

Company: Southern California Gas Company (U 904 G)  
Proceeding: 2019 General Rate Case  
Application: A.17-10-008  
Exhibit: SCG-19-S

**SOCALGAS**  
**SUPPLEMENTAL TESTIMONY OF MICHAEL H. BALDWIN**  
**CUSTOMER SERVICE OFFICE OPERATIONS**  
**February 7, 2018**

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



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Appendix A - Rule 9 Tariff

1                   **SOCALGAS SUPPLEMENTAL TESTIMONY OF MICHAEL H. BALDWIN**  
2                                   **CUSTOMER SERVICE OFFICE OPERATIONS**  
3

4   **I.       Introduction**

5           **A.       Summary of Testimony**

6           The purpose of this testimony is to address the impact of any proposed increase in rates  
7 on disconnections for nonpayment in accordance with SB598. That legislation added Public  
8 Utilities (PU) Code Section 718 (b), which requires the Commission to adopt residential utility  
9 disconnections for nonpayment as a metric and incorporate the metric into the utility’s general  
10 rate case.<sup>1</sup> In accordance with PU Code 718(b)(1)(B), and the Assigned Commissioner’s Scoping  
11 Memorandum and Ruling (Scoping Memo),<sup>2</sup> SoCalGas has conducted the requisite assessment  
12 of whether a proposed increase in rates will impact disconnections for nonpayment. SoCalGas  
13 concludes that, historically, increases in rates appear to have little to no impact on disconnect  
14 rates, and that disconnect rates are primarily influenced by utility policy and practices, including  
15 the availability of customer services field collector personnel, as well as other external factors.  
16 SoCalGas also found that commencing the credit process early, when past due balances are  
17 smaller, has made it easier for customers to pay and manage their accounts. The data and  
18 analysis presented in section IV validates SoCalGas’s assessment by reflecting an increase in the

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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 SoCalGas will shortly file a motion requesting that the reconnection issue be addressed through a future proceeding.

1 reconnection rate if customers are informed before their arrears balance gets too large. If  
2 payment is not received on an account disconnected for nonpayment, a final bill is mailed, and  
3 eventually, the account is written off to bad debt expense (Uncollectibles).

4 As reflected in the direct testimony of Michael H. Baldwin (SCG-19) in section V, the  
5 volatility or cyclical nature of the uncollectible rate depends on macroeconomic, microeconomic  
6 and regional economic factors and the variability of seasonal energy bills. However, the precise  
7 incremental impact on the uncollectible rate due to each of the independent variables is difficult  
8 to quantify and correlate. The CPUC Policy and Planning Division (PPD) report dated December  
9 28, 2017, entitled “A Review of Residential Customer Disconnection Influences & Trends,”<sup>3</sup>  
10 similarly acknowledged the complexity of disconnection indicators, identifying the influence of  
11 factors, such as Commission policy, income, unemployment and geography, as contributors to  
12 fluctuations in the disconnect rate over time.

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

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

## 20 **II. SoCalGas Credit Policy and Processes**

### 21 **A. Overall Policy**

22 SoCalGas is tariffed under Rule 9 – Discontinuance of Service. The tariff provides  
23 overall guidance on the policy and procedures governing Non-Payment of Bills, including but  
24 not limited to, past due noticing, reasonable attempts to contact customers, third party  
25 notification, pay agreements and termination disputes. A complete copy of Rule 9 is provided as  
26 Appendix A to this testimony. Under Rule 9, a SoCalGas residential account becomes delinquent  
27 19 days from the initial invoice mail date. A collection action may be initiated at this date

