FILED
09/03/24
04:59 PM
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 (Filed July 12, 2018)

REPLY COMMENTS OF THE UTILITY CONSUMERS' ACTION NETWORK ON THE PROPOSED DECISION OF COMMISSIONER DARCIE HOUCK REGARDING THE ALLOCATION OF PARTIAL AND DELAYED PAYMENTS OF CUSTOMERS WITH ARREARAGES IN THEIR ELECTRIC BILLS

UCAN
UTILITY CONSUMERS' ACTION NETWORK
San Diego's Utility Watchdog

Jason Zeller
Staff Attorney
Utility Consumers' Action Network
404 Euclid Ave, Suite 377
San Diego, CA 92114
619-696-6966
jazzell2@yahoo.com

September 3, 2024

Table of Contents

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 (Filed July 12, 2018)

REPLY COMMENTS OF THE UTILITY CONSUMERS' ACTION NETWORK ON THE PROPOSED DECISION OF COMMISSIONER DARCIE HOUCK REGARDING THE ALLOCATION OF PARTIAL AND DELAYED PAYMENTS OF CUSTOMERS WITH ARREARAGES IN THEIR ELECTRIC BILLS

I. Introduction

As per the provisions of 14.3 of the Rules of Practice and Procedure of the California Public Utilities Commission the Utility Consumers' Action Network ("UCAN") submits its Reply Comments on the Proposed Decision of Commissioner Darcie Houck in this rulemaking. In its Opening Comments UCAN expressed its support for the Proposed Decision ("PD") because it fairly allocates the risks associated with partial payments of outstanding customer arrearages between the members of the California Community Choice Aggregators ("CalCCA") and the incumbent utility providers in the service territories of the three respective large electric utilities in California, Pacific Gas & Electric ("PG&E"), Southern California Edison ("SCE, Edison"), and San Diego Gas & Electric ("SDG&E"). Nothing in the Opening Comments of the four parties that submitted opening comments: the Center for Accessible Technology/National Consumers Law Center, SDG&E, PG&E, and CalCCA has changed UCAN's continued support for the PD as written.

II. SDG&E's Endorsement of the Zigzag Revenue Allocation Methodology is Inconsistent with Proportional Allocation

In SDG&E's Opening Comments, (p. 2), it argues that the zigzag revenue allocation formula is consistent with proportional allocation of partial payments of outstanding arrearages and that using this technique gives customers clarity over where their partial payments have been applied. What goes unstated in SDG&E's position is that the zigzag allocation methodology favors utility finances over those of community choice aggregators since partial payments would be initially applied to outstanding IOU arrearages and only later sent to CCAs. In short, instead of making revenue sharing of partial payments between IOUs and CCAs more equitable, the zigzag methodology helps reinforce the advantages enjoyed by incumbent IOUs. SDG&E's request to equate zigzag revenue allocations to proportional allocation of partial payments[1] should be rejected as factually incorrect and inconsistent with past Commission practice and the well-established principle that ensuring CalCCA members' finances are stable is in the public interest and provides needed protections for utility customers struggling to pay high electric rates.

SDG&E's Opening Comments are also critical of the PD's citation to UCAN's comments on the allocation partial payments to PCIA charges. SDG&E is correct that the Commission has a long-standing rulemaking R.17-06-026 designed to address PCIA charges and that the Commission should follow the direction of that rulemaking in allocating partial utility bill payments to IOUs and CCAs concerning PCIA charges.

III. CalCCA's Proposed Modifications to the PD Are Reasonable and Should be Adopted

To a large extent, CalCCA's Opening Comments on Commissioner Houck's PD are supportive of the decision and the direction it provides regarding the allocation of partial payments from customers with arrearages. The modification of the PD that CalCCA proposes to allow partial payments to be applied to all past due charges is reasonable and should provide an increased degree of financial security to CCAs that are wrestling with partial payments.[2]

[1] SDG&E's Opening Comments, p. 2.
[2] CalCCA Opening Comments, p. 3

Moreover, UCAN concurs with CalCCA's position that the PD helps ensure the financial viability of CCAs. Ensuring the financial security of CalCCA members is consistent with what California's legislature intended when it approved statutes allowing for the formation of CCAs.[3]

