



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

FILED
04/12/21
04:59 PM

Order Instituting Rulemaking to Address Energy
Utility Customer Bill Debt Accumulated During
the COVID-19 Pandemic.

Rulemaking 21-02-014

**SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) RESPONSES TO
ADMINISTRATIVE LAW JUDGE'S RULING INVITING RESPONSES TO POST-
WORKSHOP QUESTIONS AND EXTENDING FILING DATES OF BRIEFS**

ANNA VALDBERG
DAVID GOMEZ

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-7903
Facsimile: (626) 302-6693
E-mail: David.Gomez@sce.com

Dated: **April 12, 2021**

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

Order Instituting Rulemaking to Address Energy
Utility Customer Bill Debt Accumulated During
the COVID-19 Pandemic.

Rulemaking 21-02-014

**SOUTHERN CALIFORNIA EDISON COMPANY’S (U 338-E) RESPONSES TO
ADMINISTRATIVE LAW JUDGE’S RULING INVITING RESPONSES TO POST-
WORKSHOP QUESTIONS AND EXTENDING FILING DATES OF BRIEFS**

I.

INTRODUCTION

Pursuant to the California Public Utilities Commission’s (Commission or CPUC) Rules of Practice and Procedure, and in compliance with Administrative Law Judge (ALJ) Watts-Zagha’s Ruling Inviting Responses to Post-Workshop Questions and Extending Filing Dates of Briefs, issued on April 2, 2021 (Ruling), Southern California Edison Company (SCE) respectfully submits the following responses to the Ruling.

II.

RESPONSES TO POST-WORKSHOP QUESTIONS

A. Leveraging California Department of Housing and Community Development (HCD) Emergency Rental Assistance Program (ERAP)

1. *Question 1: How many customers currently in arrears do you estimate will be eligible for HCD relief?*

SCE understands that eligibility is limited to customers that: (1) are renters, (2) are qualified for unemployment benefits or experienced a reduction in household income, incurred significant costs, or experienced other financial hardship due to COVID-19, (3) have demonstrated risk of experiencing homelessness or housing instability, and (4) have a household income that is not more than 80 percent of Area Median Income (AMI).¹ Based on this eligibility criteria, SCE has limited ability to identify customers that may be eligible, as SCE does not normally collect customer information regarding whether the customer is a renter. SCE also does not collect customer information regarding financial hardship due to COVID-19 or if the customer is at risk of homelessness.

In creating an estimate of the number of customers that may be eligible SCE used proxies based on the best available data. To determine if a customer is renting, SCE used a third-party customer insights database that contained this status as of June 30, 2020. For the financial hardship requirements, SCE included all customers that had arrears as of March 27, 2021. In order to estimate the number of customers that are equal or below 80 percent of AMI, SCE used customers that are enrolled in the California Alternate Rates for Energy (CARE) that has an eligibility requirement of income less than 200 percent of the Federal Poverty Level (FPL) as an approximation.

¹ California's Covid-19 Rent Relief *available at* https://housing.ca.gov/covid_rr/program_overview.html#renter.

Table 1: SCE Proxies to Estimate Eligible Customers for HCD ERAP

Eligibility Requirement for ERAPS:	Proxy Used:
Renter	Third-Party Customer Insights Database (as of June 30, 2020)
Qualified for unemployment benefits, experienced Reduction in income, or other financial hardship	Customer with any level of arrears (as of March 27, 2021)
Demonstrated risk of experiencing homelessness or housing instability	Customer with any level of arrears (as of March 27, 2021)
Income equal to or less than 80% AMI	CARE enrolled customers

Based on this data, SCE estimates that 191,000 customers could be eligible for ERAP based on the number of Customer Accounts that have an outstanding balance more than 20 days old. Because SCE used proxies to estimate, this data should be used directionally and will not represent the exact number of eligible customers.

2. *Question 2: What dollar amount of arrearages do you estimate will be eligible for HCD relief, notwithstanding the program's budgetary limitations?*

Using the same estimates in SCE's response to Question 1, SCE estimates the 191,000 Customer Accounts have total outstanding arrears of \$69.5 million that could be eligible for HCD ERAP, notwithstanding the program's budgetary limitations. Because SCE used proxies to estimate, this data should be used directionally and does not represent the exact amount of eligible arrearages.

