

Company: San Diego Gas & Electric Company (U 902 M)  
Proceeding: 2019 General Rate Case  
Application: A.17-10-007  
Exhibit: SDG&E-18-S

**SDG&E**

**SUPPLEMENTAL TESTIMONY OF JERRY D. STEWART**

**CUSTOMER SERVICE OFFICE OPERATIONS**

**February 7, 2018**

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



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Appendix A – Rule 11 Tariff

1 **SDG&E SUPPLEMENTAL TESTIMONY OF JERRY D. STEWART**  
2 **CUSTOMER SERVICES OFFICE OPERATIONS**

3 **I. Introduction**

4 **A. Summary of Testimony**

5 The purpose of this supplemental testimony is to address the impact of rates on  
6 disconnections for nonpayment in accordance with SB598. That legislation added Public  
7 Utilities (PU) Code Section 718 (b), which requires the Commission to adopt residential utility  
8 disconnections for nonpayment as a metric and incorporate the metric into the utility's general  
9 rate case.<sup>1</sup> In accordance with PU Code 718(b)(1)(B), and the Assigned Commissioner's Scoping  
10 Memorandum and Ruling (Scoping Memo),<sup>2</sup> SDG&E has conducted the requisite assessment of  
11 whether a proposed increase in rates will impact disconnections for nonpayment, and concludes  
12 that during this GRC period the proposed increase in rates will have little to no impact on  
13 disconnections because SDG&E's internal policies and processes are effective at managing the  
14 number of disconnections on an annual basis. SDG&E's assessment further concluded that  
15 commencing the credit process early, when past due balances are smaller, has made it easier for  
16 customers to pay and manage their accounts. The data and analysis presented in section IV  
17 validates SDG&E's assessment by reflecting an increase in the reconnection rate if customers are  
18 are informed before their arrears balance gets too large. If payment is not received on an account

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<sup>1</sup> Public Utilities Code Section 718 provides, in pertinent part,

(b) (1) In each gas and electrical corporation general rate case, the commission shall do both of the following:

(A) Designate the impact of any proposed increase in rates on disconnections for nonpayment as an issue in the scope of the proceeding.

(B) Conduct an assessment of and properly identify the impact of any proposed increase in rates on disconnections for nonpayment, which shall be included in the record of the proceeding.

(2) The commission shall adopt residential utility disconnections for nonpayment as a metric and incorporate the metric into each gas and electrical corporation general rate case.

<sup>2</sup> Scoping Memo, issued January 29, 2018, at 5 (Sub-issue f). At the January 10, 2018 Prehearing Conference, the assessment required by PU Code Section 718(b)(1)(B) was added to the proceeding with supplemental testimony on this issue to be filed on February 7, 2018. (See Scoping Memo at 3, 7.) Subsequently, the Scoping Memo added an additional issue for consideration ("whether changes are needed to the reconnection process for gas customers"). Scoping Memo at 5 (Sub-issue f.) This supplemental testimony does not address the reconnection issue, and SDG&E will file a motion to request that the reconnection issue be addressed through a future proceeding shortly.

1 that has been disconnected for non-payment, the final bill is mailed, and eventually, if payment is  
2 still not received, then the account is written off to bad debt expense (Uncollectibles).

3 As reflected in the direct testimony of Jerry D. Stewart (SDG&E-18) in section IV, the  
4 volatility or cyclical nature of the uncollectible rate depends on macroeconomic, microeconomic  
5 and regional economic factors and the variability of seasonal energy bills. However, the precise  
6 incremental impact on the uncollectible rate due to each of the independent variables is difficult  
7 to quantify and correlate. The CPUC Policy and Planning Division report dated December 28,  
8 2017, entitled “A Review of Residential Customer Disconnection Influences & Trends,”  
9 similarly acknowledged the complexity of disconnection indicators, identifying the influence of  
10 factors, such as Commission policy, income, unemployment and geography, as contributors to  
11 fluctuations in the disconnect rate over time.<sup>3</sup>

12 This testimony will address the following aspects of the assessment contemplated by PU  
13 Code Section 718(b)(1)(B):

- 14 a. Current policies and processes.
- 15 b. Current policies and processes related to Life Support customers.
- 16 c. Other considerations impacting disconnection.
- 17 d. The rate impact of any proposed increase in rates on disconnections for  
18 nonpayment.

