

**RETURN TO ENERGY BRANCH
ROOM 3102**

E-9

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
ENERGY BRANCH

RESOLUTION NO. E-3074
August 24, 1988

R E S O L U T I O N

RESOLUTION E-3074 AUTHORIZES PACIFIC POWER & LIGHT COMPANY TO ESTABLISH A LATE PAYMENT CHARGE, TO IMPOSE INDIVIDUAL LIABILITY FOR JOINT ACCOUNTS, EXERCISE SOME DISCRETION IN DENYING SERVICE TO PREMISES, TO ESTABLISH CHARGES FOR CALLS OR VISITS TO CUSTOMERS PREMISES, AND TO ESTABLISH A MASTER SCHEDULE OF MISCELLANEOUS CHARGES; BY ADVICE LETTER 204-E, FILED DECEMBER 7, 1987.

SUMMARY

By Advice Letter No. 204-E, Pacific Power & Light Company (PP&L) requested approval of the following changes in its filed tariffs:

1. Add to Rule 1 - Definitions - a definition of "Late Payment Charge",
2. Expand Rule 3 - Application for Service, Section E, Individual Liability for Joint Service, - to add a provision that any adult who may have resided at a residence is liable for the energy charges for energy used at that residence while the adult was in residence.
3. Change Rule 5 - Special Information Required on Forms, to include a statement on the monthly bill that a Late Payment Charge (LPC) of 1.5% may be added to any unpaid balance at the time of preparation of the next monthly statement,
4. Change Rule 9 - Rendering and Payment of Bills, - to state that a LPC of 1.5% may be added to balance due as set forth in Paragraph C.2. of this rule,
5. Modify Rule 11 - Discontinuance and Restoration of Service Section B Nonpayment of Bills, - to obtain greater discretion to deny or disconnect service to premises or applicants for service where PP&L believes that a prior customer, with an outstanding balance due to PP&L, is still residing at the premises to be served,

Resolution E-3074
August 24, 1988

6. Change Rule 11 - Discontinuance and Restoration of Service by adding Section L, Disconnection Visit Charge, to permit PP&L, in certain circumstances to impose and collect a charge for the service call where the charges due are paid on the service call without a service disconnection,
7. Change Rule 11 - Discontinuance and Restoration of Service by adding Section M, Tampering/Unauthorized Reconnection Charge - to permit, under certain circumstances, the imposition and collection of a charge when an employee must visit premises to re-disconnect service to the premises, and
8. Change Rule 11 - Discontinuance and Restoration of Service by adding Section N Trouble Call, - to permit the imposition and collection, in certain circumstances, of a charge for a service call to a premises where the failure in service was found to be in the customers facilities,
9. To incorporate a new Tariff Schedule No. 300 - Charges as Defined by the Rules and Regulations, - to provide a listing of all other charges and fees, in addition to the monthly energy charges, which may be collected by PP&L, and
10. To revise the text of other filed rules to delete charges currently listed therein and to state that such charges are listed in Tariff Schedule No. 300.

DISCUSSION

LATE PAYMENT CHARGES

1. PP&L in support of its Late Payment Charge (LPC) proposal states that, at present, from 20% to 25% of the monthly bills for service to California customers would have been subject to this proposed late payment charge because they do not pay their monthly bills before the next bill is prepared.

2. The 1.5% LPC, proposed by PP&L, is consistent with most current late payment charges charged by other business entities, including the LPC approved for the telephone utilities in D.86-04-046.

Resolution E-3074
August 24, 1988

3. At this time Sierra Pacific Power Company (SPP) is the only other energy utility to have such a late payment charge. SPP has a 1% LPC. SPP's LPC was authorized by D.93771, dated November 13, 1981 in A.59894 and A.60860.

4. PP&L's proposal is to incorporate into its filed tariffs language similar to the language authorized for the telephone utilities in D.85-12-017 and D.86-04-046. PP&L will not impose the LPC if the balance due is less than \$20.00. If a customer has overpaid his/her bill to avoid incurring a LPC the account will be credited with the overpayment plus the LPC.