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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\(1\).p  
df.](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 pursuant to Rule 9, Section C4. If payment has still not been received by the time the next bill is  
2 ready to be mailed out, an initial late notice is sent with that next month's bill. As required by  
3 Rule 9 Section C, SoCalGas notifies customers of the impending disconnection 48-hours prior to  
4 disconnection by an outbound dialing call. Those customers not reached by phone are sent a  
5 mailed notice, and those customers who have indicated they are a senior citizen or disabled  
6 (including customers on medical baseline) have the 48-hour notice hand-delivered to the  
7 premise. Payments are accepted at the time of the field delivered 48-hour notice. Often, the 48-  
8 hour notice triggers the customer to pay or the customer to call the Customer Contact Center  
9 (CCC) to resolve the bill prior to disconnection. When customers call the CCC to state they need  
10 extra time to pay their past due bill, the Customer Service Representative (CSR) may offer a  
11 payment extension or other arrangement delaying disconnection. These options are available  
12 through self-service portals as well. Delinquent customers may pay their bill or enter into a  
13 payment arrangement any time before physical disconnection occurs. Should service be  
14 disconnected for nonpayment, the customer has payment options to allow reconnection of  
15 service.

16 CSRs are trained to advise and educate customers at risk for disconnections about  
17 Customer Assistance Programs such as California Alternative Rate for Energy (CARE), Energy  
18 Savings Assistance Program (ESAP), Medical Baseline Allowance and Low-Income Home  
19 Energy Assistance Program (LIHEAP). In addition, CSRs can direct customers to various  
20 payment assistance programs such as the Gas Assistance Fund. The Gas Assistance Fund  
21 provides customers experiencing temporary financial hardship, and who may not be eligible for  
22 state or federal assistance, up to \$100 to pay their SoCalGas bill.

### 23 **B. Life Support/Medical Baseline and Hospice Credit Process**

24 As of January 1, 2018, accounts designated as qualified Life Support/Medical Baseline  
25 and Hospice are provided customer care and credit process accommodations in recognition of the  
26 unique needs of customers with these designated accounts. For accounts with this designation,  
27 the Collections Department attempts to contact the customer to make payment arrangements. For  
28 customers unwilling to make payment arrangements, the collect or close order will be scheduled.

1           **C.     Disconnection OIR (R.10-00-005)**

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

12           **D.     Considerations Affecting Disconnection**

13           SoCalGas generates a “collect or close order” as the final step in the active collections  
14 process. The number of orders processed is dependent on field personnel availability, route  
15 efficiency, and the number of eligible accounts. While working a disconnect order, a field  
16 collector will first attempt to collect payment before manually performing a service  
17 disconnection. In 2017, there were 1,018,350 instances where accounts were eligible to be  
18 disconnected. Of these, SoCalGas made an attempt to collect a minimum payment or disconnect  
19 service on 369,238 orders, and ultimately made 119,392 service disconnections for nonpayment.<sup>4</sup>

20           In the event of a disconnection, the customer will generally contact the Company and  
21 arrange to pay and schedule a reconnection appointment. The reconnection appointment lasts  
22 approximately 45 minutes and requires an adult 18 years or older to be present.

23           **E.     Credit Moratoriums**

24           SoCalGas places a moratorium on disconnection activity at various times of the year. A  
25 disconnection moratorium exists on all Company holidays. SoCalGas also has standard  
26 procedures in place that suspend collection activity when the forecasted temperature for a  
27 geographical area in our service territory drops to 32 degrees or below at approximately 5:30 am,  
28 or if a SoCalGas representative observes a temperature at or below 32 degrees while at a  
29 customer’s residence. Additionally, SoCalGas representatives do not disconnect customers with

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<sup>4</sup> Note these do not represent unique customer accounts, a single account may have multiple instances of being eligible for disconnection in a given year.

1 extenuating circumstances, such as an elderly resident, a baby in the home, or a customer with a  
 2 significant medical condition. A voluntary annual winter moratorium takes place mid-December  
 3 through New Year’s Day of the following year. The winter moratorium has been active for the  
 4 last seven years.

