

## California Adopts Measures to Help Reduce Utility Disconnections of Vulnerable Households

April 2012

The California Public Utility Commission (the Commission) recently [issued a customer-friendly decision regarding cost-effective ways to reduce disconnections of low-income customers](#).

The provisions of the order, which the National Consumer Law Center (NCLC), the Division of Ratepayer Advocates, The Utility Reform Network, Center for Accessible Technology, and The Greenlining Institute advocated for on behalf of consumers for over two years, applies to Pacific Gas & Electric and Southern California Edison.

San Diego Gas and Electric and Southern California Gas [previously settled with the advocacy groups](#).

The Commission's order will help protect the health and safety of vulnerable consumers experiencing financial hardship, including older adults and the disabled. Several key measures achieved in this proceeding can be similarly adopted in other states to help ensure that fragile low-income customers are not prematurely or mistakenly disconnected from the basic necessities of power, heat and air conditioning. Adopting these basic protections enhance the flexibility and ability of low-income customers and other payment-troubled customers to pay their bills and maintain utility service. Increasing flexibility of payment for at-risk customers can also save money for all ratepayers because income streams to the utility may be better maintained than in the case of premature disconnections.

Key highlights of this decision include:

- Service will not be remotely or manually disconnected without a precautionary in-person site visit from the utility representative for customers who are on the Medical Baseline rate, on life support, or who can self-certify a serious illness or life-threatening condition that might result from disconnection. This is a permanent provision.
- A low-income customer is ensured a choice of a live customer service representative to assist with questions and the enrollment process for California Alternative Rates for Energy (CARE), the customer assistance program. This is a permanent provision.
- The Commission established an incentive for the utilities to proactively manage their disconnections of low-income customers by setting a lower disconnections rate benchmark as an incentive. If the benchmark is not met, the following mandatory customer protections kick in until December 2013:
  - The utilities cannot charge CARE and Family Electric Rates Assistance (FERA) low-income customers a reestablishment of credit deposit before reconnecting service.

- Disabled customers will have notices to disconnect a utility service provided in their preferred communications format.
- The utilities are required to submit monthly reports on data regarding disconnections to help inform future policy.

Additionally, for customers who have fallen behind with paying their bills and are at risk for disconnection, utilities must inform them of the right to a payment plan of at least three months. A re-establishment of a credit deposit cannot be required on basis of bankruptcy alone. The exception is where a customer has a history of bad check writing or fraud.

Going forward, the utility companies will track associated costs subject to later review by the Commission for reasonableness.