

Subject: Proposed Order on Disconnection Settlement on Commission's June 26, 2014 Meeting Agenda, Item 14 [13020]

Dear President Peevey and Commissioners Florio, Peterman, Picker, and Sandoval:

We, the members of the Service Worker Project for Affordable Utilities, on behalf of thousands of low-income residents in the Bay Area, request that the California Public Utilities Commissioners delay your vote on the proposed settlement agreement until the commission meeting on August 14, 2014.

Your March 22, 2012 Decision 12-3-054; Rulemaking 10-02-005 adopted several interim measures and takes additional steps to reduce the number of disconnections in the service territories of Pacific Gas and Electric Company (PG&E) in light of the current economic crisis in California. That economic crisis still persists for low-income workers and those who are disabled and elderly on a fixed income.

We strongly advocate that CPUC:

(1) Stop PG&E from blocking third parties who are assisting low-income customers facing disconnections advocating with PG&E customer service representatives.

As of May 1, 2014, with limited exceptions, PG&E has prohibited third parties from advocating for and assisting low-income customers in negotiations with customer service representatives to make payment arrangements in order to prevent disconnections. While this is an issue that was not addressed in the settlement, the Proposed Decision, or comments on the Proposed Decision, it is in contradiction to CPUC rules.

PG&E's conduct will lead to more disconnections, even though "electricity is a basic necessity and ... all residents of the state should be able to afford essential electricity and gas supplies." California Public Utilities Code Section 382(b). In addition, California Public Utilities Code Sections 779-780 provide protections against utility disconnections (e.g., at least 10 days notice of any delinquent amounts prior to termination of service.) The Commission's awareness of the harsh consequences of utility disconnections, especially to low-income customers, was evident in the Commission's Decision 12-03-054, which provided additional protections against utility abuses in disconnections.

Service Worker Project for Affordable Utilities is an all volunteer private membership association of service workers and others who assist low-income workers and their families to stop threatened utility shut-offs and to restore power to their homes when PG&E has disconnected it. Our volunteers do advocacy with PG&E for our low-income members per their request to prevent disconnections by working out payment schedules for each member's past due amount owed to PG&E.

PG&E's new practice as of May 1, 2014, has prohibited third parties, such as Service Worker Project for Affordable Utilities volunteer advocates, from advocating for and assisting low-income customers who face shut-offs or have already had their power shut off, even though the

customers are on the telephone and confirm our volunteers' authorization to represent them. Without our participation, our members who are customers have a difficult time negotiating with PG&E, because the members do not often know their rights, as previously provided by the Commission's Decision 12-03-054 or under the currently proposed decision. *This lack of knowledge is precisely why the member sought our assistance in the first place and many times it is after trying many times to advocate for themselves unsuccessfully.*

PG&E's desire to keep third party advocates from helping low-income customers is obvious from the new requirement that each customer must provide advanced written authorization for a third-party advocate and that PG&E needs 10 days to process the written authorization.

When PG&E arbitrarily created this new policy, it did not extend the customer's right to negotiate its arrangement with PG&E by the same 10-day time period. As our members often seek our assistance at the last minute, PG& E's new requirement effectively prohibits the customers from seeking assistance in their negotiations. Moreover, because the member is always on the call between PG&E and a volunteer lay-advocate, *and* the member specifically states that the advocate is authorized to speak on his/her behalf, the written paperwork is superfluous.

PG&E's new practice is discriminatory against low-income customers who cannot afford an attorney to represent them. If PG&E were to try to disconnect a wealthier customer, there is no way that PG&E could prohibit the wealthier customer's attorney from representing the customer in negotiations with PG&E. So, why should PG&E be able to prevent third-party advocates who are not attorneys and are offering their services for free from helping the low-income customers?

PG&E's new practice is inconsistent with its representation before the Commission. In fact, it is common for non-attorneys to make appearances on behalf of others in formal proceedings before the Commission. *Consumers Lobby Against Monopolies v. Public Utilities Com.* (1979) 25 Cal.3d 891, 913-14. Significantly, for intervener's fees and expenses, Section 1802(b)(1) of the California Public Utilities Code defines "Customer" as any of the following: (a) a participant representing consumers, customers, or subscribers of any electrical ... corporation or (b) a representative who has been authorized by a customer. These definitions did not limit the representatives to only licensed attorneys. Therefore, there is no support for PG&E's arbitrary claim that its customers cannot be represented by a third party advocate in the informal negotiations to establish a payment plan.

