customers of Dominion East Ohio and FirstEnergy Corp. who are enrolled in the newly revamped low-income Percentage of Income Payment Plan (PIPP Plus) will be able to seek a change in

⁹ SCE Rule 9.F.

¹⁰ *Home Energy Affordability in Indiana: Current Needs and Future Potentials*, June 2008, prepared by Roger D. Colton, Fisher, Sheehan & Colton – Public Finance and General Economics, p. 86 (discussing programs in various states to allow customers to choose their billing date).

¹¹ http://www.natfuel.com/forhome/special_services.htm.

¹² *Id.*

the bill due date if they don't receive their monthly income in time to pay the bill by the due date.¹³ Similarly, New Jersey's Public Service Electric and Gas (PSE&G) allows low-income customers participating in deferred payment plans to retire arrears to choose their bill payment date.¹⁴ And one utility, Entergy, serving the Mid-South region (Arkansas, Louisiana, Mississippi, and some parts of Texas) offers the "Pick-a-Date" program, where customers may select their bill due date, to eliminate the timing mismatch between income and utility bill payment.¹⁵

The billing date adjustment programs in Indiana are slightly different in design. Duke Power offers the "Adjusted Due Date" billing option and Indianapolis Power & Light Company offers the "Due Date Deferral Plan", both of which provide customers who receive Social Security, a pension check, or other public benefit checks, and who are not engaged in any fulltime employment, including self-employment, a recurring extension in the monthly due date, rather than the option to select a completely new due date.¹⁶ TURN has no information regarding whether the design of these more limited programs, as compared to the "choose your own due date" variety, offer reduced administrative burdens for utilities and/or reduced customer satisfaction.

The fact that a number of utilities have used this approach to increase timely bill payment tends to suggest the efficacy of this tool, at least for certain segments of the residential customer class. For this reason, and based on TURN's experience working

¹³ "Differences in energy bill assistance program include plan to help customers pay utility debt", *The News-Herald*, August 29, 2010, available at <http://news-herald.com/articles/2010/08/29/news/nh2879188.txt>.

¹⁴ *Home Energy Affordability in Indiana: Current Needs and Future Potentials*, June 2008, prepared by Roger D. Colton, Fisher, Sheehan & Colton – Public Finance and General Economics, p. 86 (discussing programs in various states to allow customers to choose their billing date).

¹⁵ Id.

¹⁶ Id.

with utility consumers, TURN recommends that customers be allowed to select their own billing date.

However, TURN recognizes that the Commission may determine that a more limited program should be piloted first because of costs concerns and/or technical complications of opening to all residential customers the choice of a billing date. In that case, TURN would support allowing CARE and FERA customers, as well as those with a history of late payment, the opportunity to select their billing date. Under either scenario (all residential or a subset of residential customers), TURN recommends that the utilities be required to inform eligible customers of the option to choose a billing date when the customer establishes or re-establishes service, or when the customer speaks to a customer service representative about payment difficulties.

B. Waiver of New Deposit Exceptions for Certain Customers Demonstrating Particular Credit-Related Circumstances

In D.10-07-048 the Commission identified the following as an issue to be resolved in Phase II: “Should there be exceptions to deposit rules for certain customers demonstrating continued fraud or bad check activities?”¹⁷ To resolve this issue, the 8/26/10 ALJ Ruling seeks input on the following questions¹⁸:

- a. Under what terms should a customer be considered to be in “good standing” with an IOU?
- b. If applicable, please define your utility’s current policy for determining if a customer is in “good standing” with regards to fraudulent or bad check writing activities, payment defaults, etc.
- c. Under what terms should a customer no longer be considered to be in “good standing” with an IOU?

¹⁷ D.10-07-048, p. 28.

¹⁸ 8/26/10 ALJ Ruling, Attachment A.

- d. If applicable, please define your utility’s current policy for determining if a customer is no longer in “good standing”.
- e. For customers no longer in “good standing” with an IOU, which programs and exceptions are they no longer allowed to participate in (CARE/LIEE deposit waivers, auto pay sign up, payment plan schedules etc)?

TURN intends to address some or all of these questions in reply comments, based on the opening comments of other parties.

