

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION

RESOLUTION E-3241
AUGUST 22, 1991

LEGAL DIVISION

R E S O L U T I O N

RESOLUTION E-3241. EMERGENCY RESOLUTION DIRECTING UTILITIES TO ACCEPT PAYMENTS FROM CUSTOMERS TENDERING MONEY ORDERS ISSUED BY PAN AMERICAN MONEY ORDER COMPANY, AN ENTITY WHICH THE CALIFORNIA DEPARTMENT OF CORPORATIONS HAS TAKEN OVER AND IS SEEKING TO PUT INTO RECEIVERSHIP.

SUMMARY

This Order directs utilities to accept as payment money orders from customers who paid their utility bills with invalid money orders from Pan American Money Order Company, an entity which the California Department of Corporations took over on July 25, 1991 and is seeking to put into receivership.

BACKGROUND

The Commission is informed that the Pan American Money Order Company of Los Angeles, California (Pan American), has been taken over and may be put into liquidation receivership by the California Department of Corporations and that money orders issued by that company will not be honored immediately and may be invalid. A substantial number of such invalid money orders have been used by utility customers to pay currently due utility bills. Southern California Edison Company, for example, reports that 266 money orders for \$10,657.08, or about \$40.06 per customer, were received in July, 1991.

The Commission Advisory & Compliance Division (CACD) and the Legal Division believe that it is appropriate that the utilities accept as payment these money orders and the the utilities make a claim against Pam American in the liquidation receivership. CACD recommends that none of the tariff provisions for penalties, late fees, interest or adverse action including service disconnection, should be imposed on customers. This action is consistent with the procedure followed by the Commission in connection with an earlier money order company liquidation in 1982 by Resolutions L-225 and L-226. Further, this action is consistent with the theme which the Commissioner of the California Department of Corporations has conveyed to utility collections personnel by letter of July 25, 1991.

FINDINGS

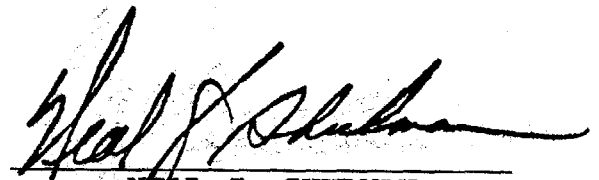
1. Pan American Money Order Company has been put into liquidation receivership by the California Department of Corporations and that money orders issued by that company will not be honored immediately and may be invalid.
2. Customers of regulated utilities may have unknowingly purchased money orders from Pan American and used them in good faith to pay their utility bills.
3. The utilities should take no adverse action or impose any tariff authorized penalty or other fee upon those customers.
4. An unforeseen emergency exists because utility service could be in peril for potentially hundreds of customers who relied on the Pan American Money Order Company, and this order can therefore be issued under Section 306(b) of the Public Utilities Code.

THEREFORE, IT IS ORDERED that:

1. All California gas, electric, water, sewer, and telephone utilities subject to Commission jurisdiction as defined in Section 216 of the Public Utilities Code shall accept as payment the money orders tendered by customers from Pan American Money Order Company. This Order is applicable only to non-honored money orders issued by the Pan American Money Order Company. The money orders shall not be treated as evidence of adverse credit standing by any utility with respect to the customer to whom the extension is granted.
2. That the utilities retain the invalid money orders and make a claim against Pan American Money Order Company. The Executive Director shall expeditiously serve a copy of this resolution by mail on all utilities which offer service in the Los Angeles area, and the Consumers Affairs Branch shall also issue an alert to such utilities.
3. An unforeseen emergency exists because utility service could be in peril for potentially hundreds of customers who relied on the Pan American Money Order Company, notwithstanding the Commission's recent informal efforts to prevent this, and this order can therefore be issued under Section 306(b) of the Public Utilities Code.
4. This Resolution is effective today.

I certify that this Resolution was adopted at a continuation of the regular conference of the Public Utilities Commission of the State of California, held on August 22, 1991. The following Commissioners approved it:

PATRICIA M. ECKERT
President
G. MITCHELL WILK
JOHN B. OHANIAN
DANIEL Wm. FESSLER
NORMAN D. SHUMWAY
Commissioners


NEAL J. SHULMAN
Executive Director