



PUBLIC UTILITIES COMMISSION505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298**FILED**
01/21/22
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January 21, 2022

Agenda ID #20271
Ratesetting

TO PARTIES OF RECORD IN RULEMAKING R.18-07-005:

This is the proposed decision of Administrative Law Judge Stephanie Wang. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's February 24, 2022 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

The Commission may hold a Ratesetting Deliberative Meeting to consider this item in closed session in advance of the Business Meeting at which the item will be heard. In such event, notice of the Ratesetting Deliberative Meeting will appear in the Daily Calendar, which is posted on the Commission's website. If a Ratesetting Deliberative Meeting is scheduled, ex parte communications are prohibited pursuant to Rule 8.2(c)(4).

/s/ ANNE E SIMON

Anne E. Simon

Chief Administrative Law Judge

AES:smt

Attachment

Decision PROPOSED DECISION OF ALJ WANG (Mailed 1/21/2022)**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

**DECISION GRANTING PETITION FOR
MODIFICATION OF DECISION 21-10-012****Summary**

We grant the Petition for Modification of Decision (D.) 21-10-012 Authorizing Percentage of Income Payment Plan Pilot Programs by Southern California Edison Company and Pacific Gas and Electric Company. This decision corrects an error in Decision 21-10-012 by replacing all references to “line-item bill credit” or “bill credit” with “line-item discount.”

1. Background

On October 7, 2021, the California Public Utilities Commission (Commission) approved Decision (D.) 21-10-012 Percentage of Income Payment Plan Pilot Programs (PIPP).

On November 30, 2021, Southern California Edison Company (SCE) and Pacific Gas and Electric Company (PG&E) filed and served a Petition for Modification of D.21-10-012 (Petition for Modification). SCE and PG&E request

that the Commission replace all references in D.21-10-012 to “line-item bill credit” or “bill credit” with “line-item discount.”

2. Discussion

Rule 16.4 of the Commission’s Rules of Practice and Procedure provide that a petitioner may request modifications to an issued Commission decision. Generally, a petition for modification must be filed and served within one year of the effective date of the decision proposed to be modified. SCE and PG&E filed and served the Petition for Modification within one year of the effective date of D.21-10-012.

In D.12-10-012, the Commission ordered SCE, PG&E and other large energy utilities to implement PIPP pilot programs that cap participants’ monthly utility bills. The Commission authorized utilities to implement the PIPP through “line-item bill credits” and authorized utilities to recover the PIPP “bill discounts” from a two-way balancing account.¹

In the Petition for Modification, SCE and PG&E point out the inconsistency between the decision’s reference to the mechanism for implementing the PIPP bill caps as both “line-item bill credits” and “bill discounts.”

Further, SCE and PG&E raise the unintended consequences of this inconsistency. The Commission concluded in D.21-10-012 that the PIPP bill cap should be applied to a customer’s bill prior to calculating any third-party taxes, charges and fees.² SCE and PG&E assert that the description of the line-item as a “credit” could give rise to challenges that the PIPP discount should be applied after the calculation of third-party taxes and fees under the Court of Appeal’s

¹ D.21-10-012 at Conclusions of Law 17 and 28.

² D.21-10-012 at 33-34.

decision in *City of Torrance v. Southern California Edison Co.*³ The Commission's intent was that taxes and fees be calculated after the discount is applied, since the amount of the utility bill is the lower, post-discount amount.

The Commission intended for utilities to implement the PIPP bill caps as line-item bill discounts, not as line-item bill credits. In D.21-10-012, the Commission explained its intention to simplify administration of bill caps through a "line-item" approach to billing, rather than as standalone rates.⁴ The references to a "line-item credit" rather than a "line-item discount" were a mistake. Elsewhere in the decision, including Section 12.2 (Cost Recovery) of D.21-10-012, the Commission correctly referred to "bill discounts."

Accordingly, the Commission should grant the Petition for Modification.

3. Comments on Proposed Decision

The proposed decision of Administrative Law Judge (ALJ) Stephanie Wang in this matter was mailed to the parties in accordance with Public Utility Code § 311(g)(1) and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on _____ by _____, and reply comments were filed on _____ by _____.

4. Assignment of Proceeding

Darcie L. Houck is the assigned Commissioner and Stephanie Wang is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. D.21-10-012 was effective on October 7, 2021.

³ *City of Torrance v. S. Cal. Edison Co.*, 61 Cal. App. 5th 1071 (Cal. Ct. App. 2021).

⁴ D.21-10-012 at 46-47.

2. The Petition for Modification was filed within one year of the effective date of D.21-10-012.

3. The Commission intended for utilities to implement the PIPP bill caps and line-item bill discounts, not as line-item bill credits.

Conclusion of Law

1. The Commission should grant the Petition for Modification.

O R D E R

IT IS ORDERED that:

1. The request to modify Decision 21-10-012 by Southern California Edison Company and Pacific Gas and Electric Company is granted.

2. All references to “line-item bill credit” or “bill credit” in Decision 21-10-012 shall be replaced with “line-item discount.”

3. Rulemaking 18-07-005 remains open.

This order is effective today.

Dated _____, at San Francisco, California