3. *Question 3: What is the current status of your partner application with the HCD ERAP? For reference, see California ERAP Partner Application (tfaforms.net) or <https://lisc.tfaforms.net/308>*

a) *Have you applied and what Tier (1/2/3) are you eligible for?*

SCE has not yet applied to be a partner using the California ERAP Partner Application. The application website includes utility companies as an example of a Tier 1 partner.²

b) *If you have not applied, are you willing to apply? Why or why not?*

SCE is currently exploring the expectations listed, including e-blasts, social media posts, announcement at community convenings, outreach, and attendance at weekly engagement meetings.³ SCE has begun discussions with HCD to discuss opportunities to increase customer participation in ERAP. In addition, SCE will include ERAP on its website and include the program in its outreach to residential customers regarding the end of Emergency Customer Protections.

4. *Question 4: Please comment on the eligibility criteria for HCD ERAP as a proxy for identifying utility customers most in need of utility arrearage relief.*

a) *Does HCD eligibility criteria for Emergency COVID Rental Relief appropriately targets customers in need of relief? Do you think potentially additional utility COVID arrearage relief should follow these criteria (provided HCD performs the eligibility verification)?*

SCE does not support the use of HCD eligibility criteria for Emergency COVID Rental Relief as a proxy to identify customers most in need of arrearage relief. Eligibility for ERAP is limited to customers who are renters and SCE does not support eligibility of arrearage relief being limited only to customers who are renters. While SCE agrees with the use of income-qualified programs such as CARE to demonstrate that the customer is income-qualified, SCE

² California ERAP Partner Application available at <https://lisc.tfaforms.net/308>.

³ *Id.*

also recognizes that ERAP does not have additional considerations for the length of the arrears. Not including a length of arrears requirement has the unintended consequence of providing arrearage forgiveness in response to a single missed bill that is less indicative of the customer's inability to pay than lengthier arrears.

Consistent with its comments to the Order Instituting Rulemaking (OIR), SCE reiterates its position that arrearage relief should focus on customers with a demonstrated income-qualified need.⁴ Arrearage relief should target customers that have a minimum amount and length of arrears to safeguard against use for a one-time missed payment. To target customers with the greatest need and risk for disconnection, SCE recommends the continued use and expansion of the current Arrearage Management Plan (AMP) for arrearage relief. This creates the balance of income-qualified need with the customer being enrolled in the CARE or Family Electric Rate Assistance (FERA) program and the demonstration of need as customers are eligible only if arrears are at least 90 days past due and meet a minimum amount (currently \$500).⁵

b) Should customers verified by HCD as eligible for COVID rental relief receive the CARE and/or FERA discount on a provisional basis? Why or why not?

SCE does not support providing the CARE or FERA discount on a provisional basis to customers who have been verified by HCD as eligible for COVID rental relief. The differences in eligibility requirements between CARE, which uses 200 percent of FPL, and ERAP, which uses 80 percent of AMI, can be pronounced in some counties due to the differences in calculating eligibility. As the 2021 data for AMI is not yet available, SCE used 2020 values in Table 2 to showcase the potential disparity between the two calculations.

Enrollment, even on a provisional basis, of customers that may be at income levels of more than 70 percent higher than the current guidelines for CARE eligibility represents a

⁴ SCE Amended Comments on the OIR, p. 3.

⁵ D.20-06-003, p. 108.

significant departure from the current practice required by the Public Utilities Code⁶ and should be addressed by the state legislature prior to being included in this proceeding. In addition, because only customers who rent are eligible for ERAP, this provision would cause inequality between two similarly situated customers for the CARE program, which has eligibility based solely on household income.

SCE is willing to cross market between the programs and provide customers eligible for ERAP with additional information regarding CARE and FERA.

Table 2: Comparison between FPL and AMI in Select SCE Service Territory Counties

County	Household Size	Maximum Income for CARE (200% of FPL) ⁷ [A]	Maximum Income for ERAP (80% of AMI) ⁸ [B]	Percent Difference [(B-A)/A]
Los Angeles	4	\$52,400	\$90,100	72%
Orange	4	\$52,400	\$102,450	96%
Santa Barbara	4	\$52,400	\$95,300	82%
Ventura	4	\$52,400	\$90,350	72%

c) *Do you think customers verified by HCD as eligible for COVID rental relief should be eligible for enrollment in an Arrearage Management Plan (AMP) while they are provisionally enrolled in CARE/FERA, as suggested in (b)?*

Customers verified by HCD as eligible for COVID rental relief should not be eligible for enrollment in AMP. In addition to those reasons contained in SCE’s response to Question 4b,

⁶ Public Utilities Code Section 739.1 states: “The commission shall continue a program of assistance to low-income electric and gas customers with annual household incomes that are no greater than 200 percent of the federal poverty guideline levels, the cost of which shall not be borne solely by any single class of customer.”

