



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

**FILED**

03/19/21  
04:59 PM

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

Rulemaking 18-07-005  
(Filed July 12, 2018)

**REPLY COMMENTS OF THE UTILITY CONSUMERS' ACTION NETWORK  
TO THE OPENING COMMENTS OF PARTIES RESPONDING TO THE  
ADMINISTRATIVE LAW JUDGE'S QUESTIONS ON PERCENTAGE OF INCOME  
PILOT PROGRAMS**



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March 19, 2021

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LAW JUDGE'S QUESTIONS ON PERCENTAGE OF INCOME PILOT PROGRAMS**

**I. INTRODUCTION**

In accordance with the schedule established for Reply Comments in R.18-07-005, the Utility Consumers' Action Network ("UCAN") submits the following comments. Because many of the parties submitted similar responses to the questions posed about percentage of income pilot programs ("PIPP"), for the purposes of brevity, UCAN's Reply Comments respond (in most instances) to more than one party.

**II. DISCUSSION**

**A. REPLY TO THE UTILITIES**

To a large extent the four major energy utilities that submitted responses to the questions posed about PIPPs were in general agreement about how the program would operate in their respective service territories, whether CCA customers should be included in the pilots, how expenses associated with the PIPP should be handled from an accounting perspective, and the types of overhead expenses and other challenges that may arise in implementing the PIPPs. UCAN agrees with the position taken by the utilities that for the limited purpose of establishing PIPP pilots, it would be preferable to exclude community choice aggregators' ("CCAs") customers from the pilots to limit administrative challenge of accounting for PIPP revenue shortfalls with CCAs. Moreover, UCAN agrees with Southern California Edison that if CCA customers are to be part of the PIPP pilots it would be appropriate to use an informal working group of CCA representatives and the utility personnel to develop appropriate protocols and billings and collections agreements.

Southern California Edison was the only utility respondent that developed a cost estimate for a pilot PIPP estimating the expense of a three-year pilot to range between \$3.8 million and

\$10.5 million.<sup>1</sup> While the three other energy utilities did not develop cost estimates, it is evident that the expense of the PIPP pilots will be relatively modest for all of the utilities. San Diego Gas & Electric noted the challenges it is facing with the revamping of its customer information system and that it will be complicated to establish a PIPP pilot while the CIS is being implemented. UCAN appreciates SDG&E's concerns; nonetheless, it is important to establish a pilot in SDG&E's service territory to determine how the program would work in all parts of California (save areas served by smaller utilities).

All of the utilities agreed that the appropriate place to track PIPP costs will be in the revenue uncollectible balancing account. UCAN agrees this is a sensible approach since PIPP revenue shortfalls are similar in character to uncollectibles. In addition, UCAN agrees with the utilities that revenue shortfalls from the PIPP should be reimbursed via the public purpose programs charge.

UCAN appreciates SoCalGas' statement in its Opening Answers that it is willing to work with community-based organizations to develop outreach strategies for affected low-income households for the PIPP pilots. Because PIPP bills are not based on traditional utility practices of billing based on customer usage, it is important for all of the utilities to have a robust outreach program to explain how customer billing will work for PIPP participants. UCAN urges the other utilities to follow SoCalGas' lead in reaching out to community-based organizations before the PIPPs begin.

#### **B. REPLY TO TURN**

Much of TURN's opening answers were devoted to a discussion of ensuring that customers selected to participate in the PIPP would be charged the lesser of either what they would have been charged as CARE customers or the PIPP calculated amount. It is not clear how often this situation would arise; however, UCAN agrees that the goal of PIPP pilots should be to limit the burden of energy costs on low-income households and that the lower of the CARE discount or the PIPP calculated bill should be used.

#### **C. REPLY CAL CCAs**

UCAN appreciates the CCAs willingness to participate in PIPP and agrees with its position (see p. 2 of their Opening Answers) that before the Commission orders the utilities to establish PIPP pilots it is important to provide additional clarity about how the programs will

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<sup>1</sup> Southern California Edison, Opening Answers, p. 4.

operate. The CCAs also agree with the utilities that lost customer revenues will likely be the largest expense associated with the PIPP pilots. While UCAN supports the eventual goal of widespread adoption of PIPPs for low-income households, for the purposes of the PIPP pilots it would simply burden the utilities' in implementing the PIPPs by including CCA customers for the pilot period.

#### **D. REPLY TO THE PUBLIC ADVOCATES**

In the Public Advocates Opening Answers (p. 2) they observe that the costs associated with establishing PIPPs are likely to be similar to the expenses the utilities recently incurred in establishing arrearage management plans in an early phase of this rulemaking. UCAN agrees that PIPP implementation costs are likely to be similar and relatively modest because of the limited size of the proposed PIPP pilots.

#### **III. CONCLUSION**

UCAN respectfully submits these Reply Comments for consideration in the instant proceeding.

Date: March 19, 2021

Respectfully Submitted,  
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