5 **III. Year over Year Rate Comparison – Residential Disconnections**

6 Numerous reasons may contribute to a customer’s decision not to pay a monthly utility  
 7 bill, and ultimately be disconnected. This testimony does not attempt to address the broader  
 8 economic and other factors that may underlie the customer’s inability to pay his or her SoCalGas  
 9 bill.<sup>5</sup> We have analyzed only the data SoCalGas possesses on its rate increases over time and its  
 10 historical disconnection and reconnection figures. That data indicates that since 2010, SoCalGas’  
 11 residential class average rate has fluctuated year over year, as has the number of disconnections  
 12 for nonpayment. Based upon the data reflected in Table MB-1 below, SoCalGas observes that  
 13 the annual number of residential disconnections does not appear to correlate to the fluctuations in  
 14 the residential class average rate. See Table MB-1 below.

15 **TABLE MB-1**  
 16 **Residential Disconnections**

Year	Total Non-CARE Disconnections	Total CARE Disconnections	Medical Baseline Disconnections*	Total Disconnections	Residential Class Average Rate (cents per therm)**
2010	73,355	66,241	246	139,596	115.32
2011	56,332	55,677	242	112,009	101.43
2012	52,556	54,241	177	106,797	98.62
2013	48,182	53,191	219	101,373	100.16
2014	44,299	50,043	137	94,342	117.76
2015	51,798	58,559	145	110,357	116.43
2016	62,682	66,863	199	129,545	114.93
2017	56,455	60,116	175	116,571	123.71

17 \* Medical Baseline Disconnections are not included in the CARE or non-CARE totals.

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

<sup>5</sup>See [http://www.cpuc.ca.gov/uploadedFiles/CPUC\\_Public\\_Website/Content/About\\_Us/Organization/Divisions/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/Divisions/Policy_and_Planning/PPD_Work/PPD_Work_Products_(2014_forward)/Disconnection%20Report(1).pdf).

1 **IV. Reconnection Rates**

2 Reconnection rate is an important metric to track as it provides insight on how feasible it  
3 is for customers to resume service once disconnected for non-payment. Data shows customers  
4 with high disconnection balances have a difficult time reconnecting service; therefore, reaching  
5 customers more quickly will ensure disconnection balances are lower and more manageable for  
6 customers. Table MB 2 below shows the historical disconnection and reconnections for the past  
7 8 years. The data clearly depicts an overall decrease in disconnections since 2010. However,  
8 when disconnections increase, the reconnection rates have also increased in those  
9 years. Moreover, this historical data shows that the residential class average rate does not have  
10 an impact on reconnection rates, and thus should not be correlated.

11 **TABLE MB-2**  
12 **Reconnection Rates**

13

14

Year	Total Residential Disconnections	Total Residential Reconnections	Reconnection Rate	Residential Class Average Rate (cents per therm)*
2010	139,596	102,589	73.5%	115.32
2011	112,009	80,333	71.7%	101.43
2012	106,797	75,924	71.1%	98.62
2013	101,373	74,781	73.8%	100.16
2014	94,342	62,558	66.3%	117.76
2015	110,357	60,416	54.7%	116.43
2016	129,545	80,937	62.5%	114.93
2017	116,571	95,084	81.6%	123.71

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

16 **V. Conclusion**

17 This testimony has addressed the assessment requested in PU Code Section 718(b).  
18 Based upon the data provided and the disconnection process SoCalGas follows, SoCalGas  
19 concludes that any rate increase proposed in this GRC period will have little to no impact on  
20 customer disconnections for nonpayment, as no direct correlation can be drawn between the two  
21 metrics historically. Although the number of disconnections has fluctuated over time just as rates  
22 have increased, no direct correlation can be attributed to these data points. SoCalGas' internal



1 policies and processes are effective at managing the number of disconnections on an annual  
2 basis, and reaching customers before their past due balance becomes unmanageable. Moreover,  
3 these credit policies and practices allow an increasing number of customers to successfully  
4 reconnect. While numerous factors ultimately influence the disconnection rate for customer  
5 nonpayment, including income, unemployment and geography, SoCalGas' approach provides a  
6 balanced and reasonable outcome for its entire customer base.

