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DEPARTMENT OF COMMERCE  
Office of Consumer Services

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To: Public Service Commission  
From: Michele Beck, Director  
Cheryl Murray, Utility Analyst  
Date: May 15, 2015  
Subject: Proposed Rule Change: R746-200-7, Termination of Service

On March 30, 2015, the Utah Public Service Commission (Commission) issued proposed Rule Amendments to R746-200-7 (Rule). The Commission set May 15, 2015 as the deadline for comments regarding the proposed rule change.

In its Notice the Commission identifies the purpose of the rule or reason for the change:

“The purpose of this proposed rule change is to provide utility customers who rely on life supporting equipment the same protections they currently receive with respect to termination of utility service, while at the same time reducing the regulatory burden on both the utility and on the Division of Public Utilities. This proposed rule change is designed to provide affected customers with the same right to request a hearing while eliminating some of the paperwork and filing requirements.”

The Notice also provides a summary of the rule or change as follows:

“Changing the current process under which a public utility must petition the Public Service Commission for approval to terminate utility service in some instances, this proposed rule change eliminates the requirement for the utility to petition for approval. Instead, the proposed rule change increases the disclosures the public utility is required to include in a notice of proposed termination involving life-supporting equipment (clearly and plainly informing the customer of the customer’s rights), and provides to the affected customer a right to request an expedited hearing within the same time frame currently allowed to protest a petition for approval”.

#### Office of Consumer Services (Office) Response

The Office identifies the following as some of the significant proposed changes:

- The utility would not be required to petition the Commission for approval, nor would it have to provide documentation to the Commission and the Division of Public Utilities (Division) as is the case currently.

- The Commission would not provide an order allowing the termination. If the utility follows the requirements listed in the rule and the customer does not request an informal process, arbitration or a hearing, the utility is allowed to terminate service without a Commission order.
- The Division would not be required to notify the account holder by regular and certified mail that the utility is requesting to termination his/her service.
- Lengthens the time allowed for the customer to respond to a notice of termination from the current 10 days to 30 days.
- The customer will be able to request an expedited hearing.

A significant element that does not change is that under the current Rule a hearing is only required if requested by the customer. Under both the existing Rule and the proposed Rule Change that condition remains.

The Office recognizes that many of the proposed changes are housekeeping in nature and do not greatly modify the existing Rule. Allowing additional time to respond to a notice of termination as well as the ability to request an expedited hearing are advantages not currently available to customers facing termination. However, we assert that the Division's existing role in the termination process may serve an important function.

Currently the Division provides two notices to the customer regarding a utilities' request for termination of service (notification by regular and certified mail)<sup>1</sup>. Although the Division is not making a determination of the legitimacy of the utilities' request this "third party" notification may be important as a means of gaining the attention of the customer to a pending termination. Additionally, these notices provide an entity customers can contact other than the utility for questions about the termination process and what steps they can or should take to facilitate continued service. If a customer is in arrears to the point of having service terminated they may be hesitant to contact the utility.

### Office Recommendation

The Office recommends that the Commission proceed with the modifications that are housekeeping in nature, the extended response time and the ability to request an expedited hearing as proposed in the Rule Change.

The Office further recommends that the Commission reconsider the importance of the Division's role in the termination process before eliminating that responsibility. This would entail not deleting the current text of D.2.d. (cited below.)

Within 2 business days after receiving a petition for authorization to terminate service, the Division shall:

- i. Notify the account holder by regular and certified mail that the utility is requesting authorization from the Commission to terminate service; and
- ii. Instruct the account holder to contact the utility for further information.

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<sup>1</sup> These two notices are in addition to those required of the utility.

The Office notes that since the requirement for a utility to petition the Commission is anticipated to be removed, a requirement for the utility to notify the Division would need to be inserted to trigger the Division's requirement to notify the customer.

The Office respectfully requests that the Commission consider this modification to its proposed rulemaking.