



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

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Order Instituting Rulemaking to Consider
New Approaches to Disconnections and
Reconnections to Improve Energy Access
and Contain Costs.

R.18-07-005

COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E)
ON ADMINISTRATIVE LAW JUDGE'S RULING ON NEXT STEPS FOR THE
ARREARAGE MANAGEMENT PLAN PROGRAM

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Table Of Contents

Section	Page
I. INTRODUCTION	1
II. DISCUSSION	2
A. Should the Commission continue to consider AMP program issues in this rulemaking rather than open a new proceeding to consider AMP program issues?	2
B. Should the Commission extend the AMP program beyond June 11, 2024, and if so, for how long? If the Commission approves a Community Based Organization (CBO) pilot program in this proceeding, should the Commission extend the AMP program for a period that relates to the CBO pilot period?	2
C. When should the Commission evaluate the effectiveness of the AMP program?.....	3
D. How should the Commission evaluate the effectiveness of the AMP program for reducing disconnections and determine whether to modify, extend, or conclude the AMP program? Should the Commission require an independent evaluation of the program, similar to the evaluation provisions we adopted of the Percentage of Income Payment Plan pilot program? What evaluation criteria should the Commission set for the AMP program?.....	4
III. CONCLUSION.....	5

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I.

INTRODUCTION

Pursuant to California Public Utilities Commission (Commission or CPUC) Rules of Practice and Procedure, and in compliance with Administrative Law Judge (ALJ) Wang’s Ruling on the next steps for the Arrearage Management Plan (AMP), issued on April 10, 2023, Southern California Edison Company (SCE) respectfully submits the following opening comments.

II.

DISCUSSION

A. Should the Commission continue to consider AMP program issues in this rulemaking rather than open a new proceeding to consider AMP program issues?

SCE does not oppose considering the AMP program issues in this Rulemaking (R.) 18-07-005 (the Disconnections OIR) rather than opening a new proceeding as outlined in D.20-06-003, Ordering Paragraph (OP) 85—provided that the processes outlined in D.20-06-003 for investor-owned utilities (IOUs) to (1) provide data relevant to whether the AMP program should be reauthorized, modified, or terminated¹ and (2) submit a joint Tier 3 Advice Letter with recommendations for improving the AMP program² will also be allowed in the Disconnections OIR.

B. Should the Commission extend the AMP program beyond June 11, 2024, and if so, for how long? If the Commission approves a Community Based Organization (CBO) pilot program in this proceeding, should the Commission extend the AMP program for a period that relates to the CBO pilot period?

SCE does not oppose extending the AMP program to allow for concurrent enrollment with the CBO Arrears Case Management Pilot program (CBO Pilot) to (1) provide CBOs participating in the pilot with an additional tool to assist customers with their arrearages and (2) assist with determining whether this concurrent enrollment affects AMP completion rates. However, because the joint CBO Pilot proposal, filed on August 29, 2022, in accordance with D.22-04-037, has not yet been approved by the Commission, it is unclear what the specific timeframe for the AMP program extension could be. For example, based on the proposed timeline for implementing the CBO Pilot, should the CBO Pilot be approved by the Commission

¹ See D. 20-06-003, p. 109.

² See D. 20-06-003, OP 84.

in Q2 2023 (i.e., April – June 2023), the pilot would not begin until late Q4 2023 through early Q1 2024 (i.e., December 2023 – February 2024) and would close out 15 months after the proposed kick-off date.³ Should the AMP program be extended beyond a specific timeframe, SCE will determine whether to automate the AMP and, if so, will recover costs associated with these billing system updates through the Residential Disconnections Implementation Cost Memorandum Account (RDICMA).⁴

C. When should the Commission evaluate the effectiveness of the AMP program?

Pursuant to Resolution E-5114, SCE began enrolling customers in the AMP program in February 2021. SCE’s AMP program has been operational for approximately two years and has operated in tandem with SCE’s residential collections activities—excluding residential customers eligible for the 2022 California Arrearage Payment Program (CAPP)—for approximately five months. As SCE has previously opined, a viable assessment of the AMP program requires at least six months of AMP program billing data for customers that have completed AMP and have been paying bills for at least six months after the resumption of collection activities. In order to ensure that sufficient data is available for SCE’s AMP program, SCE recommends the AMP evaluation begin no earlier than October 2023.⁵

³ See Joint Submittal: CBO Arrears Case Management Pilot Proposal, pp. 18-19.

⁴ See SCE Preliminary Statement Part N. 15.

⁵ This date may differ among IOUs and is based on when each IOU resumes its residential collections activities.

D. How should the Commission evaluate the effectiveness of the AMP program for reducing disconnections and determine whether to modify, extend, or conclude the AMP program? Should the Commission require an independent evaluation of the program, similar to the evaluation provisions we adopted of the Percentage of Income Payment Plan pilot program? What evaluation criteria should the Commission set for the AMP program?

The primary objectives of the AMP program are to provide customers enrolled in California Alternate Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) with assistance to eliminate unmanageable arrears and incentivize timely payments.⁶ The AMP program also serves as a tool to further the goals of the Disconnections OIR, which are to adopt rules and policies that ultimately reduce disconnection rates across California's electric and gas IOUs.

SCE supports the IOUs developing a work scope and hiring an independent evaluator with experience evaluating low-income energy programs, to assist in developing metrics associated with disconnection related risk factors in addition to evaluating the success of the AMP program based on the stated objectives. The risk factors may include magnitude of arrearages, frequency of missed payments, frequency of late payments, etc.

Given the AMP program's objectives, SCE recommends the evaluation assess whether CARE and FERA customers that complete the AMP program are (1) at less risk of disconnection and (2) better able to manage their bills and/or improve bill payment practices. To do this, SCE recommends the evaluation assess success based on the extent to which the AMP program participants are significantly different than a similar group of customers (e.g., CARE/FERA customers with comparable arrearages) on key metrics due to their participation in and/or completion of the AMP program. Additionally, should the Commission require an independent evaluator for the AMP program, SCE should be authorized to recover such costs via the

⁶ D. 20-06-003, Ordering Paragraph (OP) 18.

program's RDICMA. This request is similar to SCE's proposal for the Percent of Income Payment Plan (PIPP) pilot as outlined in SCE Advice 4710-E, which outlined the implementation parameters for SCE's PIPP pilot, approved in Resolution E-5200.⁷

III.

CONCLUSION

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

Respectfully submitted,

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⁷ See Resolution E-5200, p. 23.