7 This concludes my supplemental testimony.

1 **VI. Witness Qualifications**

2 My name is Michael H. Baldwin. My business address is 1801 South Atlantic  
3 Boulevard, Monterey Park, California, 91754. I was appointed to my current position of  
4 Director of Remittance Processing and Bill Delivery in December of 2017. My primary  
5 responsibilities include the management of the strategy and policy for the overall customer bill  
6 presentment and payment processing channels for both SoCalGas and SDG&E. For customer  
7 billing, this includes bill printing and inserting as well as all electronic bill presentment channels.  
8 For payment processing, this includes mail, walk-in including branch offices and authorized  
9 payment locations, as well as all customer self-service electronic payment channels, including  
10 My Account. Prior to this position, I have held various managerial and supervisory positions in  
11 the Payment Processing and Bill Print areas of the Company as well as Mass Markets Customer  
12 Billing Manager. I also managed the California Alternate Rates for Energy program from 1995-  
13 2002. I began my career at the Southern California Gas Company as a meter reader in 1972.

14 I have a Bachelor's of Science Degree in Business Management from Pepperdine  
15 University in Malibu, California – 1981.

**APPENDIX A - RULE 9 TARIFF**

Rule No. 09  
DISCONTINUANCE OF SERVICE

Sheet 1

A. CUSTOMER'S REQUEST FOR SERVICE DISCONTINUANCE

1. A customer who wants gas service discontinued shall give the Utility notice at least two business days prior to the date service is desired to be discontinued. T
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. T

B. NOTICE OF DISCONTINUANCE

Except as otherwise provided in this Rule, no gas service to a customer may be terminated unless reasonable written prior notice is given to the customer and the customer has a reasonable opportunity to dispute the reasons for the proposed termination. A written statement of residential customers' rights and remedies regarding termination of gas service shall be provided to all new customers, and to all existing customers on an annual basis.

C. NON-PAYMENT OF BILLS

1. Past Due Date. A customer's bill for gas service will be considered past due if it is not paid within: T
  - a. Nineteen calendar days after mailing when bills are normally made out monthly.\*
  - b. Ten calendar days after mailing when bills are made out fortnightly.
  - c. Five calendar days after mailing when bills are made out weekly.
2. Past Due Notice T
  - 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 C.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 shall not be used as payment to avoid discontinuance of service. T  
L

\* Under paragraph C.1.a. and C.2.a., residential customers who are normally billed monthly will have a minimum of 34 calendar days between the date of mailing of the bill and the date of service termination for non-payment. T  
T

(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 3681  
 DECISION NO.

ISSUED BY  
**Lee Schavrien**  
 Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Nov 17, 2006  
 EFFECTIVE Dec 17, 2006  
 RESOLUTION NO. \_\_\_\_\_

DISCONTINUANCE OF SERVICE

(Continued)

C. NON-PAYMENT OF BILLS (Continued)

2. Past Due Notice (Continued)

b. Non-Residential. A non-residential customer's gas 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. Third Party Notification. The Utility shall allow elderly (age 62 and over) 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 described in paragraph C.2. 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.

4. Reasonable Attempt to Contact Customers. Before residential service may be discontinued for non-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. This reasonable attempt to contact an adult on the customer's premises shall consist of:

a. The Utility will solicit or verify customer telephone numbers when customers request that 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.

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

c. 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. 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.

\* Certification from a licensed physician, public health nurse, or social worker may be required by the Utility.

(Continued)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 4665  
DECISION NO. 14-06-036

ISSUED BY  
**Lee Schavrien**  
Senior Vice President

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Rule No. 09

Sheet 4

DISCONTINUANCE OF SERVICE

(Continued)

C. NON-PAYMENT OF BILLS (Continued)

6. Termination Dispute for Core Customers

- a. Customer Contacts Utility. If the customer is temporarily unable to pay its bill, the customer may be eligible for payment arrangements not to exceed a period of 12 months. 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 address as listed above in C.6.b.
  - 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. Master Meter. When the Utility is aware that discontinuance of service to a master meter may deprive residential tenants of gas service, the Utility shall comply with the provisions of paragraph C.1. and C.2. 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 shall include the amount of the average monthly bill and the name, address and telephone number of a local legal service agency.