5. As was stated in D.85-12-017, dated December 4, 1987 in I.85-01-024 (Page 29) a late payment charge is a penalty not a rate, therefore it is not required that the customers of PP&L be notified of this charge by advance notice.

6. However PP&L has mailed notice of this AL, to its California customers, with bills for service.

7. Before implementing this LPC PP&L will also notify all of its customers, on a monthly billing statement, that it is authorized to collect the LPC.

8. Thereafter each of PP&L's monthly billing statements will advise its customers that a LPC can be imposed if the bill is not paid before the next billing statement is prepared.

INDIVIDUAL LIABILITY FOR JOINT ACCOUNTS

9. The change in Rule 3. Application for Service, Section E Individual Liability for Joint Service will have users of electrical energy, whether customers of record or not, pay for energy consumed.

DISCRETION IN DENYING SERVICE

10. The proposed change in Rule 11 Discontinuance and Restoration of Service, Section B Nonpayment of Bills to prevent individuals receiving energy at no cost by permitting PP&L to deny service to or to disconnect service from residences where a former adult customer, who has had service terminated for non-payment of charges, continues to reside.

Resolution No. 3074
August 24, 1988

PREMISES VISIT CHARGES

11. The utility proposes to change in Rule 11 Discontinuance and Restoration of Service, by adding Section L Disconnection Visit Charge to encourage the customers of PP&L to pay their monthly charges in a timely manner.

12. This Disconnection Visit Charge will be imposed only when PP&L has made either: two (2) disconnection calls in the preceding six (6) months, or three (3) disconnection visits in the preceding twelve (12) months.

13. The proposed change in Rule 11 Discontinuance and Restoration of Service, adds Section M Tampering/Unauthorized Reconnection Charge to discourage the practice of reconnecting service by those who have had their electrical service disconnected for failure to pay their bills on time.

14. The proposed change in Rule 11 Discontinuance and Restoration of Service, adds Section N Trouble Call to permit PP&L the option of imposing a charge for a service call when the condition causing the service problem is in the customer's facilities. This will discourage the practice of having PP&L inspect customers facilities, which increases the charges to other customers of PP&L.

15. The charge for Disconnection Visit, Tampering/Unauthorized Reconnection and Trouble Call is \$15.00, which is approximately the cost of a PP&L service person for 26 minutes.

MASTER SCHEDULE OF MISCELLANEOUS CHARGES.

16. Tariff Schedule 300, lists all PP&L's miscellaneous charges on one page instead of throughout the the filed tariffs.

17. Copies of this Advice Letter were mailed, by PP&L, on October 29, 1987 to its standard mailing list, and to its customers during the period of May 18 through June 17, 1988.

18. No protests to this Advice Letter have been received.

Resolution E-3074

August 24, 1988

FINDINGS

1. When customers of a utility receive service without paying in full for such service it increases the cost of service to other customers who are paying for their utility service.
2. PP&L's proposal to initiate a Late Payment Charge is a reasonable way to encourage its customers to make payments on a timely basis.
3. PP&L's proposed rule changes to recover the cost of utility service from those who have used the service are reasonable and proper.
4. Creation of a tariff schedule which lists all charges, other than charges for energy, which PP&L is authorized to assess will assist in the administration of the tariffs by having such charges in one location readily available to interested customers.

THEREFORE IT IS ORDERED that:

1. Pacific Power & Light Company is authorized to file new tariff rules as submitted.
2. Pacific Power & Light Company is authorized to file a new tariff, Tariff Schedule 300, which shall list all minor incidental charges which may be collected from utility customers.
3. This resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on August 24, 1988. The following Commissioners approved it:

STANLEY W. HULETT
President
DONALD VIAL
FREDERICK R. DUDA
G. MITCHELL WILK
JOHN B. OHANIAN
Commissioners



Executive Director