⁷ 2020 Federal poverty guidelines, available at <https://aspe.hhs.gov/2020-poverty-guidelines>.

⁸ 2020 California state income limits, effective as of April 30, 2020, available at <https://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/income-limits-2020.pdf>.

the eligibility requirements for AMP differ from ERAP in that AMP eligibility includes the requirement for the customer to have arrears of at least \$500 and 90 days past due.⁹ ERAP eligibility requires customers to have missed a utility payment, which is less indicative of the customer's inability pay than the AMP requirements. ERAP eligibility should not result in CARE or FERA eligibility nor AMP eligibility.

5. *Question 5: Is your utility able to pause an AMP enrollment until the customer has subsequently applied for relief through the HCD ERAP?*

SCE is unable to pause an AMP enrollment until a customer has subsequently applied for relief. Should a customer exit AMP due to inability to continue on-time payments of their current bill, the customer would be required to wait 12-months prior to re-enrolling in AMP.¹⁰ The length of time needed for a customer to apply for relief may differ between customers. In addition, it is SCE's understanding that HCD intends to prioritize renter arrears and customers that are at or below 50 percent of AMI. Based on that understanding, even if a customer is eligible and completes their application, there is not a guarantee that the customer would receive assistance for their utility arrears. SCE understands that the inclusion of AMP may complicate the customer's current level of arrears and, as such, SCE is willing to coordinate with HCD on how best to help customers confirm the total arrears when applying for ERAP assistance.

⁹ D.20-06-003, p. 108.

¹⁰ D.20-06-003, Ordering Paragraph (OP) 66.

B. Regarding Modifications to Payment Plan Policies

1. *Question 6: According to the Advice Letter filings of April 1, 2021 pursuant to Commission Resolution M-4849, at least two utilities will automatically enroll customers in payment plans if the customer meets a threshold for age and amount of arrears. If the Commission were to order automatic enrollment in payment plans,*
 - a) *What threshold(s) for age of arrears and dollars in debt would you recommend for customers (for utilities: of your utility) (for all other parties: would you recommend variations by utility, customer class, other)?*

In its comments to the OIR, Southwest Gas commented that it “automatically places all customers in California who are 61 or more days delinquent and have a past-due balance over \$20.00 on an 8-month deferral payment plan.”¹¹ Southwest Gas also commented, however, that an “automatic one-size-fits-all plan is not sensitive to each customer’s financial situation”¹² and believes that each customer should be allowed to select the payment plan length that fits their budget and provides real progress in managing their debt.”¹³ Depending on the size of a customer’s arrears, automatic enrollment may increase their monthly bill to a level that is unaffordable.

For similar reasons, SCE does not support automatic customer enrollment in payment plans. While SCE recognizes that automatically enrolling customers in payment plans may appear to be administratively simple, doing so may negatively impact customers without their consent. As SCE previously stated in this proceeding, automatic enrollment without customer knowledge or consent is also more likely to result in a customer failing to meet established

¹¹ Southwest Gas Comments to the OIR, p. 4.

¹² *Id.*, p. 5.

¹³ *Id.*

requirements or continuing to fall behind in appropriate payment levels because they were not aware of the requirements or the obligation to meet them.¹⁴

In D.20-06-003, the Commission ordered that “[p]rior to disconnecting any residential customer, the utility shall offer the residential customer a 12-month payment plan. The utility shall not disconnect any residential customer who is on a 12-month payment plan and is current on both monthly bills and the 12-month payment plan.”¹⁵ The automatic enrollment for residential customers may result in the unintended consequence of removing or rendering less effective one of the customers protections from disconnections for non-payment.

- b) *Would you recommend any additional qualifying criteria beyond age of arrears and dollars in debt be set for automatic enrollment in payment plans (for utilities: of your utility) (for all other parties: would you recommend variations by utility, customer class, other)?*

SCE does not support automatically enrolling customers in a payment plan for the reasons discussed in response to Question 6a.