(Continued)

(TO BE INSERTED BY UTILITY)  
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**Lee Schavrien**  
Senior Vice President

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Rule No. 09  
DISCONTINUANCE OF SERVICE

(Continued)

C. NON-PAYMENT OF BILLS (Continued)

- 8. Payment Agreement. If a customer fails to comply with any payment agreement entered into under paragraph C.6.a. above, the Utility may discontinue service upon 24 hours notice or as otherwise provided in the payment agreement. Such notice shall not entitle the customer to further review by the Utility.
- 9. Unpaid Bill at a Previous Location. A customer's gas service may be discontinued for nonpayment of a bill for service of the same class rendered to the customer at a previous location served by the Utility, provided said bill is not paid within 19 calendar days after mailing to the new location, and provided further that the Utility has followed the notice requirements of paragraphs C.2. and C.4. 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 gas 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 gas service at any or all locations where the Utility provides gas to such individual, firm or corporation, until such bills are paid and credit is reestablished. Residential service, however, may not be discontinued because of nonpayment of bills for other classes of service.
- 11. Serious Illness. Gas service to a residential customer will not be discontinued for nonpayment when the customer has established to the satisfaction of the Utility that such termination would be especially dangerous to the health\* of anyone living at the residence served under the customer's bill; or the customer has established to the satisfaction of the Utility that someone living at such residence is elderly (62 or over) or handicapped\*; and the customer establishes to the satisfaction of the Utility that he or she is unable to pay for such service in accordance with the provisions of the Utility's tariffs; and the customer is willing to set-up a payment arrangement, satisfactory to the Utility, as specified in paragraphs C.6. and C.8. above.
- 12. Customer Unable to Deliver Payment. If a customer who has received a notice of discontinuance of service under paragraph C.2. notifies the Utility prior to the expiration of such notice that because of infirmities of age and/or handicap, he or she is unable to deliver payment in time to avoid discontinuance of service, the Utility shall offer to make arrangements to collect payment at the customer's home. The customer's claim of infirmity shall be subject to verification by the Utility.  
  
 Payments collected at a vulnerable customer's home may be made using the following options: cash, check, or money order.
- 13. Weekends and Holidays. The Utility shall not, by reason of delinquency in payment for gas 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.

\* Certification by a licensed physician, public health nurse, or social worker may be required by the Utility.

(Continued)

(TO BE INSERTED BY UTILITY)  
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 DECISION NO. 14-06-036

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**Lee Schavrien**  
 Senior Vice President

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Rule No. 09  
DISCONTINUANCE OF SERVICE

Sheet 6

(Continued)

D. UNSAFE APPARATUS

1. Whenever the Utility determines that any part of a customer's services, appliances or apparatus are at any time unsafe, or that the utilization of gas by means thereof is prohibited or forbidden under authority of any law or municipal ordinance or regulation (until such law, ordinance or regulation shall be declared invalid by a court of competent jurisdiction), the Utility may refuse to serve, or may cease serving, such a customer until the customer shall put such part in good and safe condition and comply with all the laws, ordinances and regulations applicable thereto.
2. The Utility does not assume the duty of inspecting the customer's services, appliances or apparatus or any part thereof, and assumes no liability therefor. In the event that the customer finds the gas service to be defective, the customer is requested to immediately notify the Utility to this effect.

E. FRAUD – REFUSAL OR DISCONTINUANCE OF SERVICE

The Utility shall have the right to refuse to provide gas 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 or fraud.

The Utility may refuse or discontinue gas 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.

F. 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 non-payment of a bill for unauthorized use shall be in accordance with the provisions of section C above.

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.

(Continued)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 4665  
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**Lee Schavrien**  
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Rule No. 09  
DISCONTINUANCE OF SERVICE

Sheet 7

(Continued)

H. NONCOMPLIANCE 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 15 calendar days for residential customers and seven calendar days for non-residential customers, 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.

