

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



FILED

06/21/21
02:29 PM

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

Rulemaking 21-02-014
(Filed February 17, 2021)

**JOINT REPLY COMMENTS OF
BEAR VALLEY ELECTRIC SERVICE, INC. (U 913 E),
LIBERTY UTILITIES (CALPECO ELECTRIC) LLC (U 933 E), AND
PACIFICORP (U 901 E) ON THE PROPOSED DECISION ADDRESSING ENERGY
UTILITY CUSTOMER BILL DEBT VIA AUTOMATIC ENROLLMENT IN LONG
TERM PAYMENT PLANS**

Jedediah J. Gibson
Ellison Schneider Harris & Donlan LLP
2600 Capitol Avenue, Suite 400
Sacramento, CA 95816-5905
Telephone: (916) 447-2166
Facsimile: (916) 447-3512
Email: jjg@eslawfirm.com

*Attorneys for Bear Valley Electric Service,
Inc.*

June 21, 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
(Filed February 17, 2021)

**JOINT REPLY COMMENTS OF BEAR VALLEY ELECTRIC SERVICE, INC. (U 913 E),
LIBERTY UTILITIES (CALPECO ELECTRIC) LLC (U 933 E), AND PACIFICORP (U 901 E)
ON THE PROPOSED DECISION ADDRESSING ENERGY UTILITY CUSTOMER BILL
DEBT VIA AUTOMATIC ENROLLMENT IN LONG TERM PAYMENT PLANS**

In accordance with Rule 14.3 of the California Public Utilities Commission (“Commission”) Rules of Practice and Procedure, Bear Valley Electric Service, Inc. (“BVES”), Liberty Utilities (CalPeco Electric) LLC (“Liberty”), and PacifiCorp, d.b.a. Pacific Power (“PacifiCorp”) (collectively, the California Association of Small and Multi-Jurisdictional Utilities (“CASMU”)) submit these joint reply comments on the Proposed Decision Addressing Energy Utility Customer Bill Debt Via Automatic Enrollment in Long Term Payment Plans (“Proposed Decision”).¹

In addition to the recommendations in CASMU’s June 14, 2021 opening comments, these reply comments support recommendations made by other parties. Specifically, as described in greater detail below, the Proposed Decision should be modified to eliminate any requirement for the CASMU members to automatically enroll residential or small business customers in payment plans. This will avoid significant administrative burdens associated with requiring the CASMU members to automatically enroll customers in payment plans, minimize customer burdens, and help ensure customers can enroll in an appropriately tailored and manageable payment plan to best address their individual arrearages. Additionally, the Proposed Decision should be modified to clearly provide for utility cost recovery to implement any new payment plan requirements ultimately adopted.

I. The Proposed Decision Should Eliminate Automatic Enrollment Requirements

While CASMU appreciates the Proposed Decision’s intentions to assist customers with arrearages, automatic enrollment in payment plans is not the proper solution. To begin with, automatic enrollment will be incredibly difficult and burdensome for the utilities to implement. As recognized by Southern California Gas Company (“SoCalGas”), “[a]uto-enrollment is not common practice for the

¹ Pursuant to Rule 1.8(d), BVES has been authorized to tender these joint reply comments on behalf of Liberty and PacifiCorp.

California utilities and will require education and learning on the part of both the Utilities and customers.”² San Diego Gas & Electric Company (“SDG&E”) similarly describes the difficulties associated with automatic enrollment requirements. According to SDG&E:

... the COVID-19 Relief Payment Plans will be implemented on a manual basis. To prevent inadvertent error during system stabilization, the system is currently unable to immediately accommodate mass programmatic changes such as those anticipated by the Proposed Decision. SDG&E will need to manually create and monitor the 24-month payment plans for all eligible and enrolled customers and will have to recreate the arrangements in the event of a missed payment in order to add a subsequent month to the end of the existing payment arrangement. SDG&E notes that, during manual implementation, the deferral component of the payment plans is the most labor intensive, and will thus necessitate additional costs.³

Given the small size of the CASMU members, difficulties and complexities associated with implementing automatic enrollment requirements are likely to be disproportionately burdensome on CASMU member staff and costs associated with implementing such requirements are likely to be significantly higher for CASMU customers.

