



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

FILED

11/04/21
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) OPENING COMMENTS
ON ADMINISTRATIVE LAW JUDGE WATTS-ZAGHA'S PROPOSED DECISION
DIRECTING ALLOCATION OF PAYMENT ON PAST-DUE BILLS BETWEEN
INVESTOR-OWNED UTILITIES AND COMMUNITY CHOICE AGGREGATORS

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: **November 4, 2021**

**SOUTHERN CALIFORNIA EDISON COMPANY’S (U 338-E) OPENING COMMENTS ON
ADMINISTRATIVE LAW JUDGE WATTS-ZAGHA’S PROPOSED DECISION DIRECTING
ALLOCATION OF PAYMENT ON PAST-DUE BILLS BETWEEN INVESTOR-OWNED
UTILITIES AND COMMUNITY CHOICE AGGREGATORS**

TABLE OF CONTENTS

Section		Page
SUBJECT INDEX OF RECOMMENDED CHANGES.....		III
I.	INTRODUCTION	1
II.	DISCUSSION	1
	A. The Use of Proportional Allocation when Disconnection is Imminent for an Unbundled Customer Effectively Treats CCA Arrears as Disconnectable Charges.....	2
III.	CONCLUSION.....	4
APPENDIX A SCE’S PROPOSED MODIFICATIONS TO FINDINGS, CONCLUSIONS, AND ORDERS		

**SOUTHERN CALIFORNIA EDISON COMPANY’S (U 338-E) OPENING COMMENTS ON
ADMINISTRATIVE LAW JUDGE WATTS-ZAGHA’S PROPOSED DECISION DIRECTING
ALLOCATION OF PAYMENT ON PAST-DUE BILLS BETWEEN INVESTOR-OWNED
UTILITIES AND COMMUNITY CHOICE AGGREGATORS**

TABLE OF AUTHORITIES

Authority	Page
Statutes	
Cal. Pub. Util. Code § 779.2	2
CPUC Rulemaking	
R. 21-02-014	3
CPUC Rules of Practice and Procedure	
Rule 14.3	1

SUBJECT INDEX OF RECOMMENDED CHANGES

Pursuant to Rule 14.3(b) of the California Public Utilities Commission's Rules of Practice and Procedure, Southern California Edison Company provides the following Subject Index of Recommended Changes in support of its Comments on the Proposed Decision Directing Allocation of Payment on Past-Due Bills Between the Investor-Owned Utilities and Community Choice Aggregators, dated October 15, 2021. SCE recommends the following changes:

- The Proposed Decision should reflect that proportional allocation not be used when an unbundled customer is at imminent risk of disconnection; or, alternatively,
- The Proposed Decision should temporarily halt the ability of CCAs to return customers at their discretion through September 2024.

**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) OPENING COMMENTS
ON ADMINISTRATIVE LAW JUDGE WATTS-ZAGHA’S PROPOSED DECISION
DIRECTING ALLOCATION OF PAYMENT ON PAST-DUE BILLS BETWEEN
INVESTOR-OWNED UTILITIES AND COMMUNITY CHOICE AGGREGATORS**

I.

INTRODUCTION

Pursuant to Rule 14.3 of the California Public Utilities Commission’s (Commission) Rules of Practice and Procedure, Southern California Edison Company (SCE) submits these opening comments on Administrative Law Judge Watts-Zagha’s Proposed Decision Directing Allocation of Payment on Past-Due Bills between Investor-Owned Utilities and Community Choice Aggregators, dated October 15, 2021 (PD).

II.

DISCUSSION

As indicated throughout this proceeding, SCE supports the Commission’s desire to provide relief to customers previously unable to pay their utility bills during the COVID-19 pandemic. SCE believes, however, that the PD does not recognize that the use of proportional allocation when an unbundled customer is subject to disconnection has the unintended

consequence of effectively making Community Choice Aggregator (CCA) arrears “disconnectable.” To address this, SCE recommends the changes to the PD discussed below.

A. The Use of Proportional Allocation when Disconnection is Imminent for an Unbundled Customer Effectively Treats CCA Arrears as Disconnectable Charges¹

SCE’s current approach of only prioritizing utility arrears over CCA arrears when a customer is in “Final Call”² status and at imminent risk of disconnection strikes the appropriate balance between supporting the financial health of the CCA and avoiding the disconnection of unbundled customers.³ Thus, SCE recommends that the PD be revised to reflect that proportional allocation not be used when an unbundled customer is at imminent risk of disconnection. Alternatively, should the Commission decide to proceed with the PD as written, SCE recommends that Ordering Paragraph (OP) 1 be updated to temporarily halt the ability for CCAs to return customers at their discretion through September 2024.