## 19 **II. SDG&E Credit Policy and Processes**

### 20 **A. Overall Policy**

#### 21 **a. SDG&E is tarified under Rule 11 – Discontinuance of Service.**

22 The tariff provides overall guidance on the policy and procedures governing Non-  
23 Payment of Bills, including but not limited to, past due noticing, reasonable attempts to contact  
24 customers, third party notification, pay agreements and termination disputes. A complete copy  
25 of Rule 11 is provided as Appendix A to this supplemental testimony. Under Rule 11, a SDG&E  
26 residential account becomes delinquent 19 days from the initial invoice mail date. Collection

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<sup>3</sup> See [http://www.cpuc.ca.gov/uploadedFiles/CPUC\\_Public\\_Website/Content/About\\_Us/Organization/Division\\_s/Policy\\_and\\_Planning/PPD\\_Work/PPD\\_Work\\_Products\\_\(2014\\_forward\)/Disconnection%20Report\(1\).pdf](http://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/About_Us/Organization/Division_s/Policy_and_Planning/PPD_Work/PPD_Work_Products_(2014_forward)/Disconnection%20Report(1).pdf).

1 action may be initiated at this date pursuant to Rule 11. As required by Rule 11, Section 3,  
2 SDG&E notifies customers of the impending disconnection 48 hours prior to disconnection.  
3 Often this notice triggers the customer to call the Customer Contact Center (CCC) to resolve the  
4 past due balance prior to disconnection. In the event of a disconnection, an Energy Services  
5 Specialist (ESS) will advise the customer of the past due charges and the amount required for  
6 reconnection. A reconnection order is issued immediately after a successful payment  
7 transaction. The reconnection of electricity typically occurs within 45 minutes.

8 When customers call the CCC to state they need extra time to pay their past due bill, the  
9 ESS will offer an extension, delaying disconnection. If the customer requires more time, the  
10 ESS can offer a pay arrangement. In addition, SDG&E understands there are extenuating  
11 circumstances, and in those events the ESS can offer pay arrangements with extended  
12 timeframes. Customers are made aware of self-service channels such as My Account and the  
13 Interactive Voice Response (IVR) systems. Both systems may be used for pay arrangements to  
14 help manage monthly charges. My Account also provides customers with information on their  
15 energy use, energy conservation tips and rate analysis. In addition to offering payment options,  
16 ESS's are trained to advise and educate customers at risk for disconnection about Customer  
17 Assistance Programs such as California Alternative Rate for Energy (CARE), Family Electric  
18 Rate Assistance (FERA), Energy Savings Assistance Program (ESAP), Medical Baseline  
19 Allowance and Low-Income Home Energy Assistance Program (LIHEAP). ESS's will also  
20 direct customers to various payment assistance programs such as Neighbor-to-Neighbor. The  
21 Neighbor-to-Neighbor Fund provides customers who are not eligible for state or federal  
22 assistance and experiencing temporary financial hardship up to \$200 towards their SDG&E bill.

23 **b. Life Support Credit Process**

24 Accounts designated as qualified Life Support are subject to a higher level of customer  
25 care and credit process than accounts without this designation. While SDG&E is sensitive to the  
26 issues these customers face, Life Support accounts that are over \$500 in arrears and have  
27 declined a payment arrangement become subject to disconnection, as permitted by law. The first  
28 step in the Life Support credit process is to attempt to contact the customer through phone calls.  
29 If calls are unsuccessful, SDG&E sends a notice to the customer via US mail. If the customer  
30 does not agree to a payment arrangement or respond to SDG&E's inquiries, SDG&E continues  
31 the credit process and mails out a final notice before disconnection. If the customer still does not

1 agree to a payment arrangement or respond, SDG&E obtains the appropriate internal approval to  
2 continue the credit process. Once approval is received, a field technician goes to the property,  
3 attempts to make customer contact and leaves a notice. If the customer still does not agree to a  
4 payment arrangement or otherwise respond, SDG&E attempts a second field visit. If payment is  
5 still not received, SDG&E moves forward with disconnecting the service. SDG&E attempts to  
6 disconnect the gas first, if it is non-essential to the life support device, but if the customer does  
7 not have gas service, SDG&E will disconnect the electric service. On average, this entire  
8 process takes four months.

9 **c. Other Considerations Affecting Disconnections**

10 **1. Disconnect OIR (R.10-00-005)**

11 On February 4, 2010, the Commission issued Rulemaking (R.)10-02-005. This  
12 Rulemaking encouraged utilities to identify their best practices to reduce customer  
13 disconnections while implementing interim credit practices, and it also capped the number of  
14 disconnections allowed for the period 2010 through first quarter 2014. Today, SDG&E provides  
15 quarterly data on disconnection to the CPUC Policy & Planning Division (PPD) after the end of  
16 each the quarter and responds to data requests on disconnection and reconnection from the  
17 CPUC Energy Division on an as-requested basis. The Company also provides “Disconnection  
18 Settlement Quarterly Reports of Southern California Gas Company and San Diego Gas &  
19 Electric,” pursuant to the 2014 Disconnection Settlement Agreement in Decision (D.)14-06-036,  
20 which is filed the month following quarter end and served to the service list R.10-02-005.

