



COM/MGA/smt 10/30/2020

FILED
10/30/20
08:54 AM

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Consider New Approaches to Disconnections and Reconnections to Improve Energy Access and Contain Costs.

Rulemaking 18-07-005

ASSIGNED COMMISSIONER'S PERCENTAGE OF INCOME PAYMENT PLAN PHASE SCOPING MEMO AND RULING

Pursuant to Rule 7.3 of the Commission's Rules of Practice and Procedure (Rules),¹ this Scoping Memo and Ruling is being issued following the prehearing conference² (PHC) held on September 17, 2020. This Scoping Memorandum and Ruling sets forth the procedural schedule, assigns the presiding officer, and addresses the scope of the proceeding and other procedural matters in the Percentage of Income Payment Plan (PIPP) Phase of this proceeding.

1. Background

On July 12, 2018, the Commission approved this Order Instituting Rulemaking pursuant to Senate Bill (SB) 598 to address disconnection rates across California's electric and gas investor-owned utilities. The primary goal of this proceeding is to adopt rules and policies that will ultimately reduce

¹ All references to rules are to the Commission's Rules of Practice and Procedure, which are available on the Commission's website at <http://www.cpuc.ca.gov/proceedings/>.

² Due to the impacts of COVID-19 this PHC was conducted remotely via Webex.

disconnections and improve reconnection processes and outcomes for disconnected customers. This proceeding is being conducted in multiple phases.

Phase I of this proceeding established near-term or immediate improvements such as eliminating deposits. A PHC for Phase I was held on August 15, 2018. A Scoping Memo and Ruling was issued on September 13, 2018 and on December 13, 2018, the Commission issued Decision (D.) 18-12-013 (Interim Decision), which established among other things, immediate interim rules to reduce residential disconnections for California jurisdictional energy utilities. On June 11, 2020, the Commission issued D.20-06-003 or the final Phase I Decision.

As noted in D.18-12-013 and D.20-06-003, the smaller utilities were exempted from the Interim Decision and Phase I Decision. The smaller utilities were notified that the Commission would conduct a separate phase to be known as Phase 1A in order to evaluate what rules should apply to smaller utilities.³ On March 8, 2019, the PHC was held for Phase 1A and a Scoping Memo and Ruling for Phase 1A was issued on April 5, 2019.

Among other things, the Phase I Decision created an additional ratesetting phase for this proceeding to address the establishment of the Percentage of Income Payment Plan (PIPP) phase.

³ The smaller utilities are Southwest Gas Company, Liberty Utilities (CalPeco Utilities LLC), Bear Valley Electric Service, Pacificorp, Alpine Natural Gas Operating Company and West Coast Gas Company. At the PIPP Phase PHC the smaller utilities requested that the issues concerning the applicability of the PIPP Phase be addressed separately from the larger utilities. No party objected to this at the PHC. Therefore, the issue of whether the PIPP should apply to the smaller investor-owned utilities (IOUs) will be addressed in Phase 1A. The scoping ruling for Phase 1A will be amended later to include the applicability of the PIPP to the smaller IOUs.

Scope, schedule, and other procedural issues were discussed at the PHC on September 17, 2020. This Scoping Memorandum and Ruling sets forth the procedural schedule, assigns the presiding officer, and addresses the scope of the proceeding and other procedural matters in the PIPP Phase of this proceeding.

2. Proceeding Category and Need for Hearings

This proceeding is ratesetting as defined in Rule 1.3(f).⁴ At the PHC there was some disagreement as to whether hearings would be needed in this phase of this proceeding. San Diego Gas & Electric (SDG&E) and Southern California Gas Company (SoCalGas) both opined at the PHC that they believed that hearings would be needed in this phase of this proceeding. Pacific Gas and Electric Company (PG&E) stated at the PHC that if there are material facts that come up during the proceeding then there should be an allowance for hearings and testimony. The Utility Reform Network (TURN) on the other hand disagreed as to the need for hearings in this matter. Utility Consumer's Action Network (UCAN) experienced technical difficulties at the PHC and was unable to fully participate in the PHC. However, in an email to the service list following the PHC, UCAN stated that they agreed with TURN that hearings are not necessary in this phase of the proceeding and stated that SDG&E and SoCalGas should delineate what issues require evidentiary hearings.