C. Defining “Sensitive” Customers Who Warrant Additional Protections From Remote Service Disconnections

In D.10-07-048 the Commission identified the following as an issue to be resolved in Phase II: “How should sensitive customers be defined, and how can utilities identify such customers?”¹⁹ To resolve this issue, the 8/26/10 ALJ Ruling seeks input on the following questions²⁰:

- a. Currently the Commission prohibits the four IOUs from remotely disconnecting the utility service of customers who are denoted in the IOU’s records as medical baseline or on life-support. Please identify the customer categories which should receive protection from remove service disconnections.
- b. Does the IOU’s current customer database identify a) disabled customers, b) elderly customers, c) medical/life support customers and e) [sic] households with one or more child under the age of 18 in the home?
- c. If not, can these additional customer classes be clearly identified by the IOUs’ current database system?
- d. If an IOU does not currently track this demographic customer information, can this information be tracked within the IOU database/system going forward?
- e. What are the associated costs of the system changes necessary to track this additional customer information?

¹⁹ D.10-07-048, p. 28.

²⁰ ALJ Ruling, Attachment A.

- f. Are there other potential advantages of tracking such information going forward?
- g. What are the potential complications and disadvantages of tracking such information going forward?

TURN addresses only questions (a), (f) and (g) below, but we may cover additional questions in our reply comments.

1. **(a) Currently the Commission prohibits the four IOUs from remotely disconnecting the utility service of customers who are denoted in the IOU's records as medical baseline or on life-support. Please identify the customer categories which should receive protection from remove service disconnections.**

TURN has previously addressed the customer segments which should receive protection from remote disconnections. In comments filed in Phase I of this proceeding on March 12, 2010, TURN recommended that the Commission should prohibit remote disconnections for nonpayment for customers who are particularly vulnerable to health and safety risks associated with loss of utility services, if the Commission did not adopt TURN's primary recommendation that remote disconnections should be prohibited for all residential customers. TURN explained,

[I]f the Commission is inclined to allow remote disconnections, the Commission should *at least* prohibit remote disconnection for nonpayment by customers meeting any of the following criteria:

- The customer or a full-time resident of the customer's household is elderly (age 62 or older);
- The customer receives a Medical Baseline allowance;
- The customer or a full-time resident of the customer's household is a person with a disability;
- The customer or a full-time resident of the customer's household

has a serious illness, defined as a condition which could become life threatening if service is disconnected;

- The customer participates in the Third Party Notification program;
- An infant resides in the customer's household;
- The customer is on an all-electric rate schedule, and the disconnection is occurring in December, January or February.

... Customers meeting any of these criteria are categorically likely to be more vulnerable to the health and safety risks associated with loss of essential utility services.²¹

TURN additionally proposed that the utilities should be required to immediately remotely restore service until a field visit is possible, should any of these criteria be verified after the remote shutoff but before restoration of service.²² TURN continues to advocate protection from remote service disconnection for these customer segments.

As a result, TURN recommends that the Commission's existing protections for medical baseline customers and life support customers should remain, and that additional customer segments should be added to the definition of "sensitive" customers warranting protection from remote disconnection. These additional customer segments include households with an elderly person, a young child, and/or a person with a disability, customers participating in the Third Party Notification program, and customers on an all-electric rate schedule during the coldest months of the winter heating season. TURN embraces the position of Disability Rights Advocates, presented in their comments filed today, regarding the appropriate way to define customers with a disability for purposes of implementing this recommendation. The need for heightened protection for each of these customer segments is discussed below.

²¹ Opening Comments of The Utility Reform Network, pp. 15-16, filed in R.10-02-005 on March 12, 2010.

²² Id, p. 16.

It is well established that elderly people, young children and people with disabilities are more sensitive than the general population to health and safety risks associated with loss of utility service, in part because they are at greater risk of hypothermia and hyperthermia. According to the U.S. National Institutes of Health's National Institute on Aging (NIA), older adults are especially vulnerable to hypothermia, which can be deadly if not treated quickly, because the body's ability to endure long periods of exposure to cold is lowered with age.²³ NIA recommends that seniors prevent hypothermia by making sure their homes are warm enough. NIA specifically recommends: "Set your thermostat to at least 68 or 70 degrees. Even mildly cool homes with temperatures from 60 to 65 degrees can trigger hypothermia in older people."²⁴ These temperature recommendations indicate the seriousness of the decreasing tolerance of older people to cold, since many younger adults can conserve energy by safely choosing to live in homes with temperatures in the 60s (degrees).