21 **2. Internal Disconnection Practices**

22 SDG&E’s methodology for managing disconnections focuses on individual customer  
23 behavior. To determine if disconnection steps are to be taken, SDG&E evaluates the customer’s  
24 payment history, balance in arrears and willingness to enter into and maintain a pay agreement as  
25 a determinant for disconnection. The credit process is put on hold when the customer accepts and  
26 follows a payment arrangement; if the payment arrangement is broken, the credit process will  
27 resume.

28 **3. Credit Moratoriums**

29 SDG&E suspends its disconnection activity on all Company holidays, during weather  
30 qualifying events (extreme heat or cold in qualifying areas identified as temperatures over 100  
31 degrees or below 32 degrees), and during an annual voluntary winter moratorium that takes place

1 mid-December through New Year's Day of the following year. The annual voluntary winter  
2 moratorium has been active for the last seven years.

### 3 **III. Year over Year Rate Comparison – Residential Disconnections**

4 Numerous reasons may contribute to a customer's decision not to pay a monthly utility  
5 bill, and ultimately be disconnected.<sup>4</sup> This testimony does not attempt to address the broader  
6 economic and other external factors that may underline the customer's inability to pay his or her  
7 SDG&E bill. We have analyzed only the data SDG&E possesses on its rate increases over time  
8 and its historical disconnection and reconnection figures. That data indicates that since 2010,  
9 SDG&E's residential class average rate has fluctuated, as has the number of disconnections for  
10 nonpayment. Based upon the data reflected in Table JS-1 below, SDG&E observes that a  
11 comparison of the yearly residential class average electric rate to the monthly average total  
12 disconnections does not lead to a conclusion that the two data points correlate. Since 2010,  
13 SDG&E's average residential rate has increased year over year, with the exception of 2012.  
14 However, the average number of customer late notices has remained roughly flat or consistent  
15 year over year. More importantly, the table below highlights that although there is an increase in  
16 overall disconnections, the average monthly disconnections remain significantly lower than those  
17 that are initially eligible as reflected in the fluctuation of the 'Monthly Average Total Late  
18 Notices' column in Table JS-1. This demonstrates the impact of SDG&E's methodology for  
19 managing disconnections as described in Section II. Therefore, a correlation comparing the  
20 yearly residential class average electric rate to the monthly average total disconnections would  
21 not be conclusive. Further evidence of the impacts of SDG&E's credit policies and practices are  
22 the decreasing percentage rates of customers who are not able to reconnect. In fact, a far greater  
23 number of customers are eligible for disconnection than are ultimately disconnected. This is  
24 demonstrated in Table JS-2. SDG&E policies and practices are an extension of the basic  
25 guidelines and principles set forth in Rulemaking (R.)10-02-005 and the Disconnection  
26 Settlement Agreement in D.14-06-036. As stated in Section II, SDG&E provides many customer  
27 notices and opportunities for payment of outstanding balances. A critical factor for a customer

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

1 disconnection for non-bill payment is to prevent a customer from incurring a prohibitively large  
 2 outstanding bill balance, and therefore, reducing the likelihood of a reconnection.

3  
 4 **TABLE JS-1**

Year	Residential Class Average Electric Rate (cents per kWh)*	Monthly Average Total Late Notices	Monthly Average Total Disconnections	Monthly Average Non-Reconnections as %
2010	0.17937	191,964	1,761	26.24%
2011	0.18365	200,712	1,724	22.33%
2012	0.17612	199,098	1,808	22.07%
2013	0.18322	192,558	2,219	16.09%
2014	0.21064	179,244	2,411	12.94%
2015	0.22021	182,584	2,992	8.39%
2016	0.22442	182,886	3,339	10.75%
2017	0.24896	183,258	3,799	11.48%

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 13 \*The residential class average electric rate has not been adjusted for inflation.

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 15 **TABLE JS-2**

Year	Monthly Average Of Possible 48 Hour Notices	Monthly Average Total 48 Hour Notices	Monthly Average Total Disconnections
2010	29,309	22,972	1,761
2011	28,831	21,658	1,724
2012	27,209	18,785	1,808
2013	27,741	18,223	2,219
2014	30,304	16,997	2,411
2015	32,533	19,673	2,992
2016	36,467	17,089	3,339
2017	40,450	14,863	3,799

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 18 **IV. Reconnection Rates**

19 Reconnection rate is an important metric to track. It provides insight on how achievable  
 20 it is for customers to restart service once disconnected for non-payment. Table JS-3 below shows  
 21 the historical disconnections and reconnections for the past 8 years. The data depicts an increase  
 22 in disconnections for nonpayment, but those figures do not directly correlate to a higher number



1 of customers that will remain without service. In fact, SDG&E’s reconnection rate has been  
 2 increasing even though the total number of disconnections has increased. SDG&E believes this is  
 3 attributable to an effective credit and customer service strategy as outlined in Section II.