To allow the parties an opportunity to present additional information on the question of whether hearings are needed for this proceeding, the schedule for this proceeding will set forth an opportunity for the parties to provide additional information on the need for hearings in this phase of the proceeding.

⁴ D.20-06-003 stated that the PPP Phase of this proceeding would be ratesetting.

Once this information is provided the assigned Commissioner or Administrative Law Judge (ALJ) may issue a ruling that sets forth the process and the schedule for conduct of those hearings.

3. Scope and Schedule for PIPP Phase

Through discussions at the PHC the parties conducted an exchange that has helped to refine the scope of this rulemaking.

3.1. Scope of PIPP Phase

The scope of this rulemaking is as follows:

- 1. Establishment of a PIPP:** Should the Commission establish a PIPP Plan? If so, should that PIPP program be a pilot? How will the PIPP be implemented and what details should be included in the PIPP? Should there be outreach regarding the PIPP? Who will do the outreach and what will it consist of? How will the Commission evaluate the effectiveness of the PIPP?
- 2. Costs:** What are the costs associated with the PIPP and how should the Commission handle cost recovery for PIPP related costs?
- 3. Eligibility Requirements for the PIPP:** What should be the eligibility criteria? Who should verify eligibility, including income verification for enrollment in the PIPP and what will that consist of? Does eligibility need to be reverified after a certain period? If so, how frequently should this be done? Should a third party be contracted to verify eligibility of customers? If so, are there any privacy concerns associated with having a third party verify eligibility of customers?
- 4. Miscellaneous Issues to Consider:** How should the PIPP handle a missed payment for someone who is enrolled in the PIPP Program? How will the PIPP work if a customer moves while enrolled in the PIPP? How will the PIPP interact with California Alternate Rates for Energy and Family Electric Rate Assistance Program? How would the

PIPP work if the customer is served by two different utilities for gas and electric service?

5. **Energy Use and the PIPP:** Will decoupling bills from energy use impact energy conservation goals and energy efficiency programs? Should there be a usage cap associated with customers enrolled in the PIPP?
6. **PIPP Plan and CCAs:** How will the PIPP work when customers are CCA customers? How will billed amounts be attributed back to third party charges?
7. **Phase I Arrearage Management Plan (AMP) and PIPP Interplay:** Should AMP, which was established in the recent Phase 1 decision be combined with the PIPP as it relates to arrearage forgiveness or should there also be an arrearage forgiveness component included in the PIPP? If there is not an arrearage forgiveness component in the PIPP, should eligible PIPP customers be concurrently enrolled in the AMP? Can a customer be in the AMP and PIPP program at the same time?
8. **Safety:** Are there any safety issues which the Commission must address in this proceeding?
9. **Environmental Justice:** Are there any impacts on environmental and social justice communities which must be considered in this proceeding?

4. Schedule

The following schedule is adopted here and may be modified by the ALJ as required to promote the efficient and fair resolution of the Rulemaking. Based upon the discussions at the PHC, the following schedule shall be adopted for this proceeding:

Description	Date
Prehearing Conference (PHC)	September 17, 2020

Opening Testimony Setting Forth What Issues Require Evidentiary Hearings and Why, Served	Six weeks from the issuance of the Scoping Memo
Reply Testimony Regarding What Issues Require Evidentiary Hearings and Why, Served	Eight weeks from the issuance of the Scoping Memo
Rulings Requesting Data and Information, Issued	As set forth in individual rulings
Reply Comments to Rulings, Filed and Served	As set forth in individual rulings
Additional Testimony, Served	To Be Determined
Additional Reply Testimony, Served	To Be Determined
Opening Briefs, Filed and Served	To Be Determined by Ruling
Reply Briefs, Filed and Served	To be Determined by Ruling
Proposed Decision on PIPP Phase, Issued	To be determined
Comments on Proposed Decision, Filed and Served	Pursuant to Rule 14.3(a)
Reply Comments on Proposed Decision, Filed and Served	Pursuant to Rule 14.3(d)
Final Decision on PIPP Phase, Issued	Within 18 months of the scoping memo

The proceeding will stand submitted upon the filing of reply briefs unless the ALJ requires further evidence or argument. Based on this schedule, the proceeding will be resolved within 18 months as required by Public Utilities Code Section 1701.5.

