

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION G-3166
March 22, 1995

R E S O L U T I O N

RESOLUTION G-3166. SOUTHERN CALIFORNIA GAS COMPANY REQUESTS COMMISSION AUTHORITY TO REVISE ITS TARIFF RULE SECTION 9, "DISCONTINUANCE OF SERVICE, NON-PAYMENT OF BILLS".

BY ADVICE LETTER 2355, FILED ON SEPTEMBER 19, 1994.

SUMMARY

1. By Advice Letter (A.L.) 2355, Southern California Gas Company (SoCal Gas) seeks to modify its service termination procedures. Currently, the utility has a four step termination process. The third step is to make a reasonable attempt to personally contact an adult on the customer's premises at least 24 hours prior to discontinuing gas service. This procedure is specified in the utility's Discontinuance of Service Tariff Rule, under Nonpayment of Bills (Section 9.C).
2. SoCal Gas proposes to substitute telephone call(s) and a mailed notice of service termination if telephone contact fails for the third contact step.¹ The change is proposed to allow the utility to more effectively manage collections while providing additional and more timely noticing to delinquent customers. Federal and State law sets limits on the utility service termination process.
3. The Commission Advisory and Compliance Division (CACD) recommends two minor changes to SoCal Gas' proposal which are agreeable to the utility and a report on the effect of the proposed changes on service terminations.
4. No protests were received for SoCal Gas A.L. 2355.
5. This Resolution approves SoCal Gas' request with CACD's recommendations.

1 SoCal Gas' proposed change would not apply to elderly or handicapped customers.

BACKGROUND

1. SoCal Gas filed A.L. 2355 on September 19, 1994. The utility would modify service termination procedures to more effectively manage collections while providing additional and more timely noticing to delinquent customers.
2. Under the Nonpayment of Bills Section of the utility's Discontinuance of Service Tariff Rule (Tariff Rule 9, Section C), the utility must make a reasonable attempt to personally contact an adult on the customer's premises at least 24 hours prior to discontinuing gas service. SoCal Gas would eliminate the personal contact step and substitute telephone call(s) and a mailed notice of service termination if telephone contact fails. This change would not apply to elderly or handicapped customers.
3. The California Public Utilities Code (Code) establishes minimum standards for termination of service by utilities. Section 779.1 (a) provides that every customer shall have at least 19 days after the bill is mailed to make payment. In addition, no utility may terminate residential service for nonpayment unless the utility first gives notice of the delinquency and impending termination. The notice must be mailed at least 10 days prior to the proposed termination. Also, the notice may not be mailed before the 19 day payment period expires. Finally, the ten day period may not commence until five days after the termination notice is mailed.
4. Section 779.1 (b) of the Code requires utilities to make a reasonable attempt to contact an adult person residing at the customer's premises by telephone or personal contact at least 24 hours prior to any termination of service. Whenever telephone or personal contact cannot be accomplished, the utility is required to give a notice of termination of service at least 48 hours prior to termination either by mail or in person.
5. In compliance with the Federal Government's Public Utility Regulatory Policy Act of 1978 (PURPA), the Commission issued Order Instituting Investigation 49 (OII 49). From that investigation, Decision 93533 was rendered on September 15, 1981. The Decision states:

"Although we will not require a second written notice, [7] we will require that the utility make reasonable attempts to personally contact an adult on the customer's premises either by telephone or by visit at least 24 hours prior to termination."

Footnote 7. We note that PG&E and SoCal(Gas) have adopted second notice procedures as a matter of practice. We will, therefore, expect these utilities to continue current practices, and to advise us formally, if these practices are abandoned in favor of the minimum standards adopted herein.

6. SoCal Gas' current Tariff Rule 9 requires the following:
 - a. SoCal Gas shall mail a termination notice to a residential customer when a bill is 19 days past due;
 - b. The utility shall make a reasonable attempt to personally contact an adult on the customer's premises either by telephone or by visit at least 24 hours prior to termination of service to collect the past due amount or to make reasonable payment arrangements;
 - c. If a personal visit cannot be accomplished, the utility shall give, either by mail or in person, a notice of termination of service at least 48 hours prior to termination.

7. As indicated above, the third step in the termination process is either by mail or in-person a notice of termination of service at least 48 hours prior to termination. In 1981, SoCal Gas' practice was, and is currently, a 48-hour, in-person visit.

8. The revised language that SoCal Gas would substitute is as follows:
 - a. Before residential service may be disconnected for payment of bills, the Utility shall make a reasonable attempt to personally contact an adult on the customer's premises prior to termination of service.
 - b. This reasonable attempt to contact an adult on the customer's premises shall consist of:
Solicitation or verification of customer telephone numbers when customers request the service be turned on, when customers contact the utility for any type of service order or extension, and when the utility contacts customers at the time of termination of service;
 - c. At least two attempts will be made to personally contact an adult on the customer's premises in order to avoid discontinuance of service. Whenever telephone contact cannot be accomplished, the utility shall give by mail a notice of termination of service at least 48 hours prior to termination. The utility shall maintain a record of the mailed notice.
 - d. In addition, at the time of termination of service, the utility shall attempt to personally contact an adult on the customer's premises in order to avoid discontinuance of service.

NOTICE

1. In accordance with Section III.G of General Order No. 96-A, a copy of this advice letter was sent to other utilities and interested parties. Public notification of this filing has been made by placing it on the Commission Calendar.