4  
 5 **TABLE JS-3**  
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<b>Year</b>	<b>Total Annual Residential Disconnections</b>	<b>Total Annual Residential Reconnections (within 12-48 hours)</b>	<b>Residential Reconnections Rate</b>
2010	21,128	15,531	73.5%
2011	20,690	16,075	77.7%
2012	21,691	16,959	78.2%
2013	26,627	22,338	83.9%
2014	28,933	25,186	87.0%
2015	35,899	32,882	91.6%
2016	40,067	35,759	89.2%
2017	45,593	40,363	88.5%

7  
 8 The amount of the disconnection balance is another important metric to monitor as it  
 9 provides insight on how feasible it is for a customer to pay their balance for reconnection. The  
 10 average disconnect balance for non-CARE customers during the 2010 to 2017 time frame was  
 11 \$222, while the average disconnect balance for CARE customers was \$398. This is important  
 12 because the average monthly bill in 2010 for CARE customers was \$50, while the average  
 13 monthly bill for non-CARE customers was \$93. This means CARE customers were past due at  
 14 least 6 months while non-CARE customers were past due 2 months. In 2017, the average  
 15 monthly bill for CARE customers remained at around \$50, while non-CARE customers saw an  
 16 increase from \$93 to \$100. An assessment of this data would not lead to a conclusive correlation  
 17 between Non-CARE and CARE customers’ average balance at disconnection and increases to or  
 18 fluctuations in the ‘Residential Class Average Rate.’

19 **V. Conclusion**

20 This testimony has addressed the assessment requested in PU Code Section 718  
 21 (b)(1)(B). Based upon SDG&E’s analysis of its rate and disconnection data and the  
 22 disconnection process SDG&E follows, SDG&E concludes that any rate increase proposed in  
 23 this GRC period will have little to no impact on customer disconnections for nonpayment.

1 Although the number of customers who have become eligible for disconnection at a given time  
2 has slightly increased or remained flat over time just as rates have increased, no direct correlation  
3 can be attributed to these data points. SDG&E's internal policies and processes are effective at  
4 managing the number of disconnections on an annual basis, and reaching customers before their  
5 past due balance becomes unmanageable. Moreover, these credit policies and practices allow an  
6 increasing number of customers to successfully reconnect. While numerous factors ultimately  
7 influence the disconnection rate for customer nonpayment, including income, unemployment and  
8 geography, SDG&E's tailored approach provides a balanced and reasonable outcome for its  
9 entire customer base.

10 This concludes my prepared direct testimony.

**APPENDIX A – RULE 11 TARIFF**



**RULE 11**

Sheet 1

DISCONTINUANCE OF SERVICE

A. Non-Payment of Bills

1. Past Due Date. Bills for residential electric service are due and payable upon presentation. Such bills are the first notice to the customer that the amount shown is due and payable. Residential bills will become past due if not paid within 19 days of the date mailed; non-residential bills will become past due if not paid within 15 days from the date mailed. Payment shall be received at the office of the Utility, or by an authorized agent of the Utility.
2. Past Due Notice
  - a. Residential. The Utility may mail to any residential customer a notice that a bill is past due after the expiration of the applicable period specified in paragraph A.1. The notice that a bill is past due shall state that if the customer is unable to pay the bill by the final date (15 calendar days after the date of mailing of said notice), the customer should contact the Utility to discuss payment arrangements to avoid discontinuance of service. If the bill is not paid, or payment arrangements have not been made by the final date, service may be discontinued for non-payment. A customer's deposit to establish credit will not be used as payment to avoid discontinuance of service. A minimum of 34 days shall elapse between the date of billing and the date of discontinuance.
  - b. Non-Residential. A non-residential customer's electric service may be discontinued for non-payment of a past due bill provided that a written notice of discontinuance has been issued and the past due amount has not been paid within seven calendar days of the issuance of the past due notice
3. Reasonable Attempt to Contact Customers. For residential service, the Utility shall make a reasonable attempt to contact an adult person residing at the customer's residence either by telephone or by personal contact at least 24 hours prior to termination of service, except that, whenever telephone or personal contact 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.

