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R1807005

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

**ASSIGNED COMMISSIONER'S PHASE 2
SCOPING MEMO AND RULING**

This scoping memo and ruling sets forth the issues, need for hearing, schedule, category, and other matters necessary to scope Phase 2 of this proceeding pursuant to Public Utilities (Pub. Util.) Code Section 1701.1 and Article 7 of the Commission's Rules of Practice and Procedure (Rules).

1. Procedural Background

On July 12, 2018, the Commission approved the Order Instituting Rulemaking (OIR) for this proceeding pursuant to Senate Bill (SB) 598 to address residential disconnection rates across California's electric and gas investor-owned utilities. The primary goal of the proceeding is to reduce residential disconnections and improve reconnection processes. This proceeding is being conducted in phases.

Phase 1 of this proceeding established near-term or immediate disconnections improvements for Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company (together, the Large Utilities). A prehearing conference (PHC) for Phase 1 of this proceeding was held on August 15, 2018.

The Phase 1 Scoping Memo and Ruling was issued on September 13, 2018. On December 13, 2018, the Commission issued Decision (D.) 18-12-013 (Interim Decision), which established immediate interim rules to reduce residential disconnections by the Large Utilities. On June 11, 2020, the Commission issued D.20-06-003, which concluded Phase 1 of this proceeding. The small and multi-jurisdictional utilities (SMJUs) were exempted from the requirements of the Phase 1 decisions.

The Percentage of Income Payment Plan (PIPP) Phase of this proceeding authorized PIPP pilot programs. On September 17, 2020, the Commission held a PHC for the PIPP Phase. On October 30, 2020, the assigned Commissioner issued a PIPP Phase Scoping Memo and Ruling. On October 11, 2021, the Commission approved PIPP pilot programs for the Large Utilities in D.21-10-012.

Phase 1-A of this proceeding is considering residential disconnection protections for SMJUs. On March 8, 2019, the Commission held a PHC for Phase 1-A of the proceeding, which considers residential disconnection protections applicable to SMJUs. The assigned Commissioner issued a Phase 1-A Scoping Memo and Ruling on April 5, 2019. On March 15, 2021, the assigned Commissioner issued an Amended Phase 1-A Scoping Memo and Ruling.

On December 22, 2021, the Large Utilities filed a motion in accordance with Resolution E-5169 requesting an order to authorize the Large Utilities to: (a) file a Tier 3 Advice Letter requesting approval by the Commission for a study of the eligible Medical Baseline population in each utility's service territory, (b) hire a third-party consultant as a direct award contract to facilitate a stakeholder workshop, and (c) include incremental expenses incurred for the third-party consultant in each utility's respective residential disconnections memorandum account.

The OIR for this proceeding provided that Phase 2 of this proceeding would consider additional solutions for reducing disconnection rates given the costs associated with disconnections for both disconnected ratepayers and ratepayers at large.

The OIR included an initial scope of issues for Phase 2. After reviewing the record of this proceeding, I hereby modify the issues in scope for Phase 2 and establish the schedule for Phase 2 as set forth in this scoping ruling.

2. Issues

The issues to be considered in Phase 2 of this proceeding are:

1. Arrearage Management Plan (AMP): Is the AMP program meeting its objectives? If not, how should the AMP program be modified? Should the Commission hold an all-party meeting or workshop to explore this issue?
2. Community-Based Organization (CBO) Pilot: Should the Commission approve the CBO Arrears Case Management Pilot Program proposal (CBO Pilot Proposal) that will be filed in this proceeding in accordance with D.22-04-037? If so, is the proposed budget reasonable and how should costs for the pilot program be recovered? If the Commission approves the CBO Pilot proposal, which pot of funding should the budget come from, *e.g.* distribution rates, public purpose programs, or another source? What is the legal authority to use such funding for this purpose? Should the pilot program include outreach for CARE discounts, Medical Baseline discounts, or other assistance programs?
3. Long-Term Payment Plans: Should utilities continue to be required to automatically enroll residential customers in long-term payment plans before disconnecting households? What were the results of the requirements of D.21-06-036 for utilities to automatically enroll residential customers in long-term payment plans?

4. Medical Baseline Study: Should the Commission authorize the Large Utilities' proposed study of the eligible Medical Baseline population in each utility's service territory? If so, should the Large Utilities be authorized to hire a third-party consultant to facilitate a workshop? How should the costs of the study be recovered?
5. Future of PIPP Program: How should eligibility, income-verification, and bill caps be designed for a long-term PIPP program to ensure that the program reduces disconnections of Californians who cannot afford their energy bills without an unreasonable impact on rates? Should we leverage income-verified participant databases from other state programs, such as California LifeLine, CalFresh, and LIHEAP?

3. Questions for Party Comment

Parties are invited to file comments on the scoping ruling that address the issues as identified above, and the following questions.

1. AMP: Is the AMP program meeting its objectives? If not, what modifications do you recommend for the AMP program? What additional information do you need to refine your recommendations?
2. Long-Term Payment Plans: What were the results of the requirements of D.21-06-036 for utilities to automatically enroll residential customers in long-term payment plans? Should the requirement to enroll residential customers in long-term payment plans prior to disconnecting customers continue?
3. Medical Baseline Study: Should the Commission modify any of the terms of the Large Utilities' proposal for a study of the eligible Medical Baseline population in each utility's service territory? Should the study review the eligibility requirements for the Medical Baseline program? How should the Commission review the design of the study, *e.g.* through the proposed Tier 3 Advice Letter process? Is the proposed budget reasonable? How should the costs of the study be recovered?