- c) *Would you recommend exempting any customers from auto-enrollment and if so, which customers would you exempt and why?*

SCE does not support automatically enrolling customers in a payment plan for the reasons discussed in response to Question 6a.

- d) *Are all residential customers currently eligible for payment plans, regardless of CARE/FERA status or age of customer account (including current accounts)? If all residential customers are not currently eligible, should they be?*

Yes, all of SCE’s residential customers are eligible for payment plans regardless of CARE/FERA status or age of customer account.

¹⁴ SCE Amended Comments on the OIR, p. 3.

¹⁵ D.20-06-003, OP 1(d).

- e) *Are all small business customers currently eligible for payment plans, regardless of age of customer account (including current accounts). If all residential customers are not currently eligible, should they be?*

Yes, all of SCE's small business customers are currently eligible for payment plans regardless of age of the customer account.

2. *Question 7: How much flexibility should utilities grant customers unable to keep the terms of their payment plan before the customer becomes eligible for disconnection?*

SCE provides its customers with payment plan flexibility by offering residential and Small Business Customers payment plans up to 12 months. Customers can select shorter payment plans as preferred. SCE recognizes that customer situations may change and sometimes changes to the current payment plan may be necessary. If the customer fails to keep or seeks to modify an existing payment arrangement, SCE may require a down payment prior to revising the payment arrangement. This practice is intended to preclude the "chaining" of payment plans each month into an ever-growing arrears balance.

- a) *What should occur when a customer misses one or more payments required by a payment plan?*

If an SCE customer were to miss a payment required by a payment plan, the customer should contact SCE to discuss available options such as recalculation to a different length payment plan. When a payment plan is broken, SCE notifies the customer that the payment plan has been broken and encourages the customer to contact SCE. Additional discussion can occur regarding enrollment in assistance programs in which the customer may be eligible, such as one-time payment assistance provided by the Energy Assistance Fund (EAF) and the Low Income Home Energy Assistance Program (LIHEAP), or potential changes to the customer rate plan.

- b) *How many missed payments should result in a customer's payment plan being considered "broken"?*

SCE considers payment plans to be broken once a single payment is missed and the customer has not contacted SCE ahead of the due date. In these instances, the customer is better served by being educated on available assistance programs and options to help control the level of their energy bills. An unintended consequence of allowing for customers additional deferrals while on a payment plan would be that the customer potentially falls further behind on their arrears.

C. Mechanics of Potential Arrearage Forgiveness

1. *Question 8: How adequate do you believe the disconnection caps ordered by D.20-06-003, both the monthly caps service territory-wide, as well as the requirement to keep disconnects below 30% in any one zip code, will be at minimizing disconnections?*

With the disconnection caps from D.20-06-003¹⁶ having been ordered in the middle of Emergency Customer Protections period, there is no disconnection data available to prove the efficacy of the caps. Despite the lack of data, SCE believes that the disconnection caps will adequately help minimize residential disconnections. SCE is developing internal processes to track its monthly disconnections and disconnections by ZIP code to comply with D.20-06-003. In addition to the disconnection caps, D.20-06-003 also instituted numerous policies that are aimed at reducing the number of residential disconnections such as offering of 12-month payment plans,¹⁷ offering all applicable benefit programs,¹⁸ and limitations on disconnections if

¹⁶ See D.20-06-003, OPs 1(a), 4; *see also id.*, p. 36 (“[T]he IOUs shall not exceed a disconnection rate of 30 percent in any zip code.”).

¹⁷ *Id.*, OP 1 (d).

¹⁸ *Id.*, OP 1 (c).

the customer has a pending LIHEAP pledge¹⁹ or if temperatures are above 100 degrees or below 32 degrees.²⁰

2. *Question 9: How might any new COVID arrearage relief be targeted to customers most at risk of being disconnected?*

SCE previously recommended three guiding principles that should frame the development of any additional programs or policy changes:²¹

- 1) Arrearage relief should focus on customers with a demonstrated income-qualified need;
- 2) Arrearage relief should be streamlined to support customer adoption and operation implementation; and
- 3) Arrearage relief should require the customer to take proactive steps to participate.

With those guiding principles in mind, SCE believes additional focus should be placed on outreach targeted at income-qualified customers, particularly to those that are living in hard-to-reach or disadvantaged communities. This can be achieved by strengthening the partnerships with Community-based organizations (CBO) and Faith-based organizations (FBO) as well as other state agencies that serve these customers. This additional outreach will help ensure that information about potential relief is targeted at those customers who are at high risk of being disconnected.