The National Safety Council warns that infants, young children and the elderly are especially at risk for heat-related illness, hyperthermia.²⁵ According to the Center for Disease Control and Prevention (CDC), the "elderly, the very young, and people with mental illness and chronic diseases are at highest risk" for heat-related deaths.²⁶ The CDC explains that "[i]nfants and young children are sensitive to the effects of high

²³ U.S. National Institutes of Health, National Institute on Aging, *Hypothermia: A Cold Weather Risk for Older People*, Press Release, January 16, 2009, available online at <http://www.nia.nih.gov/NewsAndEvents/PressReleases/PR20090115hypothermia.htm>.

²⁴ *Id.*

²⁵ National Safety Council, *Surviving the Hot Weather*, Fact Sheet, available online at http://downloads.nsc.org/pdf/factsheets/Surviving_the_Hot_Weather.pdf.

²⁶ Centers for Disease Control and Prevention, *Extreme Heat: A Prevention Guide to Promote Your Personal Health and Safety*, available online at http://www.bt.cdc.gov/disasters/extremeheat/heat_guide.asp.

temperatures and rely on others to regulate their environments and provide adequate liquids,” while “[p]eople 65 years of age or older may not compensate for heat stress efficiently and are less likely to sense and respond to change in temperature.”²⁷ Similarly, the NIA explains that as adults age, “our ability to respond to summer heat can become a serious problem” and cause hyperthermia or death.²⁸ According to NIA, factors contributing to the risk of hyperthermia include age-related changes to the skin such as poor blood circulation and inefficient sweat glands and living in extremely hot living quarters, among other things.²⁹ The CDC urges people at risk for hyperthermia to stay indoors in an air-conditioned place, noting that air-conditioning “is the number one protective factor against heat-related illness and death.”³⁰ “Electric fans may provide comfort, but when the temperature is in the high 90s, fans will not prevent heat-related illness,” according to the CDC.³¹

Furthermore, utility tariffs already make specific provision for the needs of certain customers, such as elderly and disabled customers, and those with serious illnesses. These tariffs recognize that loss of utility service can present a grave health and safety threat, particularly acute when a member of the household facing disconnection has a serious illness or is elderly or disabled. For example, the tariffs of SDG&E and SoCalGas require that, where the utility is aware that there is an elderly (age 62 and over) or disabled residential customer, the utility must make personal contact with an adult in

²⁷ Id.

²⁸ U.S. National Institutes of Health, National Institute on Aging, *Tips for Older Adults to Combat Heat-Related Illnesses*, Press Release, July 21, 2009, available online at <http://www.nia.nih.gov/NewsAndEvents/PressReleases/20090721hyperthermia.htm>.

²⁹ Id.

³⁰ Id.

³¹ Id.

the household prior to disconnection, either by a visit to the home or by phone call. If the utility cannot reach a person by phone or make personal contact during a field visit, the utility must post a notice in a conspicuous location at the service address at least 48 hours prior to termination.³² SDG&E’s Tariff Rule 11.K provides that the utility “shall postpone a schedule discontinuance of residential service, or restore service if already discontinued, when a seriously ill person resides in the household.”³³ SCE’s Rule 11.B.2 similarly provides that domestic electric service will not be disconnected for nonpayment when “[s]uch termination would be especially dangerous to the health of the customer or a full time resident of the customer’s household” or “[t]he customer or a full-time resident of the customer’s household is among the elderly (age 62 or older) or handicapped” – as long as the customer is willing to make a payment arrangement with SCE.³⁴

If an elderly or disabled customer is too incapacitated to properly report a serious illness to the utility company, or unaware of the existence of special protections from service termination, the utility field visit may be an essential part of avoiding a health crisis. Also, some customers who know they need extra assistance in managing their bills because of age or disability may have chosen not to participate in the Third Party

³² See SoCalGas Rule 9.C.4.e; SDG&E Electric Rule 11.A.3.

³³ SDG&E Electric Rule 11.K (also noting that “Verification from a licensed physician, public health nurse and/or social worker may be required. The initial contact may be by telephone. Written certification within ten days may be required. The verification shall be valid for the duration of the illness or 25 calendar days, whichever is less. The customer shall pay the delinquent amount or agree to installment payments no later than the end of the postponement period. If the customer fails to do so, the Utility may discontinue service.”)

³⁴ SCE Rule 11.B.2 also provides that certification of the health condition or disability from a licensed physical, public health nurse, social worker or other medical professional acceptable to SCE may be required.