IV. PG&E's Position That Proportional Allocation Dilutes the Impact of the Disconnection Charge Illustrates How These Types of Charges Can Adversely Affect Low-to-Moderate Income Customers

PG&E's Opening Comments state on p. 2 that proportional allocation of partial customer payments of bill arrearages dilutes the impact of disconnection charges illustrates the utility's seeming indifference to the immense burden that high utility bills are placing on the state's low-to-moderate income residential customers. Instead of emphasizing the impact of disconnection charges on its customers, PG&E should be working to ensure (to the extent possible) that customer disconnections are kept to a minimum and that service termination should be a last resort measure after all other reasonable steps have been taken to ensure utility service remains available to low-to-moderate income customers. In numerous previous filings in this rulemaking, UCAN has emphasized the often-catastrophic consequences of service terminations on affected customers including homelessness, loss of child custody, evictions, and disruptions to the state's residential rental market.

PG&E's other requested modification of the PD to extend the period for termination of payment plans to October 1, 2028[4] is consistent with the direction of the Commission in addressing customer arrearages over the next several years. UCAN supports this modification of the PD. It should be noted, however, that the problem of customer arrearages will not disappear on October 1, 2028, and in fact will likely become more severe as the residential retail customer

---

[3] *Id*., p 3.
[4] PG&E Opening Comments, p. 3.

rates of all three of the large electric utilities in California rapidly escalate as recently approved rate increases are implemented. Customer arrearages are already a huge problem in California, a problem that is likely to worsen in coming years as rates escalate above the rate of inflation and global warming makes access to air conditioning to protect public health and safety a necessity in much of the state.

V. The Center for Accessible Technology/National Consumers Law Center Concerns About Climate Change Are Germane and Should Not be Ignored by the Commission

The Center for Accessible Technology/National Consumers Law Center's ("CforAT/NCLC") Opening Comments focus primarily on how global warming and climate change are likely to have a deleterious effect on the health and well-being of California's vulnerable low-to-moderate income and medically challenged individuals will be affected by increasing periods of high temperatures (particularly in inland areas). UCAN shares CforAT/NCLC's concerns about how high utility bills and the prospect of service terminations due to non or partial payment of outstanding utility bills have and will continue to have a negative effect on the health and well-being of millions of Californians that already cannot afford high utility bills during extended periods of elevated temperatures. High housing prices in temperate coastal areas have forced many low-to-moderate income customers to move to inland areas where extreme summer temperatures can be life-threatening. California's poorest county, Imperial County, routinely experiences triple digit temperatures during the summer, however, California's heavily populated San Joaquin and Central Valley are also subject to high summer temperatures that require some degree of cooling to make them bearable to vulnerable customers. To support these customer groups, CforAT/NCLC strongly supports TURN's recommendation that customers whose service has been disconnected for bill arrearages should be allowed to reconnect to a utility without being required to pay a deposit.[5] TURN's proposal is reasonable. Rather than reinstate barriers to the resumption of utility service in the form of customer deposit requirements (for customers that are already struggling to pay for utility services and other necessities) the requirement for a deposit to resume utility service should be waived to ensure utility services are available to all those who are in need.

VI. Conclusion

Aside from the modifications noted in the above comments, the PD should be approved by the Commission as written. The PD strikes an appropriate balance in protecting both the financial stability of CalCCA members and those of incumbent IOUs. The existing proportional allocation methodology has been in use for almost three years and has been found to be a workable solution for the problem of partial payments of outstanding arrearages. Large scale customer arrearages are a significant challenge for both incumbent IOUs and CalCCA members. Both entities face challenges in addressing unpaid or partially paid utility bills. The PD appropriately shares the risks associated with partial utility payments between CalCCA and incumbent IOUs.

Date: September 3, 2024

Respectfully Submitted,

By: __________/s/______________

Jason Zeller
Utility Consumers' Action Network
404 Euclid Ave, Suite 377
San Diego, CA 92114
619-696-6966
jazzell2@yahoo.com

---

[5] CforAT/NCLC Opening Comments, pp. 2-3.