¹⁹ *Id.*, OP 1 (e).

²⁰ *Id.*, OP 1 (f).

²¹ SCE Amended Comments on the OIR, p. 3.

3. *Question 10: Several Work Team presentations listed fairness and equity as separate criteria. Assuming any new COVID arrearage relief is funded through either rates or surcharges,*

a) *Please comment on how arrearage forgiveness might be structured in the most fair way?*

SCE believes the fairest structure for any arrearage relief is to continue the use of AMP as the main arrearage forgiveness program. AMP forgiveness is recovered through the Residential Uncollectibles Balancing Account (RUBA), which is applied to all customer classes. In addition, because AMP requires that the enrolled customer make 12 on-time payments to receive the maximum amount of debt forgiveness, the enrolled customer must take proactive steps in exchange for the arrearage forgiveness.

b) *Please comment on how arrearage forgiveness might be structured in the most equitable way?*

The most equitable way to structure arrearage forgiveness is to continue the use of AMP as the main arrearage forgiveness program. AMP provides forgiveness for income-qualified customers rather than all customers regardless of income. If the underlying assumption is that those with lower incomes have been disproportionately impacted by the COVID-19 pandemic, it also stands to reason that those same customers are the ones that should be provided the assistance.

c) *Please comment on utilizing zip codes with the highest rates of disconnections to target residential customers most in need of arrearage relief, with regard to equity and fairness.*

SCE does not support the use of ZIP codes with the highest rate of disconnections to target residential customers most in need of arrearage relief. Each individual customer may have unique circumstances that result in their inability to stay current on their energy bills. Targeting only customers that reside in specific ZIP codes would ignore potential differences in customer

income levels, which is a better indicator of a customer's ability to pay. Thus, SCE recommends that income levels be the determining factor for arrearage relief rather than ZIP codes.

- d) *Assume a theoretical customer with utility debt exceeding \$1,000 is unlikely to pay the debt even subsequent to service disconnection. How would forgiving 90% of this customer's outstanding arrearage impact ratepayers differently than disconnecting this customer for nonpayment? How would paying 90% of this customer's outstanding arrearage impact this customer differently than disconnecting this customer for nonpayment?*

SCE disagrees with the underlying assumption that a customer with utility debt exceeding \$1,000 is unlikely to pay. Historically, 80 to 90 percent of SCE customers have reconnected within a week of being disconnected for non-payment. To be reconnected, the customer must have entered a payment arrangement or paid the remaining balance of their arrears. It would be erroneous to assume that all arrears after a customer is disconnected results in an uncollectible charge. Beyond the reconnection rate, a customer that did not receive blanket arrears forgiveness may have paid a portion of the arrears, resulting in ratepayers ultimately covering a smaller amount as uncollectible.

From the customer standpoint, a reasonable assumption is that the arrearage forgiveness delays disconnections for non-payment. Forgiveness, however, does not provide a long-term solution for the customer as those that are unable to pay may still experience an increase in arrears in the future months. Another undesirable outcome is the reinforcement of negative customer behavior and potential for deprioritizing energy bills in the future that is not only detrimental to the best interest of the customer but may continue to impact utility revenue collections into the future beyond an eventual return to normalized operating conditions.

4. *Question 11: Please comment on how arrearage forgiveness might best be structured to increase the likelihood of keeping customers connected to the system.*

a) *Would a standardized, flat amount of forgiveness or a customized amount of forgiveness be more likely to keep a customer connected as a utility customer?*

Depending on the level of forgiveness, a flat amount may result in enough forgiveness for one customer to no longer have arrears whereas another customer may still have a significant level of arrears. A customized amount of forgiveness depending on the amount of arrears the individual customer has is a better solution that can be applied fairly in a non-discriminatory manner to all customers. Thus, SCE reiterates its recommendation for the use of AMP that provides customers with forgiveness depending on the total arrears of the customer at time of enrollment. There is insufficient data provided within this question for SCE to provide a more comprehensive answer.

b) *Both LIHEAP grants and individual utility-sponsored relief programs appear to operate as arrearage forgiveness. Do you agree with this characterization? How effective have the utility-sponsored relief programs (REACH, EAF, GAF, Neighbor-to-Neighbor) been at minimizing disconnections? What other impacts have you identified on the recipients of the utility-sponsored relief programs?*

While the amounts offered by the programs may differ, SCE agrees that both LIHEAP grants and SCE's sponsored EAF program operate similarly in providing customers with a one-time arrearage forgiveness. However, it is worth noting that both LIHEAP and EAF have specific income-qualified eligibility requirements as well as additional requirements for documentation of arrears.