I. USAGE OF SERVICE DETRIMENTAL TO OTHER CUSTOMERS

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

J. FAILURE TO ESTABLISH OR RE-ESTABLISH CREDIT AFTER INSTITUTION OF SERVICE

1. If, at the request or convenience of a customer, the Utility institutes gas service to a customer prior to his having established credit (as provided in Rule No. 6) and if, within seven calendar days from such institution of service, said customer has not established credit, the Utility shall have the right, upon giving 15 calendar days written notice, and upon the customer's failure to establish credit within such notice period, to discontinue further service of gas. Exceptions to discontinuance of service are as limited by paragraphs C.4., 7., 10., 11. and 13.
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 No. 6, the Utility shall have the right to discontinue service to that customer, after giving due notice.

K. TERMINATION OF SERVICE FOR FUMIGATIONS

1. Every person planning to conduct any fumigation, where a fumigator places a tent over any portion of a structure served with natural gas, shall contact the Utility to request a termination of gas service at least two business days prior to commencing the tenting of a structure. In cases where the Utility is unable to terminate the service on the date requested, the Utility shall contact the fumigator to arrange another date.
2. When the fumigation is complete and the structure is posted as suitable for occupancy (Certificate for Re-Entry), the Utility shall restore the gas service. The customer or their authorized agent is required to provide proof of Certificate for Re-Entry as a condition for reinstating gas service. The Utility shall offer a four-hour service appointment for restoring the gas service.

(Continued)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 4665  
DECISION NO. 14-06-036

ISSUED BY  
**Lee Schavrien**  
Senior Vice President

(TO BE INSERTED BY CAL. PUC)  
DATE FILED Jul 3, 2014  
EFFECTIVE Jul 3, 2014  
RESOLUTION NO. \_\_\_\_\_

DISCONTINUANCE OF SERVICE

(Continued)

K. TERMINATION OF SERVICE FOR FUMIGATIONS (Continued)

3. Where the fumigator tents the structure without contacting the Utility to request a termination of the gas service, or where the fumigator performs the tenting prior to the Utility terminating the service, and the Utility discovers this condition, the Utility may immediately and without notice, terminate the gas service as an unsafe condition pursuant to Rule 9.D.1. Thereafter, the Utility may restore service; however, Utility may, at its sole discretion, charge and collect from the fumigator any costs incidental to the termination or restoration of service, where the fumigator has tented the structure without notifying the Utility to terminate gas service or tented before service had been terminated.
4. If the fumigator violates any of the provisions of Rule 9.K, the Utility shall submit written notice of the alleged violation directly to the violating Branch 1 registered company (pest control operator), with a copy to the Executive Officer of the Structural Pest Control Board and the Director of the Consumer Protection and Safety Division of the California Public Utilities Commission.
5. In compliance with D.08-07-046 which approved the Memorandum of Understanding between SoCalGas and the Pest Control Operators of California (PCOC), SoCalGas commits to the following:
  - a) When gas restoration is already offered on Saturdays, schedule the orders for the restoration service after 10:00 a.m.
  - b) Offer gas shut-off service on holidays during which the Utility is already operating under a standard work day.
  - c) Schedule gas shut-off service from 7:00 a.m. to 11:30 a.m.
  - d) If a Utility representative arrives at a PCOC work site to perform a gas shut-off and is unable to perform the shut-off, the Utility representative will immediately contact the Utility scheduling function, or if possible, the PCOC business associated with the shut-off, to attempt to accomplish the shut-off as scheduled.
  - e) Endeavor to address PCOC service issues on an ongoing basis, which shall include, at a minimum, holding in-person meetings with PCOC on no less than an annual basis.
  - f) Reserve the right to modify or discontinue any or all of the services described above; however, the Utility will meet and discuss the planned actions with PCOC prior to making any such changes.

(TO BE INSERTED BY UTILITY)

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ISSUED BY

**Lee Schavrien**  
Senior Vice President

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