For elderly (age 62 and over) and handicapped\* residential customers, the Utility shall provide at least 48 hour notice by telephone or visit; however, if personal contact cannot be made by telephone or visit, notice shall be posted in a conspicuous location at the service address at least 48 hours prior to termination.

- a. Pursuant to D.14-06-036 effective until December 31, 2016, for vulnerable customers\*\*, the Utility shall provide in-person visits within five business days prior to disconnection; however, if personal contact cannot be made, notice shall be posted in a conspicuous location at the service address. The utility shall not require any vulnerable customer who receives a field visit pursuant to Rule 11.A.3.a to pay a fee associated with that field visit.

Utility field workers shall be trained to communicate with people having language disabilities about the availability of relay services for required communications between the aforementioned customers and the Utility.

\* Certification from a licensed physician, public health nurse, or a social worker may be required by the Utility.  
 \*\* Vulnerable customers include elderly (age 62 and over), handicapped, and special needs profiled residential customers, including Medical Baseline, Life Support, and customers who self-certify that they have a serious illness.

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**RULE 11**

DISCONTINUANCE OF SERVICE

A. Non-Payment of Bills (Continued)

Pursuant to D.14-06-036, the utility shall include with the disconnection notice multiple language\*\*\* large print inserts and/or leave behind documents (if a customer is not home during a field visit) to provide customers with the direction and contact information on how to seek help.

The Utility shall provide notices of termination in Braille upon the request of the customer. Customers may request such format through a call center agent. Braille notices of termination shall also be mailed to customers who have requested bills in Braille. The Braille-translated notice will be in conjunction with the system-generated, non-Braille notice they receive and may not be received the same day. The collection cycle will be adjusted in the customers' favor to accommodate the timing difference of the Braille notice and non-Braille notice.

4. Third Party Notification. The Utility shall allow elderly (age 62 or older) and handicapped\* customers, at their option, to designate a friend, family member, or public or private agency as a third party representative to receive a copy of the notice. The Utility shall establish procedures to ensure that third parties consent to receive such notice, and that a copy of the notice is sent directly to a third party. The Utility shall inform all customers at least once annually of the availability of this service.

5. Payment Agreement. If a residential customer fails to comply with a payment agreement, the Utility shall not terminate service without giving notice to the customer at least 48 hours prior to termination, of the conditions the customer is required to meet to avoid termination; but, such notice shall not entitle the customer to further investigation by the Utility.

6. Termination Dispute for Residential Customers.

a. Customer Contacts Utility. If the customer is temporarily unable to pay its bill, the customer may be eligible for payment arrangements. The customer must contact the Utility prior to the expiration date of any delinquency notice before termination of service to be eligible for payment arrangements. If arrangements are granted, the customer must comply with the agreement and pay all future bills on time in order to continue service. The Utility shall furnish information on the availability of various financial assistance programs to those customers who demonstrate an inability to pay their bill.

b. Customer Contacts the Consumer Affairs Branch (CAB). If a payment arrangement is not extended, the customer may communicate in writing to the CAB of the California Public Utilities Commission (Commission), State Office Building, 505 Van Ness Avenue, room 2003, San Francisco, CA 94102, e-mail: [consumer-affairs@cpuc.ca.gov](mailto:consumer-affairs@cpuc.ca.gov) to make an informal complaint. This must be done prior to any delinquent notice expiration date to avoid interruption of service. The customer is not required to place a deposit with the Commission in a termination dispute.

c. CAB Proposed Resolution. Within ten business days after receiving the informal complaint, the CAB will report its proposed resolution by letter both to the customer and the Utility.

d. Formal Complaint. If the customer is not satisfied with the proposed resolution of the CAB, the customer may file no later than ten business days after the date of the CAB letter, a formal complaint with the Commission at the same addresses as listed above in A.6.b.

\*\*\* The languages provided will be consistent with SB 120, which includes English, Spanish, Chinese, Tagalog, Vietnamese, and Korean.

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**RULE 11**

DISCONTINUANCE OF SERVICE

A. Non-Payment of Bills (Continued)

- e. Time Limits. If the customer fails to observe these time limits, the Utility will be entitled to payment, or, if the bill is not paid, to discontinue service.
- f. Service Not Discontinued. No customer's service may be discontinued while the Utility is investigating a complaint, or while the customer is complying with a payment arrangement, provided the customer also keeps the account current as charges accrue in each subsequent billing period.

7. Individually-Metered Residential Tenant. Discontinuance of service to a residential tenant in a multiunit residential structure who is individually metered by the Utility and it is known to the Utility that service is in the name of the owner, manager, or operator.