It is assumed that the assistance provided by EAF helps customers with their electricity bills and helps prevent disconnection; SCE does not track whether the customer is more or less

likely to be disconnected in the future. Thus, SCE is unable to provide details on the effectiveness of EAF at minimizing disconnection beyond the program's initial assistance to customers.

D. Small Business

1. *Question 12: Team 5 at the workshop came to consensus on the following for small business payment plans, does your party join this consensus?*

a) *Utilities should offer all small business customers with arrears payment plans of no more than 24 months.*

Yes, SCE agrees that Small Business Customers with arrears should be offered payment plans of no more than 24-months. SCE recommends that payment plans for Small Business Customers be dependent on the number of months the customer is in arrears, specifically that customers be offered payments plans equal to no more than two times the number of months a customer is in arrears, up to a maximum of 24 months. While SCE is sympathetic of the need for Small Business Customers to be provided time to recover, it would be unfair for non-participating customers to cover the extended financing that results from unnecessarily long payment plans. SCE also recommends that this policy be temporary and sunset one-year following the conclusion of Emergency Customer Protections.

b) *Utilities should have no specific minimum length for small business payment plans, but should provide small business customers with up to 24 months to repay their arrears and should work with each customer to determine the best plan for the customer.*

SCE supports working with each customer to determine the best plan for the customer as discussed in SCE's response to Question 12a.

2. *Question 13: Team 5 at the workshop identified a need for utilities to increase outreach to small business customers, both to individual customers and community-based organizations that work with small businesses, to personalize assistance for small business and help these customers receive assistance for which they are eligible.*

a) *For utilities: please comment on your plans to conduct outreach to small business customers with arrears, including plans to target community-based organizations that have relationships with these customers, streamline relevant application processes, and/or identify individual customers to assist these customers with their arrears.*

SCE outlined its communication for Small Business Customers in its Transition Plan Advice Letter filed on April 1, 2021. Within the transition plan, SCE details its marketing, education, and outreach strategy including its use of (1) webpages and paid search, (2) outbound emails, (3) bill messaging, and (4) direct mail. SCE is unaware of CBOs that target Small Business Customers. For more information, please see SCE's Advice 241-G/4460-E.

b) *For all parties: please provide any comments on how utilities should conduct Marketing, Education, and Outreach activities to target small business customers with arrears, including any comments on how to specifically target small business customers that serve or are located in ESJ communities.*

SCE details its marketing, education, and outreach strategy within its Transition Plan Advice Letter.²²

²² See SCE Advice 241-G/4460-E.

3. *Question 14: Is a utility's recourse to collect on unpaid arrearages from a small business customer who "walks away" different than the utility's recourse for residential customers? How so?*

There is no difference in SCE's recourse to collect unpaid arrearages from a Small Business Customer who "walks away" versus a residential customer that does the same.

4. *Question 15: How much risk is there to a utility that a small business customer who is disconnected for nonpayment and does not reconnect service?*

SCE's current cost recovery mechanisms allow SCE to recover all of its bad debt write-offs related to Small Business Customers. SCE has two mechanisms, namely the (1) GRC uncollectibles factor and (2) the COVID-19 Pandemic Protections Memorandum Account (CPPMA). Should a Small Business Customer be disconnected for nonpayment and does not reconnect service, SCE would use one of the aforementioned cost recovery mechanisms to recover the associated shortfall in revenue.

5. *Question 16: What is your utility's success rate in collecting utility arrearages from small business customers after the small business does not reconnect service?*

SCE does not send its Small Business Customers' unpaid bills to collection agencies and cannot approximate its success rate in collecting unpaid bills from these Small Business Customers that do not reconnect service.

III.

CONCLUSION

SCE appreciates the opportunity to submit this data and responses to the questions from the ALJ.

Respectfully submitted,

ANNA VALDBERG
DAVID GOMEZ

/s/ David Gomez

By: David Gomez

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-7903
Facsimile: (626) 302-6693
E-mail: David.Gomez@sce.com

April 12, 2021