Requiring utilities to automatically enroll customers in payment plans may also harm, rather than help, customers. SoCalGas notes that “[w]ithout the proper advance notification, automatic enrollment can create more problems than it can help solve.”⁴ Southern California Edison Company (“SCE”) describes how:

...automatic enrollment is likely to result in unintended and potentially negative outcomes for at least some of the customers. Customers may inadvertently fall off payment plans and could be concerned with being disconnected because they are enrolled in a payment plan without their consent, their knowledge, or their preference.

Automatic enrollment negates a customer’s ability to work with the utility to develop an appropriate payment plan. To avoid potential harms to customers, customers should be given the option to enroll in payment plan programs that are appropriate for their individual situation and circumstances.

The Utility Consumers’ Action Network (“UCAN”) also describes the burdens of automatic enrollment while highlighting that such enrollment may be unnecessary given expected customer relief. UCAN states:

² SoCalGas Comments, p. 7.

³ SDG&E Comments, p. 3.

⁴ SoCalGas Comments, p. 8.

Establishing and coordinating a new massive [automatic payment plan] program will not only be expensive and challenging for the utilities and their customer service staffs, but it may prove ... largely unnecessary if all available state and federal assistance can be delivered to households in need of arrearage assistance.⁵

Indeed, the Proposed Decision recognizes significant federal and state funding available for utility customer arrearages.⁶ In light of such funding, which may obviate the need for customer payment plans, automatic enrollment should not be required.

Finally, automatic enrollment is not supported by the record. As described by SCE:

Similar and other points concerning issues caused by automatic enrollment were made by California Community Choice Association (CalCCA), California Association of Small Multi-Jurisdictional Utilities (CASMU), Pacific Gas and Electric Company (PG&E), and San Diego Gas & Electric Company (SDG&E). The factual record does not support a finding to the contrary, and for the reasons stated in the parties' briefs, an automatic enrollment requirement should not be adopted.⁷

This is particularly true for the CASMU members. As described in CASMU's opening comments, the Proposed Decision relies upon inapplicable assumptions about the CASMU members to justify automatic enrollment of their customers in payment plans.⁸

For these reasons, the Proposed Decision should be revised to eliminate any requirements for the CASMU members to automatically enroll customers in payment plans.

II. The CASMU Members Should Not be Required to Automatically Enroll Small Business Customers in Overly Complex Payment Plans with Potentially Unlimited Terms

Many parties object to the Proposed Decision's requirements for small business customer payment plans, and particularly the proposed term for such payment plans. According to SoCalGas:

The COVID-19 Small Business Relief Payment Plan, as proposed, is not simple or standardized, but rather requires customization for every participating small business that will be challenging to communicate, track, and implement. Additionally, as proposed and as explained below, the COVID-19 Small Business Relief Payment Plan could result in customers *never* paying off their arrears, which is not the intent of implementing a payment plan.⁹

SDG&E similarly states:

⁵ UCAN Comments, p. 4.

⁶ Proposed Decision, pp. 6-9.

⁷ SCE Comments, pp. 4-5, footnotes omitted.

⁸ CASMU Comments, pp. 5-6, 8-9.

⁹ SoCalGas Comments, p. 3, emphasis in original.