Notification program (discussed below)³⁵ offered by each utility because of pride. During PG&E’s focus group with Cantonese-speaking customers in San Francisco, participants explained that the Third Party Notification program was not helpful at all because it is shameful to let other people know you pay your bill late. The utility field visit is an important service to protect these customers. Including elderly and disabled customers within the definition of “sensitive” customers who are protected from remote disconnection is consistent with the heightened health and safety risks these customers face.

Moreover, SDG&E has recently agreed to include elderly and disabled customers in the group of customers to be protected from remote disconnection as part of the *Settlement Agreement Between San Diego Gas & Electric Company, Southern California Gas Company, Disability Rights Advocates, The Division of Ratepayer Advocates, The Greenlining Institute, The National Consumer Law Center, and The Utility Reform Network Resolving Issues in the Residential Disconnection Proceeding (Rulemaking No. 10-02-005)*, filed in this proceeding with the accompanying motion for adoption on September 9, 2010. The settlement agreement provides:

SDG&E agrees that remote disconnect will not be used for customers who are particularly vulnerable to the health and safety risks associated with the loss of utility service, i.e., self-identified seniors (age 62 or older), self-identified disabled customers, Medical Baseline customers, Life Support customers or other customers who self-certify that they have a serious illness or condition that could become life threatening if service is disconnected.³⁶

³⁵ The Third Party Notification program is offered to elderly customers and customers with disabilities who elect to designate a friend, family member, or public or private agency as a third party representative to receive a copy of the 15-day notice of impending disconnection for nonpayment. *See i.e.*, SDG&E Electric Rule11.A.4.

³⁶ *Settlement Agreement Between San Diego Gas & Electric Company, Southern California Gas Company, Disability Rights Advocates, The Division of Ratepayer Advocates, The Greenlining Institute, The National Consumer Law Center, and The Utility Reform Network Resolving Issues in the Residential Disconnection*

The Commission should extend these protections to the customers of all utilities.

Similar to the need for including elderly and disabled customers, TURN believes that customers participating in the Third Party Notification program should also be included in the definition of “sensitive” customers who will not be remotely disconnected. Each utility offers the Third Party Notification program to elderly customers and customers with disabilities who elect to designate a friend, family member, or public or private agency as a third party representative to receive a copy of the 15-day notice of impending disconnection for nonpayment.³⁷ This program provides an important safety net for customers who might need assistance with remembering to pay their utility bill, and/or communicating with the utility or accessing financial assistance when they fall behind. It is unclear whether the subsequent notices also go to the third party representative. Since customers participating in this program have self-identified as in need of extra assistance with avoiding shutoff, the utility should be required to send a field representative rather than remotely disconnect these customers.

Finally, TURN recommends that all-electric customers should be included in the definition of “sensitive” customers *only* during December, January and February of each year. These months are generally the coldest, and all-electric customers rely on electricity to heat their homes. In the event that a household facing disconnection has not been previously identified as “sensitive” because of the presence of an elderly, disabled, or very young person in the home (though does have such a household member), a premise visit prior to disconnection may alert the utility to particularly high health and

Proceeding (Rulemaking No. 10-02-005), Paragraph G.4.

³⁷ See *i.e.*, SDG&E Electric Rule 11.A.4.

safety risks associated with loss of utility service during the coldest time of the year.

2. (f) Are there other potential advantages of tracking such information [disabled customers, elderly customers, medical/life support customers, and households with one or more child under the age of 18 in the home] going forward?

In addition to enabling the utility to identify and provide protections from remote disconnection for these customer segments, there are additional advantages to tracking customers whose households include a person with a disability, an elderly person, a medical/life support person, or a minor child. This information would assist the Commission's consideration of appropriate rate design and customer education and outreach strategies as part of California's implementation of dynamic pricing for residential electric utility customers.³⁸

First, having more customer demographic information would positively impact the Commission's measurement and evaluation of the Peak Time Rebate program, enabling the Commission to understand whether certain customer segments, such as elderly customers, have usage patterns distinct from the residential class as a whole. Second, this data would enable the utilities to target outreach and education materials to particular customer segments about their rate design choices as residential dynamic pricing implementation proceeds (whether default or voluntary). Finally, this data could inform the actual design of dynamic pricing rates. The Commission might decide, based on unique usage patterns by particular customer segments (i.e., elderly customers) and

³⁸ See, i.e., A.10-08-005, *PG&E's Application for Approval to Defer Consideration of Default Residential Time-Variant Pricing until its Next General Rate Case Phase 2 Proceeding, or in the Alternative for Approval of its Proposal for Default Residential Time-Variant Pricing and For Recovery of Incremental Expenditures Required for Implementation*; and A.10-08-005, *Response and Protest of The Utility Reform Network*, filed Sept. 13, 2010.

risk analysis, to exclude certain segments from default dynamic pricing or to target these customers with different rate treatment because of health and safety concerns.