PROTESTS

1. No party protested SoCal Gas A.L. 2355.

DISCUSSION

1. SoCal Gas proposes in Section 5.a. to place in the utility tariffs the current provisions of the Code. However, this procedure is stated in Section C.4. of Rule 9 and does not constitute part of the definition of a reasonable attempt to contact an adult on the customer's premises. CACD therefore recommends that Section 5.a. be deleted because it is duplicated elsewhere in the tariff and it is not appropriately part of the definition.

2. Proposed Section 5.b. would provide an explicit procedure for obtaining and maintaining current customers' telephone numbers.

3. Proposed Section 5.c. is the crux of this filing. Footnote 7 in D.93533 directed SoCal Gas to maintain its practice of an in-person visit 48 hours prior to service termination. The utility was to formally advise the Commission if the practices were to be abandoned in favor of minimum standards. By A. L. 2355, SoCal Gas has formally advised the Commission of its intent to change its noticing requirements. There is no indication in Footnote 7 of D.93533 that SoCal Gas was precluded from changing its notification procedure from a visit to telephone notification. The utility has indicated that this modification to service termination procedures would allow it to more effectively manage collections while providing additional and more timely noticing to delinquent customers.

4. After several conversations with utility representatives, CACD and SoCal Gas agree that if contact cannot be made by telephone, a 48-hour termination notice should be sent to the customer by Certificate of Mailing or by an even more "customer friendly" mailing or in-person visit at the option of the utility. Certificate of mailing allows certification and record by Postal Service that a letter/package was mailed to a particular addressee on a particular date. The notice is mailed using regular mail process.

5. CACD notes that SoCalGas' proposal would specifically require notice by mail, precluding the use of other methods should the utility wish to employ them. This seems unnecessarily restrictive and CACD therefore recommends that the following language be substituted for Section 5.c.:

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At least two attempts will be made to personally contact an adult on the customer's premises in order to avoid discontinuance of service.

Whenever telephone contact cannot be accomplished, the utility shall give by mail a notice of termination of service at least 48 hours prior to termination. The utility shall maintain a record of the mailed notice.

6. Proposed Section 5.d. continues the policy of attempting to make personal contact at the time of termination, in order to avoid discontinuance of service.

7. CACD's suggested revisions have been discussed with SoCal Gas. SoCal Gas agrees that it should file revised tariff sheets with the following changes:

- a. At least two attempts will be made to personally contact an adult on the customer's premises in order to avoid discontinuance of service.
- b. Whenever telephone contact cannot be accomplished, the utility shall give by mail a notice of termination of service at least 48 hours prior to termination. The utility shall maintain a record of the mailed notice.

8. CACD believes that the proposed combination of notices to the customer are in compliance with Commission intent in Decision 93533, the Public Utilities Regulatory Policy Act of 1978, and Public Utilities Code Section 779.1.

9. CACD has reviewed SoCal Gas' proposal and recommends its authorization with the modifications described above. However, in order to ensure that this tariff change does not adversely impact residential customers, CACD recommends several customer safeguards. First, since customers may be occupied during the day, the utility should include after hours telephone calls in its attempts to make contact. Second, the utility should monitor service terminations to determine if there is a substantial change in service terminations. SoCal Gas should develop and evaluate termination information based on six-month periods prior to and subsequent to the notice revision. At the conclusion of the evaluation and no later than 9 months after the effective date of this resolution, SoCal Gas should report the information and any recommendations for further revision to the Energy Branch of CACD. If terminations increase significantly, SoCal Gas should propose remedies to its residential noticing requirements.

10. Except as indicated above, SoCal Gas A.L. 2355 will not increase any rate or charge, cause the withdrawal of service, nor conflict with any rate schedule or rule.

FINDINGS

1. SoCal Gas filed A.L. 2355 on September 19, 1994 to revise its Tariff Rule Section 9.C.5, "Discontinuance of Service, Non-Payment of Bills".
2. SoCal Gas seeks to modify its residential service termination procedure by substituting telephone contacts and mail notices for an in-person visit prior to service termination.
3. SoCal Gas would include in its tariffs a provision indicating its intent to obtain customers' telephone numbers when contact opportunities occurred.
4. The Commission Advisory and Compliance Division (CACD) recommends that if telephone contact with a residential customer cannot be made prior to termination, a notice should be mailed by certificate of mailing or by a more "customer friendly" mailing or through an in-person visit at the option of SoCal Gas.
5. These several notices of impending service shut-off appear reasonable and adequately address the customers' need to be informed of potential termination. The utility should include after hours telephone calls in its attempts to make contact.
6. SoCal Gas should file revised tariff sheets with the following changes:
 - a. At least two attempts will be made to personally contact an adult on the customer's premises in order to avoid discontinuance of service.
 - b. Whenever telephone contact cannot be accomplished, the utility shall give by mail a notice of termination of service at least 48 hours prior to termination. The utility shall maintain a record of the mailed notice.
7. SoCal Gas should report on its service terminations and propose further revisions if terminations increase significantly.

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THEREFORE, IT IS ORDERED that:

1. Southern California Gas Company's requests made in A L. 2355 are approved with the modifications shown in Finding 6 of this Resolution.
2. Southern California Gas Company shall file a supplemental advice letter with revised tariff sheets reflecting Finding 6 within 20 days. The revised tariff sheets shall be effective upon filing.
3. Southern California Gas Company shall file a report on service terminations at the conclusion of its evaluation and no later than 9 months after the effective date of this resolution. If terminations increase significantly, SoCal Gas should propose remedies to its residential noticing requirements.
4. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on March 22, 1995. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

DANIEL Wm. FESSLER
President
P. GREGORY CONLON
JESSIE J. KNIGHT, JR.
Commissioners