- a. A 10-day notice of discontinuance, as provided for in Rule 8.A., Notices, shall inform the tenant of his right to become a customer, to whom the service will then be billed without being required to pay any amount which may be due on the delinquent account.
- b. The tenant must establish credit to the satisfaction of the Utility. However, where a tenant is establishing service under the provisions of this section and prior service for a period of time is a condition for establishing credit with the Utility, residence and proof of prompt payment of rent or other credit obligation acceptable to the Utility for that period of time is a satisfactory equivalent.

8. Master Meter. When the Utility is aware that the discontinuance of service to a master meter may deprive residential tenants of electric service, the Utility shall comply with the provision of paragraph A.1., A.2. and A.8. In addition, the Utility shall give the tenants not less than 15 calendar days prior to the date of discontinuance, notice of their right to become customers without obligation for the bills which have accrued on the master meter. The Utility may satisfy the notice required under this paragraph by posting two such notices at each access point and common areas on the premises when it is not practicable to post a notice on each tenant's door. The notice will be in both English and Spanish and shall specify:

- a. The date on which service will be discontinued.
- b. That the occupants have the right to become customers, to whom the service will then be billed, without being required to pay any amount which may be due on the delinquent account.
- c. What the occupants are required to do in order to prevent the termination of service or to reestablish service.
- d. The estimated monthly cost of service.
- e. The title, address, and telephone number of a representative of the Utility who can assist the occupants in continuing service.
- f. The address and telephone number of a legal service project, as defined in Section 6213 of the Business and Professions Code, which has been recommended by the local county bar association.

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**RULE 11**

DISCONTINUANCE OF SERVICE

A. Non-Payment of Bills (Continued)

8. Master Meter. (Continued)

The Utility is not required to make service available to the occupants unless each occupant or a "representative of the residential occupants" agrees to the terms and conditions of service and meets the requirements of law and the Utility's rules and tariffs. However, if one or more of the occupants or the representatives of the occupants are willing and able to assume responsibility for subsequent charges to the account to the satisfaction of the Utility, or if there are physical means, legally available to the Utility, of selectively terminating service to those occupants, who have not met the requirements of the Utility's rules and tariffs or for whom the representative of the occupants is not responsible, the Utility shall make service available to those occupants who have met those requirements or on whose behalf those requirements have been met. As used herein, "representative of the residential occupants" does not include a tenants' association.

Credit must be established to the satisfaction of the Utility. Where prior service for a period of time or other demonstration of credit worthiness is a condition for establishing credit with the Utility, residence and proof of prompt payment of rent or other credit obligation during that period of time acceptable to the Utility is a satisfactory equivalent.

Where the Utility furnishes service under a residential rate schedule to a multiunit residential structure through a master meter, the Utility may not discontinue service in any of the following situations:

- g. During the pendency of an investigation by the Utility of a customer dispute or complaint.
- h. When the customer has been granted an extension of the period for payment of a bill.
- i. For an indebtedness owed by the customer to any other person or corporation or when the obligation represented by the delinquent account or other indebtedness was incurred with a person or corporation other than the electric Utility demanding payment therefor.
- j. When a delinquent account relates to another property owned, managed, or operated by the customer.
- k. When a public health or building officer certifies that disconnection would result in a significant threat to the health and safety of the occupants or the public.

(Continued)

4C27

Advice Ltr. No. 1843-E

Decision No. \_\_\_\_\_

Issued by  
**Lee Schavrien**  
Vice President  
Regulatory Affairs

Date Filed Nov 17, 2006

Effective Dec 17, 2006

Resolution No. \_\_\_\_\_

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**RULE 11**

DISCONTINUANCE OF SERVICE

A. Non-Payment of Bills (Continued)

- 9. Unpaid Bill at a Previous Location. A customer's electric service may be discontinued for non-payment of a bill for service of the same class rendered to the customer at a previous location served by the Utility and provided that the Utility has followed the notice requirements of paragraphs A.2. and A. 9. at the current location for the bill incurred at the previous location.
- 10. Service to Multiple Locations. Any individual, firm or corporation failing to pay bills due for electric service rendered at one or more locations, within the time limits and subject to the procedures specified in this Rule, shall be subject without further notice to discontinuance of electric service at any or all locations where the Utility provides electricity to such individual, firm or corporation, until such bills are paid and credit is re-established. Residential service, however, may not be discontinued because of nonpayment of bills for other classes of service.
- 11. Weekends and Holidays. The Utility shall not, by reason of delinquency in payment for electric service, cause cessation of service on any Saturday, Sunday, legal holiday, or at any time during which the business offices of the Utility are not open to the public.
- 12. Termination in Error. Service terminated in error shall be restored without charge and a notification thereof shall be mailed to the customer at the billing address.
- 13. Payments collected at the customer's home may be made using the following options: cash, check, or money order.