The Commission's ability to carefully consider the impact on sensitive customers of dramatically different rate designs, like dynamic pricing, is a very important advantage of tracking the customer demographic data identified in the 8/26/10 ALJ Ruling. The Commission should seize this opportunity to begin capturing additional information that can be used to inform future policy changes, such as dynamic pricing implementation.

3. (g) What are the potential complications and disadvantages of tracking such information [disabled customers, elderly customers, medical/life support customers, and households with one or more child under the age of 18 in the home] going forward?

There are some complications associated with tracking customers whose households include a person with a disability, an elderly person, a medical/life support person, or a minor child. First, customers may have privacy concerns or fear discriminatory intent by the utility. While these concerns must be taken very seriously, they can also be alleviated to some extent by sensitive and appropriate handling of data collection. It should go without saying that this information must always be voluntarily provided by customers, and customers should never be made to feel that they must provide such personal information to receive utility service. At the same time, the utilities should be required to take affirmative steps to identify sensitive customers, by inviting people to self-identify and alerting them of special consumer protections that may be available.

A second complication involves the fact that customer membership in each of these categories may change over time, such as when a young child matures or an elderly

person moves out of the home or is no longer living. As a result, demographic and health data collected by the utilities will need to be periodically updated, similar to the updating that occurs for other program eligibility, such as CARE (since income level likewise is not a fixed aspect of a household).

TURN previously addressed the challenges of data collection required to implement heightened protections for sensitive customers in our comments filed in Phase I of this proceeding on March 12, 2010. TURN explained:

One challenge in implementing this recommendation is identifying customers who fall into the designated categories. For some customers, such as those receiving a Medical Baseline allowance or participating in the Third Party Notification program, the utility already has this information in its billing system. Identifying other qualifying customers, such as those with an elderly person or infant in the customer's household, will arguably be more difficult. One potential source of this data is the CARE/FERA application forms. In PG&E's form, for instance, Section 2A, Public Assistance Program Eligibility, asks what programs the person participates in, including some which may indicate the customer's age or the presence of children in the home, such as "Medicaid/Medi-Cal (age 65 and over)." Section 2B, Household Income Eligibility, may also contain helpful information, such as whether income is from Social Security (not SSP, SSDI). Likewise, these forms may provide useful information about whether the household includes a person with a disability. Of course the utility will not have this kind of information about customers who have not applied for CARE/FERA.³⁹

TURN also recommended that the Commission hold a workshop to address the challenge of identifying sensitive customers and expressed our belief that the utilities and parties could likely develop a set of protocols that balances the need to protect categorically vulnerable customers with appropriate sensitivity to customer privacy concerns.⁴⁰

TURN continues to believe that the complications associated with expanded collection of customer data are surmountable. These complications should not be cause

³⁹ Opening Comments of The Utility Reform Network, p. 17, filed in R.10-02-005 on March 12, 2010.

⁴⁰ Id.

for depriving sensitive customers of important health and safety protections.

III. Conclusion

Continuity of utility service is a health and safety issue, and TURN appreciates the Commission's attention to preventing service disconnection for customers struggling to keep up with utility bills. As discussed above, TURN recommends that the Commission require the utilities offer residential customers the opportunity to select their billing date to promote timely bill payment by customers with income constraints whose income streams do not match up with utility billing cycles. In the alternative, the Commission should at least require the utilities to offer this option to CARE and FERA customers, as well as customers with a history of late payment. TURN likewise recommends that the Commission expand the definition of "sensitive" customers who are entitled to protection from remote disconnection, adopted in D.10-07-048, to include additional customer segments also particularly sensitive to the health and safety risks associated with service disconnection. Those customers segments should include households with an elderly person, a young child, and/or a person with a disability, customers participating in the Third Party Notification program, and customers on an all-electric rate schedule during the coldest months of the winter heating season.

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Respectfully submitted,

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