

## Model Settlement Protects Vulnerable Consumers from Utility Disconnections

On December 27, 2010, the California Public Utility Commission [approved a Settlement](#) reached among National Consumer Law Center (NCLC) with Consumer Groups and two Southern California energy utilities, San Diego Gas and Electric Company and Southern Gas Company ("Joint Utilities").

The Settlement creates new consumer protections that did not formerly exist prior to the Settlement. It gives Joint Utilities' residential customers an increased ability to avoid the monetary and nonmonetary costs of disconnections of service. While not precedential, this Settlement can be used as a model for consumer-friendly arguments on issues that concern low-income consumers in jurisdictions outside of California.

The Settlement that NCLC entered into with California Consumer Groups provides, among other things, that Joint Utilities will:

- (1) Adhere to certain payment arrangement practices and restrictions on collecting credit deposits if they fail to meet a performance benchmark for disconnections;
- (2) Newly establish a formal protection against disconnections at certain severe temperatures;
- (3) Implement a transition process for at least 12 months following each smart meter installation before remote disconnections are allowed to be initiated by the companies;
- (4) Extend the practice of in-person field contact prior to manual disconnections to apply to remote disconnections;
- (5) **NOT** remotely disconnect customers who are particularly vulnerable to the health and safety risks of losing utility service (e.g., customers who are self-identified as seniors or disabled; Medical Baseline customers; Life Support customers; and others who self-certify that they have a serious illness or condition that could be life threatening if service is disconnected).
- (6) Prohibit remote disconnection for gas service;
- (7) **NOT** impose charges for remote disconnection or remote reconnection before the implementation of Joint Utilities' next general rate case; and
- (8) Apply a 12-month moratorium against remote disconnections following the installation of each smart meter for that metered customer (which is intended to serve as a customer education period).

### Background

On February 5, 2010, the California Public Utility Commission [opened an investigation](#) into ways to decrease customer disconnections from the state's regulated gas and electric utilities services. NCLC filed Comments and Reply Comments, and was extremely active in settlement.

NCLC was the lead on issues of models/best practices from other states, remote disconnections, payment arrangements, extreme weather protections, and protection against discrimination for consumers in bankruptcy. NCLC also commented on data reporting, customer outreach, and the counter-productive effect of assessing monetary penalties against already payment-troubled customers.