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B. Unsafe Equipment

- 1. The Utility may deny or discontinue service to a customer when:
  - a. the Utility determines that the premises' wiring, or other electrical equipment, or the use of either, is unsafe, or
  - b. any governmental agency, authorized to enforce laws, ordinances, or regulations involving electrical facilities and/or the use of electricity, notifies the Utility in writing that the customer's electrical facilities and/or use of electricity is unsafe or not in compliance with such laws, ordinances, or regulations.
- 2. At the time of denial or discontinuance of service, as stated in B.1. above, the Utility will:
  - a. post a written notice, stating the reason for denial or discontinuance and referring to this rule, at or near the metering equipment, or
  - b. give the written notice to the occupant of the premises, and
  - c. within 24 hours of service termination or denial of service, send a copy of the written notice by certified mail to the customer at the address to which billing is made.

(Continued)





**RULE 11**

DISCONTINUANCE OF SERVICE

B. Unsafe Equipment (Continued)

- 3. The Utility will not connect or restore service until:
  - a. the Utility determines the customer's electrical wiring or equipment, or the use of either, has been made safe, or
  - b. the Utility has received written notice from the appropriate governmental agency that the premises meet applicable laws, ordinances or regulations.
- 4. When service is denied or discontinued solely under B.1.a. above, the customer may seek remedies before the California Public Utilities Commission.
- 5. When service is denied or discontinued under B.1.b. above, it is the customer's responsibility to resolve the matter with the governmental agency.
- 6. The Utility does not assume any responsibility of inspecting or repairing the customer's wiring or other equipment or any part thereof and assumes no liability therefore.

C. Unauthorized Use

The Utility may discontinue service if the acts of the customer or the conditions upon the premises indicate an intent to deny the Utility full compensation for services rendered, including, but not limited to, tampering or unauthorized use. Discontinuance of service for nonpayment of a bill for unauthorized use shall be in accordance with the provisions of A. above.

D. Fraud - Refusal or Discontinuance of Service

The Utility shall have the right to refuse to provide electricity to, or on, any premises and at any time to discontinue service if found necessary to do so in order to protect itself against abuse of fraud.

The Utility may refuse or discontinue electric service if the acts of the applicant or the customer indicate an intent to evade the credit practices of the Utility or if the acts of the customer or conditions on the customer's premises indicate an intent to evade payment of a utility bill or the credit practices of the Utility. If an applicant or customer knowingly furnishes false, incomplete, misleading or inaccurate information or refuses to provide required information to the Utility, it shall be deemed to be an intent to evade the credit practices of the Utility. Upon written request of the applicant or customer, the Utility shall provide a written statement of the reason for such refusal or discontinuance.

(Continued)

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**RULE 11**

DISCONTINUANCE OF SERVICE

E. Non-Compliance with the Utility's Tariffs

Except as otherwise specifically provided in this rule, the Utility may discontinue service to a customer for non-compliance with any of the Utility's effective tariffs, if, after written notice of at least seven calendar days, the customer has not complied with the notice.

This notice may be waived when, in the opinion of the Utility, either a dangerous condition has been discovered or a bonafide emergency is found to exist on a customer's premises, or in the case of a customer utilizing the service in such a manner as to make it dangerous for occupants of the premises, thus rendering the immediate discontinuance of service to the premises imperative.

F. Unsafe Environment

If a customer or anyone on the premises inflicts violence, as defined in Rule 1, or threatens with present ability to inflict violence upon a Utility employee, the utility may discontinue service to a customer after written notice of at least 5 days. Prior to issuing a notice of discontinuance of service, the Utility will seek to arrange a meeting with the customer, Utility management and/or law enforcement to discuss the situation and explain the alternatives available to the customer so that discontinuance of service may be avoided. If such efforts fail to result in the customer agreeing to cease from any act of violence, the Utility shall, at its discretion, issue a notice of discontinuance of service. This requirement does not limit the utility's present ability to discontinue service under the provisions of the following Sections of Rule 11: Section A, Non-Payment of Bills, Section B, Unsafe Equipment, and Section H, Usage of Service Detrimental to Other Customers.

G. Multilingual Service.

The Utility shall provide a reasonable number of multilingual individuals to advise customers of termination policy where a substantial portion of the customers in the Utility's service area do not speak English.

H. Customer's Request for Service Discontinuance

1. A customer who wants electric service discontinued shall give the Utility notice at least two business days prior to the date service is desired to be discontinued.
2. The Utility shall not be required to terminate service earlier than two business days after notice of discontinuance is received. A customer will be held responsible for payment of charges for all services furnished at the premises until the requested date of termination or until the expiration of the required period of notice, whichever date is later.