This schedule may be altered by the assigned Commissioner or the assigned ALJ. Although it is anticipated that there will not be any workshops in this phase of the proceeding notice of any workshops in this proceeding will be posted on the Commission's Daily Calendar to inform the public that a decision-maker or an advisor may be present at the workshop or meeting. Parties shall check the Daily Calendar regularly for such notices. In an effort to promote inter-agency coordination, workshops may be conducted with other governmental entities as appropriate.

5. Alternative Dispute Resolution (ADR) Program and Settlements

The Commission's ADR program offers mediation, early neutral evaluation, and facilitation services, and uses ALJs who have been trained as neutrals. At the parties' request, the assigned ALJ can refer this proceeding to the Commission's ADR Coordinator. Additional ADR information is available on the Commission's website.⁵

Any settlement between parties, whether regarding all or some of the issues, shall comply with Article 12 of the Rules. Such settlements shall include a complete explanation of the settlement and a complete explanation of why it is reasonable considering the whole record, consistent with the law, and in the public interest. The proposing parties bear the burden of proof as to whether the settlement should be adopted by the Commission.

6. Oral Argument

Unless comment is waived pursuant to Rule 14.6(c)(2) for granting the uncontested relief requested, motion for oral argument shall be by no later than the time for filing comment on the proposed decision.

⁵ See D.07-05-062, Appendix A, § IV.O.

7. Presiding Officer

Commissioner Guzman Aceves is the assigned Commissioner and Gerald F. Kelly is the assigned ALJ and presiding officer for the proceeding.

8. Intervenor Compensation

A PHC was held in this matter on September 17, 2020. Pursuant to Pub. Util. Code Section 1804(a)(1), an individual who intends to seek an award of compensation and has not already done so, must file and serve a notice of intent to claim compensation by October 17, 2020.

9. Ex Parte Communications

As noted above, the PIPP Phase of this proceeding is ratesetting. Accordingly, ex parte communications are restricted and must be reported pursuant to Article 8 of the Rules.

10. Response to Public Comments

Parties may, but are not required to, respond to written comments received from the public. Parties may do so by posting such response using the “Add Public Comment” button on the “Public Comment” tab of the online docket card for the proceeding.

11. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission’s procedures or has questions about the electronic filing procedures is encouraged to obtain more information at <http://consumers.cpuc.ca.gov/pao/> or contact the Commission’s Public Advisor at 1-866-849-8390 or 415-703-2074 or 1-866-836-7825 (TYT), or send an e-mail to public.advisor@cpuc.ca.gov.

12. Filing, Service, and Service List

The official service list has been created and is on the Commission’s website. Parties should confirm that their information on the service list is

correct and serve notice of any errors on the Commission's Process office, the service list, and the ALJ. Persons may become a party pursuant to Rule 1.4.

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. When serving documents on Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide electronic service. Parties must not send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at process_office@cpuc.ca.gov to request addition to the "Information Only" category of the official service list pursuant to Rule 1.9(f).

13. Public Outreach

Pursuant to Public Utilities Code Section 1711(a), I hereby report that the Commission sought the participation of those likely to be affected by this matter by noticing it in the Commission's monthly newsletter that is served on communities and business that subscribe to it and posted on the Commission's website.

In addition, the Commission served the Order Instituting Rulemaking/Investigation on:

- A.17-06-030, Application of SCE to Establish Marginal Costs, Allocate Revenues, and Design Rates.