In view of the above, the Commission must clarify that it will not tolerate PG& E's newly inspired practice prohibiting third party advocates from representing low-income customers, who have sought their assistance in negotiating a payment plan with PG&E in order to prevent PG&E from disconnecting the customers.

(2) Reject the settlement's proposed renewal of PG& E's ability to charge reconnection fees/credit deposits. Establish a moratorium on all reconnection fees!

PG& E's policy for reconnection fees is arbitrary and capricious, making it nearly impossible for customers to get their power reconnected. In the city of Oakland alone, one fifth of the

population (76,000 workers) earns less than \$15,000/year (\$1,250/month), according to official statistics. These statistics do not include the tens of thousands of residents who live on fixed incomes, such as social security and general assistance, whose income is \$300-\$1,000/month, if that. To have to pay twice the average monthly bill makes it impossible for untold numbers of residents to get their power restored.

In a recent case, we advocated for a single mother whose income is \$400/month. Her PG&E deposit was \$150.00 and PG&E was demanding that she pay roughly \$200.00, in addition to her outstanding balance of \$200.00. She has two children on breathing machines, but had not yet applied for Medical Baseline because she was unaware of the program. The customer service representative only allowed her a three-month payment plan to pay off the deposit and the remainder of her bill, so she was forced to pay almost all of her monthly income toward her PG&E bill. PG&E's credit deposit policy directly compromised her ability to pay other vital bills (rent, water, medical care, food for her children, etc.). This is just one example from the dozens of cases we advocate for each week.

(3) Reject PG& E's proposed revised payment plans as they are much stricter and more harmful under the new settlement agreement/proposed decision than they have been in the past.

In the past, PG&E customers used to be able to obtain 12+ month payment plans, on average, regardless of the customer's history of ability to adhere to payment plans. However, PG&E is now demanding customers to pay the entire outstanding bill within three months - requiring customers to choose between having their utilities on or having their rent paid, food on the table, and other basic needs for themselves and their children. This new requirement is a recipe for disaster; forcing even greater numbers of customers into delinquent status, and making it much easier for PG& E to disconnect their power.

A volunteer advocated on such a case recently for a member with muscular dystrophy who requires an electrically powered wheelchair, a breathing machine, an oxygen tank, special heating elements, and medication that must be refrigerated. She lives on Security Supplemental Income (SSI), a federal and state program for poor, elderly or disabled Californians and her income is \$877 a month. She applied for medical baseline twice by mail, however PG&E claimed they never received her applications. She was on a payment plan requiring her to pay approximately \$175.00 a month, but her current charges are nearly one third of her income - about \$250.00 a month - and she has not been able to negotiate a reduction despite her health needs. On some months she was required to pay over \$400.00 to PG&E, almost half her income. PG&E claimed that she violated her payment plan when she tried to use a debit card that was denied, even though she followed up with a cash payment of \$403.00! She then was required to pay \$721.00 in order to get her power restored -- almost her entire monthly income. Upon receiving that payment, PG&E demanded that she pay the remaining bill in 3-6 months. The person's outstanding bill was over \$2,000, which would require her to pay the majority of her income each month until the balance was paid off.

Because of these untenable economic pressures that PG& E's shortened payment plans place on low-income customers we advocate that this section of the agreement be revised to require

PG&E to make payment plans available for 18 months or longer, whatever it takes for the ratepayer to realistically pay off the bill without jeopardizing their ability to pay for other survival needs.

As PG&E had an average effective tax rate of *negative* 17% from 2008 to 2012 and in 2013, PG&E earned profits of \$852 million, the changes we are promoting mean very little to PG & E's profit margin and executive compensation. They do mean the difference between survival and catastrophe to low-income individuals and families whose lives hover on the brink of economic disaster and subsistence.

In view of these three points, we urge the Commission must make clear that it will not tolerate PG& E's practices outlined herein.

Sincerely,
Huyen Nguyen
President
Service Worker Project for Affordable Utilities