(Continued)

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**RULE 11**

Sheet 8

DISCONTINUANCE OF SERVICE

I. Usage of Service Detrimental to Other Customers

The Utility will not provide service to electrical equipment, the operation of which will be detrimental to other electric service, and will discontinue electric service to any customer who continues to operate such equipment after being notified by the Utility to discontinue the operation.

J. Residential Customer Notification Prior to Discontinuance of Service

The Utility shall provide a customer with the reason for service discontinuance prior to the scheduled termination date.

K. Serious Illness - Residential Customers

Serious illness is a condition which could become life threatening if service is discontinued.

The Utility shall postpone a scheduled discontinuance of residential service, or restore service if already discontinued, when a seriously ill person resides in the household.

Verification from a licensed physician, public health nurse and/or social worker may be required. The initial contact may be by telephone. Written certification within ten days may be required. The verification shall be valid for the duration of the illness or 25 calendar days, whichever is less.

The customer shall pay the delinquent amount or agree to installment payments no later than the end of the postponement period. If the customer fails to do so, the Utility may discontinue service.

L. Failure to Establish or Re-Establish Credit After Institution of Service

1. If, at the request or convenience of a customer, the Utility institutes electric service to a customer prior to his having established credit (as provided in Rule 6) and if, within seven calendar days from such institution of service, said customer has not established credit, the Utility shall have the right, after giving due notice, and upon the customer's failure to establish credit within such notice period, to discontinue further service of electricity. Exceptions to discontinuance of service are as limited by paragraphs A.3., 6., 7., 11., and J.

2. If a non-residential customer does not provide information satisfactory to the Utility to re-establish credit, or fails to provide security as provided in Rule 6, the Utility shall have the right to discontinue service to that customer, after giving due notice.

M. Service Extender Device

Where residential service is subject to discontinuance in accordance with Section A. above, the Utility may, at its option and subject to availability of equipment, install a service extender device which will allow continued electric service for minimal use in lieu of full discontinuance of service. The maximum time for providing such extended service shall be determined by the Utility. The Utility shall not be liable for any loss or damage occasioned by the installation of a service extender device or the provision of extended service.

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**RULE 11**

DISCONTINUANCE OF SERVICE

N. Vegetation Management

The Utility may discontinue service to any property owner or customer who does not allow access to their property where the denial of such access prevents the Utility from maintaining the minimum clearances required for power lines adopted and specified by the California Public Utilities Commission in General Order 95, Rule 35, Table 1, Cases 13 and 14.

1. The Utility may discontinue service under this Rule at the location where the vegetation-related fire hazard is occurring and, in addition, the Utility may also discontinue service to any one (1) meter serving the property owner's primary residence or, if the property owner is a business entity, the entity's primary place of business.
2. Prior to discontinuing service under this Rule, the Utility shall observe the procedures and provide notices to the property owner and/or customer applicable to discontinuances of service for nonpayment, including any requirements applicable to sensitive customers, customers who are not proficient in English, multifamily accommodations, and other special customer groups, except as set forth in section 3 below. To the extent practicable, the Utility will observe the applicable procedures and provide notice prior to the occurrence of a breach of the minimum vegetation clearances for power lines adopted and specified by the California Public Utilities Commission in General Order 95, Rule 35, Table 1, Cases 13 and 14.
3. Where in the reasonable judgment of the Utility vegetation hazards pose an immediate threat to public safety, the Utility may discontinue service to the property owner's or customer's residence or primary place of business at any time without prior notice, provided, that where the property owner or customer receives service under a medical baseline allowance, the Utility shall attempt to notify the property owner or customer by telephone prior to the discontinuance of service.
4. If the Utility discontinues service under this Rule without prior notice to the property owner or customer, the Utility shall attempt to contact the property owner or customer for not less than five (5) consecutive business days by daily visits to the property owner's or customer's residence or primary place of business of record. In addition, the Utility shall provide a written notice to the property owner or customer to inform the property owner or customer of the reasons for the discontinuance of service.
5. The terms of this rule shall not be applicable to property owners or customers that are state or local government agencies.
6. When a Customer's service has been terminated because of a breach of the minimum vegetation clearances required for power lines as provided in GO 95, Rule 35, Table 1, Cases 13 and 14, the Customer's service will not be restored until the Utility has been granted access to its power lines; has completed all work necessary to achieve adequate vegetation clearance of its power lines as specified in GO 95, Rule 35, Table 1, Cases 13 and 14; and has received payment for all applicable restoration of service charges as provided in Schedule SE (Service Establishment Charge).

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