

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

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

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

**REPLY COMMENTS OF THE GREENLINING INSTITUTE  
ON THE PROPOSED DECISION ON PHASE II ISSUES**

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February 6, 2011

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**I. Introduction**

Pursuant to Rule 14.3(d) of the Commission's Rules of Practice and Procedure, the Greenlining Institute (Greenlining) submits these Reply Comments on the Proposed Decision on Phase II Issues (PD), issued January 9, 2012. Greenlining has reviewed the Reply Comments being submitted by The Utility Reform Network (TURN), the Center for Accessible Technology (CforAT), and the National Consumer Law Center (NCLC). Greenlining strongly supports the Reply Comments submitted by each of these parties.

**II. Discussion**

**A. The Proposed Benchmark Is a Target and an Indicator, Not a Cap.**

In its Opening Comments, PG&E makes several assertions regarding the PD's benchmarking provision<sup>1</sup> that should be rejected as an inaccurate interpretation of the provision and its consequences. Specifically, PG&E alleges that the benchmark will result in disparate treatment of disconnection-eligible customers, irrecoverably large arrearages, and "significantly

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<sup>1</sup> PD, Section 3.9, pp. 38-9.

increased” levels of write-offs.<sup>2</sup> These allegations misinterpret the benchmark’s intent and function.

PG&E seems to assume that the benchmark is a moratorium on disconnections beyond the 5% mark, and that it would be somehow unable to disconnect more than 5% of its customers. However, nowhere in the PD does the Commission even imply such a hard and fast cap. Nor does it require either PG&E or SCE to allow either individual account balances or total bad debt to increase beyond manageable or responsible levels. Absent such a directive, it is reasonable to assume that the utilities are still expected to manage bad debt and individual account balances according to sound business practices. PG&E incorrectly assumes the opposite. As such, Greenlining recommends that the PD be revised to clarify this point.

The PD notes that the benchmark “functions as a target, rather than an absolute standard that the utility would have to meet to avoid a penalty.”<sup>3</sup> It goes on to note that “[t]o the extent that the utilities are able to manage their operations to keep disconnections at or below the benchmark, they should continue to do so.”<sup>4</sup> By so stating, the Commission acknowledges that it may not be feasible to keep disconnections below the benchmark, without sacrificing sound management of uncollectibles and individual account balances. Therefore, as written, the proposed benchmark functions as a motivational target, as well as a tool for assessing whether additional consideration of disconnections and affordability is needed.<sup>5</sup>

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<sup>2</sup> Opening Comments of PG&E, p. 2.

<sup>3</sup> PD, p. 38.

<sup>4</sup> *Id.*

<sup>5</sup> PD, p. 39 (“If, however, one or more of the utilities continue to report high disconnection rates through 2013, whether measured against the benchmarks we adopt today or comparable industry-wide disconnection data, then we intend to revisit the disconnection issue in a new rulemaking.”)

As such, the Commission should clarify, in the Final Decision, that the benchmark does not require – or even encourage – the utilities to manage either individual customer arrearages or their overall bad debt amounts in an irresponsible manner. Rather, the utilities should continue to manage overall debt responsibly and help customers with individual arrearages in every way they can, including the heightened protections implemented in this proceeding, and strive to remain under the benchmark using all reasonable means. However, if these heightened protections still do not reduce disconnections to an acceptable level, the Commission appropriately recognizes that further actions would be required, in the form of additional and more comprehensive review.

**B. PG&E Field Representatives Should Not Be Required to Accept Cash Payments, But Reasonable Payment Alternatives Must Be Offered.**

PG&E requests clarification in the final decision that its field representatives will not be required to accept cash payments during a pre-disconnection site visit.<sup>6</sup> This request is reasonable to protect employee safety, and Greenlining recommends it be accepted, with the following two caveats.

First, if the customer wishes to make a cash payment, the pending disconnection should be suspended for an amount of time reasonable to allow the customer to go to a PG&E local office or a neighborhood payment center to make a cash payment. If the field representative arrives at the time when disconnection is to take place, and the customer has cash in hand, the disconnection would be prevented but for the fact that the field representative cannot accept the cash payment. Given that it may take a little bit of time for the customer to get to the local office during business hours, or to the neighborhood payment center, especially if the customer has to take public transportation or secure transportation from another person, it is reasonable to allow

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<sup>6</sup> Opening Comments of PG&E, p. 4.

the customer that time to pay the arrearage and prevent disconnection. Field agents should be prepared to assist customers in locating the nearest local office or neighborhood payment center, and identifying their hours of operation.

Second, PG&E notes that the field representative can assist the customer with making a payment arrangement with the contact center, or making a payment over the phone. These are reasonable alternatives for customers with bank accounts, provided that any fees or charges that would usually apply to these payment methods are waived. The PD should be clarified to state that if the customer is directed to over-the-phone payment alternatives by a field representative on a pre-disconnection site visit, the customer will not be subject to any “convenience” fees or charges associated with phone payments.

### **III. Conclusion**

Greenlining reiterates its support for the Proposed Decision, as expressed and clarified in the joint Opening Comments of the Consumer Parties, in these reply comments, and in the reply comments of TURN, NCLC, and CforAT. The PD should be adopted with the modifications and recommendations set forth.

Respectfully submitted,

Dated: February 6, 2011

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