4. Additional Issues: Should the Commission consider additional issues in Phase 2 of this proceeding or a future phase of this proceeding? If so, please explain how the issue is relevant for this proceeding and the urgency of addressing the issue.

4. Need for Evidentiary Hearing

The issues to be considered in Phase 2 of this proceeding may be resolved without the need for evidentiary hearings.

5. Schedule

The following schedule is adopted here and may be modified by the assigned Commissioner or ALJ as required to promote the efficient and fair resolution of Phase 2 of this proceeding:

Event	Due Date
Comments on this scoping ruling filed	August 5, 2022
CBO Pilot Proposal filed	August 16, 2022
Replies on this scoping ruling filed	August 19, 2022
Comments on CBO Pilot Proposal filed	September 9, 2022
Replies on CBO Pilot Proposal filed	September 23, 2022
Workshop on CBO Pilot Proposals	October 2022
Proposed decision on CBO Pilot Proposal	Quarter 1 of 2023
Proposed decision on Issues 1, 3, and 4	Quarter 2 of 2023
Ruling requesting comments on Issue 5 (PIPP)	Quarter 2 of 2023

Comments on Issue 5 filed	Within 20 days of ruling
Replies on Issue 5 filed	Within 30 days of ruling
Ruling with Staff Proposal on Issue 5	Quarter 3 of 2023
Comments on Staff Proposal filed	Within 20 days of Staff Proposal ruling
Replies on Staff Proposal filed	Within 30 days of Staff Proposal ruling
Proposed decision on Issue 5	Quarter 4 of 2023

Due to the complexity and number of issues in this proceeding, it is the Commission’s intent to complete this proceeding within 24 months of the date this scoping ruling is issued. (Pub. Util. Code Section 1701.5(b).)

6. Alternative Dispute Resolution (ADR) Program and Settlements

The Commission’s Alternative Dispute Resolution (ADR) program offers mediation, early neutral evaluation, and facilitation services, and uses ALJs who have been trained as neutrals. At the parties’ request, the assigned ALJ can refer this proceeding to the Commission’s ADR Coordinator. Additional ADR information is available on the Commission’s website.¹

Any settlement between parties, whether regarding all or some of the issues, shall comply with Article 12 of the Rules of Practice and Procedure and shall be served in writing. Such settlements shall include a complete explanation of the settlement and a complete explanation of why it is reasonable in light of the whole record, consistent with the law and in the public interest. The proposing parties bear the burden of proof as to whether the settlement should be adopted by the Commission.

¹ See D.07-05-062, Appendix A, § IV.O.

7. Category of Proceeding and Ex Parte Restrictions

Phase 2 of this proceeding is quasi-legislative. Accordingly, *ex parte* communications are permitted without restriction or reporting requirement pursuant to Article 8 of the Rules.

8. Public Outreach

Pursuant to Pub. Util. Code Section 1711(a), I hereby report that the Commission sought the participation of those likely to be affected by this matter by noticing it in the Commission's monthly newsletter that is served on communities and business that subscribe to it and posted on the Commission's website.

9. Intervenor Compensation

Pursuant to Pub. Util. Code Section 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation within 30 days of the issuance of this scoping ruling.

10. Response to Public Comments

Parties may, but are not required to, respond to written comments received from the public. Parties may do so by posting such response using the "Add Public Comment" button on the "Public Comment" tab of the online docket card for the proceeding.

11. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or has questions about the electronic filing procedures is encouraged to obtain more information at <http://consumers.cpuc.ca.gov/pao/> or contact the Commission's Public

Advisor at 866-849-8390 or 866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

12. Filing, Service, and Service List

The official Service List has been created and is on the Commission's website. Parties should confirm that their information on the Service List is correct and serve notice of any errors on the Commission's Process office, the Service List, the assigned Commissioner and the ALJ. Persons may become a party pursuant to Rule 1.4.²

When serving any document, each party must ensure that it is using the current official Service List on the Commission's website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using only electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur.

When serving documents on Commissioners, Commissioners' advisors, or the ALJ, parties must only provide electronic service. Parties must not send hard copies of documents to Commissioners, Commissioners' advisors, or the ALJ unless specifically instructed to do so.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at process_office@cpuc.ca.gov to request addition to the "Information Only" category of the official service list pursuant to Rule 1.9(f).

² The form to request additions and changes to the Service list may be found at <https://www.cpsc.ca.gov/-/media/cpsc-website/divisions/administrative-law-judge-division/documents/additiontoservicelisttranscriptordercompliant.pdf>

The Commission encourages those who seek information-only status on the Service List to consider the Commission's subscription service as an alternative. The subscription service sends individual notifications to each subscriber of formal e-filings tendered and accepted by the Commission. Notices sent through subscription service are less likely to be flagged by spam or other filters. Notifications can be for a specific proceeding, a range of documents and daily or weekly digests.

13. Receiving Electronic Service from the Commission

Parties and other persons on the Service List are advised that it is the responsibility of each person or entity on the service list for Commission proceedings to ensure their ability to receive e-mails from the Commission. Please add "@cpuc.ca.gov" to your e-mail safe sender list and update your e-mail screening practices, settings and filters to ensure receipt of emails from the Commission.

14. Assignment of Proceeding

Darcie L. Houck is the assigned Commissioner and Stephanie Wang is the assigned ALJ for the proceeding.

IT IS RULED that:

1. The scope of Phase 2 of this proceeding is described above and is adopted.
2. The schedule Phase 2 of this proceeding is set forth above and is adopted.
3. Evidentiary hearing is not needed.

4. The category of the proceeding is quasi-legislative.

This order is effective today.

Dated July 15, 2022, at San Francisco, California.

/s/ DARCIE L. HOUCK

Darcie L. Houck
Assigned Commissioner