The proposal for small business payment plans outlined in Appendix C of the Proposed Decision, while well-intentioned, creates an incredibly complex payment plan structure for each individual small business enrolled in a payment plan. Moreover, the payment plans proposed could potentially saddle small business customers with debt for years.¹⁰

According to Pacific Gas and Electric Company (“PG&E”), the proposed payment plan for small business customers outlined in the Proposed Decision would require utilities “to place customers into potentially decades-long periods of indebtedness to their utility.”¹¹ SCE similarly notes that “such payment plans could last for decades.”¹² Southwest Gas Corporation (“Southwest Gas”) describes how small business payment plan requirements “may prove impractical and unnecessarily lengthen the amount of time these customers need to remain on COVID-19 Relief Payment Plans.”¹³ Even the Small Business Utility Advocates (“SBUA”) recognize that the Proposed Decision’s small business customer payment plan’s “unlimited duration” is unreasonable.¹⁴

To avoid payment plans of such extended terms and the administrative burdens associated with administering such payment plans, which disproportionately impact the CASMU members and their customers, the CASMU members should not be required to automatically enroll small business customers in payment plans. Instead, such customers should have the ability to work with their respective CASMU member to enroll in an appropriate payment plan.

III. The Proposed Decision Should Provide for Cost Recovery to Implement New Payment Plan Requirements

CASMU supports recommendations from other utilities that the Proposed Decision should be modified to clarify and provide for cost recovery to implement new payment plan requirements.

According to SDG&E:

The Commission allows the energy utilities to track these costs in the corresponding COVID-19 Pandemic Protection Memorandum Account (CPPMA), authorized by Commission Resolution M-4842. However, the CPPMA expires upon expiration of the COVID-19 Emergency Customer Protections on June 30, 2021. SDG&E expects to continue to incur incremental costs related to the Emergency Rental Assistance Program (ERAP), long-term payment plans, and new bill relief programs after June 30, 2021. Therefore, SDG&E requests that the Commission

¹⁰ SDG&E Comments, p. 4.

¹¹ PG&E Comments, p. 4.

¹² SCE Comments, p. 2.

¹³ Southwest Gas Comments, p. 2.

¹⁴ SBUA Comments, pp. 8-10. It should also be noted that CASMU opposes including additional complex requirements to small business payment plans, as recommended by SBUA. (See SBUA Comments, pp. 7-15.)

extend the CPPMA past June 30, 2021 to record the incremental costs. If the CPPMA cannot be extended, SDG&E requests authorization to record the incremental costs into a new two-way balancing account, which could also be used to record the small business incremental uncollectible costs associated with the long-term small business payment plans.¹⁵

PG&E describes how implementing new payment plan requirements is likely to result in “incremental costs ... to modify [utility] billing system[s] to automatically enroll customers in payment plans.”¹⁶

SoCalGas similarly requests that the Commission “extend the date of the [CPPMA] account” to allow utilities to track “incremental administrative and outreach costs associated with implementing the directives in this Proposed Decision.”¹⁷

CASMU supports the recommendations of SDG&E, PG&E, and SoCalGas, and accordingly requests that the Proposed Decision extend the date of the CPPMA accounts to ensure that utilities can properly track any incremental costs associated with implementing new payment plan requirements.

IV. Conclusion

As described by multiple parties, the Proposed Decision’s requirements to automatically enroll customers in payment plans are incredibly burdensome, problematic, and not supported by the record. Further, proposed payment plan requirements for small business customers are overly complex and can lead to decades long payment plan terms. Given the tremendous burdens associated with requiring the CASMU members to automatically enroll customers in payment plans, the Proposed Decision should be modified to eliminate any requirement for the CASMU members to automatically enroll residential or small business customers in payment plans. The Proposed Decision should also clearly provide for utility cost recovery for any costs incurred to implement new payment plan requirements.

Dated: June 21, 2021

Respectfully submitted,

/s/

Jedediah J. Gibson

Ellison Schneider Harris & Donlan LLP

2600 Capitol Avenue, Suite 400

Sacramento, CA 95816-5905

Telephone: (916) 447-2166

Facsimile: (916) 447-3512

Email: jjg@eslawfirm.com

Attorneys for Bear Valley Electric Service, Inc.

¹⁵ SDG&E Comments, p. 7, footnote omitted.

¹⁶ PG&E Comments, p. 10.

¹⁷ SoCalGas Comments, p. 9.