By ordering that payments be allocated “on outstanding customer accounts proportionally between utility charges and Community Choice Aggregator charges through September 2024, regardless of customer disconnection status,”⁴ the PD effectively makes CCA charges disconnectable. While SCE would not disconnect a customer solely because of outstanding CCA arrears, the consequence of using any proportional allocation method when a customer is in “Final Call” status results in CCA arrears essentially becoming a disconnectable charge because the customer must now satisfy both CCA arrears and SCE arrears to prevent disconnection (i.e., it becomes impossible to prioritize truly disconnectable arrears). Thus, the PD effectively conflicts with Cal. Pub. Util. Code § 779.2, which, as acknowledged by the PD, “prohibits

¹ SCE is using the term “proportional allocation” interchangeably with its “zigzag method.”

² “Final Call” status refers to SCE sending the customer a 48-hour notice for disconnection of service for non-payment. The customer also receives an outbound call from SCE’s interactive voice response (IVR) system to notify them of the imminent disconnection.

³ In addition, the stabilization of SCE’s new customer billing system may impact SCE’s ability to change payment posting priority until after the third quarter of 2022.

⁴ PD, OP 1.

utilities from disconnecting service on residential accounts for delinquencies or indebtedness owed to any other person or corporation other than the utility.”

SCE agrees with the PD’s statement that “[n]ot all customers have the option to unbundle” and that customers without a CCA option would not necessarily “have access to the extra disconnection protection that unbundled customers may enjoy” if CCA arrears are deprioritized for customers at imminent risk of disconnection.⁵ But this inequity should not be the reason that this “protection” is removed. By definition, bundled customers do not have access to any additional offerings provided by CCAs, and unbundled customers can access both CCA offerings as well as their respective utility offerings. The intent of this proceeding is to “focus on appropriate parameters, cost estimates, and potential funding sources of relief” for customers affected by the COVID-19 pandemic,⁶ and an avenue to prevent customer disconnections should not be dismissed because it only helps a subset of customers.

Finally, the PD implies that when CCA customers do not pay, a CCA has no recourse and “continues to serve that customer without collecting revenue.”⁷ Unlike the utilities, however, CCAs have the option to return non-paying customers back to their respective utilities, as contained in SCE’s Rule 23.⁸ As the provider of last resort, it is the utilities rather than the CCAs that would ultimately continue to serve the customer without collecting revenue. It is SCE’s understanding that the CCA’s ability to return customers was to allow CCAs an option to address nonpaying customers, as the CCA does not have the ability to disconnect customers. If the Commission declines to make the changes the PD as recommended herein, then the Commission should, at a minimum, revise the PD to place a temporary halt until September 2024 on the CCAs’ ability to return customers.

⁵ PD, p. 11.

⁶ Rulemaking (R.) 21-02-014, Scoping Memo, p. 2.

⁷ PD, p. 10.

⁸ SCE Rule 23, Section U.2, available at https://library.sce.com/content/dam/sce-doelib/public/regulatory/tariff/electric/rules/ELECTRIC_RULES_23.pdf.

III.

CONCLUSION

SCE appreciates the opportunity to submit its comments and respectfully requests the Commission adopt SCE's recommendations as proposed herein.

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

November 4, 2021

Appendix A

SCE'S Proposed Modifications to Findings, Conclusions, and Orders

SCE's Proposed Modifications to Findings, Conclusions, and Orders

Proposed text deletions are in bold and strikethrough (~~abcd~~)

Proposed text additions are in bold and underlined (**abcd**)

Reference	Proposed Modification
<p><u>OP 1</u></p>	<p>Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company, shall allocate payments received on outstanding customer accounts proportionally between utility charges and Community Choice Aggregator charges through September 2024, regardless of customer disconnection status. <u>If an unbundled customer is at risk of imminent disconnection, the utility charges should be prioritized to result in the lowest amount to be paid to prevent disconnection.</u></p>
<p><u>Alternative</u> <u>OP 1</u></p>	<p>Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company, shall allocate payments received on outstanding customer accounts proportionally between utility charges and Community Choice Aggregator charges through September 2024, regardless of customer disconnection status. <u>CCAs are not allowed to return customers to the</u></p>

	<p><u>utility at the discretion of the CCA through</u> <u>September 2024.</u></p>
--	---