- A.17-10-008, Application of SoCalGas for Authority, Among Other Things, to Update its Gas Revenue Requirement and Base Rates Effective on January 1, 2019, (consolidated with A.17-10-007, Application of SDG&E for Authority, Among Other Things, to Update Its Electric and Gas Revenue Requirement and Base Rates Effective on January 1, 2019.)
- A.17-05-004, In the Matter of the Application of Golden State Water Company, on Behalf of its Bear Valley Electric Service Division, for Approval and Recovery of Costs, and Authority to Increase Rate and Other Charges Related to Electric Service by Its Bear Valley Electric Service Division.
- A.17-12-011, Application of PG&E for Approval of Its Residential Rate Design Window Proposals, including to Implement a Residential Default Time-Of-Use Rate along with a Menu of Residential Rate Options, followed by addition of a Fixed Charge Component to Residential Rates (consolidated with A.17-12-012 and A.17-12-013.)
- A.16-07-017, Application of West Coast Gas Company to Revise Its Gas Rates and Tariffs.
- A.16-07-007, Application of Liberty Utilities (CalPeco Electric) LLC for Authority to Update Rates Pursuant to Its Energy Cost Adjustment Clause, Effective January 1, 2017.
- A.16-06-013, Application of PG&E to Revise Its Electric Marginal Costs, Revenue Allocation and Rate Design.
- A.15-02-003, Application of Liberty Utilities (CalPeco Electric) for Approval of Low-Income Assistance Programs and Budgets for Program Years 2015-2017 (consolidated with A.15-02-001, A.15-02-002, A.15-03-004, A.15-02-013, and A.15-02-024).
- R.15-03-010, Order Instituting Rulemaking to Identify Disadvantaged Communities in the San Joaquin Valley and Analyze Economically Feasible Options to Increase Access to Affordable Energy in those Disadvantaged Communities.

- A.15-03-004, In the Matter of the Application of Alpine Natural Gas Operating Company No. 1, LLC for Approval of the California Alternate Rates for Energy and Energy Savings Assistance Programs and Budgets for Program Years 2015-2017.
- A.14-11-007, Application of SCE for Approval of Its Energy Savings Assistance and California Alternate Rates for Energy Savings Assistance and California Alternate Rates for Energy Programs and Budgets for Program Years 2015-2017 (consolidated with A.14-11-009, A.14-11-01- and A.14-11-011.)
- R. 14-08-013, Order Instituting Rulemaking Regarding Policies, Procedures and Rules for Development of Distribution Resources Pursuant to Public Utilities Code Section 769.
- A.12-12-024, Application of Southwest Gas Corporation for Authority to Increase Rates and Charges for Gas Service in California, Effective January 1, 2014.
- R.12-06-013, Order Instituting Rulemaking on the Commission's Own Motion to Conduct a Comprehensive Examination of Investor Owned Electric Utilities' Residential Rate Structures, the Transition to Time Varying and Dynamic Rates, and Other Statutory Obligations.

Additionally, this Order Instituting Rulemaking was served on the following agencies and organizations:

Alameda County Public Health Department, California Department of Health Care Services, California Department of Social Services, California Low-Income Consumer Coalition, Catholic Charities of Fresno, Catholic Charities of Stockton, CAUSE, Central California Legal Services, Centro La Familia, CHANGES (Community Help and Awareness of Natural Gas and Electric Services), City Heights Community Development, City of Bakersfield, City of Fresno, City of Stockton, Coalition of California Utility Employees,

Congregations Organized for Prophetic Engagement, Dolores Huerta Foundation, East Bay Community Law Center, Fathers and Families of San Joaquin, Housing Long Beach, Leadership Institute of Allen Temple, National Association for the Advancement of Colored People (NAACP) Environmental and Climate Justice Program, Poverello House, Public Utility Law Center, Self Help for the Elderly, TEAM, The Committee to End Utility Shutoffs, The Michigan Welfare Rights Organization, The National Consumer Law Center, The Office of Senator Ben Hueso, California 40th Senate District, The Utility Reform Network, West Fresno Family Resource Center.

IT IS RULED that:

1. The scope for PIPP Phase of this proceeding is set forth above in Section 3.1.
2. The schedule for this proceeding is set forth above.
3. The Administrative Law Judge is authorized to modify the schedule adopted herein as necessary for the efficient administration of this proceeding.
4. This proceeding is categorized as ratesetting.
5. The need for hearings will be determined following submission of opening and reply testimony on the issue of whether hearings are needed.

6. Martha Guzman Aceves is the assigned Commissioner and Gerald F. Kelly is the assigned Administrative Law Judge and presiding officer in this proceeding.

This order is effective today.

Dated October 30, 2020, at San Francisco, California.

/s/ MARTHA GUZMAN ACEVES

Martha Guzman Aceves
Assigned Commissioner