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Decision 20-06-003 June 11, 2020

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

**PHASE I DECISION ADOPTING RULES AND POLICY CHANGES TO
REDUCE RESIDENTIAL CUSTOMER DISCONNECTIONS FOR THE LARGER
CALIFORNIA-JURISDICTIONAL ENERGY UTILITIES**

TABLE OF CONTENTS

Title	Page
PHASE I DECISION ADOPTING RULES AND POLICY CHANGES TO REDUCE RESIDENTIAL CUSTOMER DISCONNECTIONS FOR THE LARGER CALIFORNIA-JURISDICTIONAL ENERGY UTILITIES	2
Summary	2
1. Factual Background	4
1.1. Procedural Background	6
2. Issues set forth in the Scoping Ruling.....	7
3. Emergency Interim Rules Set Forth in the Interim Rules Decision.....	10
3.1. Interim Rules for Medical Baseline, Customers 65+, and Extreme Weather Protections	10
3.2. Discussion of Adoption of Interim Rules.....	12
4. Additional Protections for Vulnerable Customers	13
4.1. Extending Protections to Customers in Low Income or Subsidized Housing.....	14
4.2. Discussion Regarding Additional Protections for Low Income and Subsidized Housing Customers.....	18
4.3. Proposal requiring the IOUs Enroll Customers in all Applicable Programs; Offer a 12-Month Payment Plan; and Allow Customers to use LIHEAP Funds if Available Prior to Disconnection	20
4.4. Discussion Regarding Applicable Programs, 12-month Payment Plans, and Use of LIHEAP Funds	25
4.5. Protections for Households with Children Under the Age of 12 Months	26
4.6. Discussion of Protections for Households Under the Age of 12 Months	26
4.7. Protections to Populations Set Forth in this Decision versus Protections Set Forth in Resolution M-4842 Pertaining to the COVID-19 Pandemic	27
5. 2024 Disconnection Target Baseline, Reconnection Goal, and Limiting Disconnection Rates in Specific Zip Codes	28
5.1. 2024 Target.....	29
5.2. Discussion Regarding 2024 Caps.....	31
5.3. Reconnection Goals Among Electric and Gas IOUs.....	32
5.4. Discussion Regarding Reconnection Goals.....	32
5.5. Limiting Zip Codes from Exceeding a 30 Percent Disconnection Rate.....	33
5.6. Discussion Limiting Zip Codes from Exceeding a 30 percent Disconnection Rate	34
6. Elimination of Establishment and Reestablishment Deposits.....	34

6.1. Discussion Regarding the Elimination of Deposits.....	39
7. Notices	41
7.1. Discussion Regarding Notices.....	44
8. Elimination of Reconnection Fees	45
8.1. Discussion Regarding Elimination of Reconnection Fees.....	47
9. Benefit of Service.....	47
9.1. Discussion Regarding Benefit of Service.....	55
10. LIHEAP Improvements	57
10.1. Discussion Regarding LIHEAP Improvements.....	66
11. Revisions to Medical Baseline Program	68
11.1. Discussion Regarding Revisions to Medical Baseline Program	70
12. Transparency for Community Choice Aggregation.....	72
12.1. Discussion Regarding Improving Transparency for the CCAs	74
13. CARE and FERA Outreach	74
13.1. Discussion Regarding CARE/FERA Outreach	76
14. Payments to Avoid Immediate Disconnection.....	77
14.1. Discussion Regarding Payments to Avoid Immediate Disconnections	80
15. Arrearage Management Plans	81
15.1. Comments Received on the May 1, 2019 ALJ Ruling.....	82
15.2. Opening and Reply Comments Received on the Workshop Report Issued October 14, 2019	84
15.3. November 14, 2019 Ruling Setting Forth the Arrearage Management Payment Plan Proposal	86
15.3.1. Arrearage Management Plan Structure.....	86
15.3.2. Initial Proposal on Arrearage Management Plan Implementation	89
15.4. Party Comments on Proposal	90
15.5. Discussion Regarding Arrearage Management Plans	94
15.5.1. AMP Enrollment Facilitation.....	99
15.5.2. Arrearage Management Plan Implementation	100
16. Uncollectible Charges	100
16.1. Discussion on Uncollectibles	103
17. PIPPs	105
17.1. Enrollment Criteria and Pilot Population	106
17.2. CBO Outreach and Enrollment Partners	106
17.3. Outreach and Enrollment.....	107
17.4. PIPP Design.....	108
17.5. Payment Plan Duration.....	108

17.6. PIPP Working Groups	109
17.7. PIPP Evaluation.....	109
17.8. PIPP Implementation.....	110
17.9. Cost Recovery	110
17.10. Party Comments.....	111
17.11. Discussion Regarding PIPPs.....	118
18. Pilots.....	119
18.1. Party Comments on Pilot with Verified Partners	119
18.2. Party Comments on Using Existing Programs to Help Reduce Energy Bills	121
18.3. Discussion	123
19. Enforcement	123
19.1. Discussion Regarding Enforcement Programs.....	125
20. Request for Memorandum Account to Track Implementation Costs Associated with this Decision and SCE’s Request to Delay Implementation Due to System Upgrades	126
21. Comments on Proposed Decision	127
22. Assignment of Proceeding	127
Findings of Fact	128
Conclusions of Law	130
ORDER.....	132

Attachment – Table of Terms

Appendix 1 – Rolling Methodology for the Disconnection Cap

Appendix 2 – Sample FAQ for IOU Arrearage Management Payment Plan

**PHASE I DECISION ADOPTING RULES AND POLICY CHANGES TO
REDUCE RESIDENTIAL CUSTOMER DISCONNECTIONS FOR THE LARGER
CALIFORNIA-JURISDICTIONAL ENERGY UTILITIES**

Summary

This decision adopts rules and other changes applicable to Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company and is designed to reduce the number of residential customer disconnections and to improve reconnection processes for disconnected customers. Customers' access to electric and gas service is critical to economic and social stability and well-being. Even after a customer has paid off an overdue balance, the reconnection process, particularly for gas service, can be time-consuming and costly, and few rules govern it.

Although the Commission does have policies and procedures in place to reduce gas and electric utility service disconnections, the rates of customer disconnections were rising before the Commission issued Decision (D.) 18-12-013 (Interim Rules Decision) in this proceeding. Accordingly, the instant rulemaking has been instituted with a goal of developing a comprehensive set of policies and rules to reduce the statewide level of gas and electric service disconnections for nonpayment by residential customers. Today's decision also adopts and makes permanent, with modifications the Interim Rules Decision issued on December 13, 2018.

Specifically, the Interim Rules Decision imposed a cap on disconnections based upon 2017 recorded levels per utility; extended the extreme weather conditions look-ahead from 24 to 72 hours; and expanded the definition of

vulnerable customers to include any household on medical baseline or life support and for customers age 65+ as defined in D.16-09-016 for senior citizens.

This decision also provides for additional protections by requiring the large investor owned utilities (IOUs) to enroll eligible customers in all applicable benefit programs administered by the IOUs, requiring the IOUs to offer payment plans of 12-month periods, and prohibiting disconnections if there is a Low Income Home Energy Assistance Program (LIHEAP) pledge.

This decision prohibits the IOUs from requiring an establishment of service deposit or reestablishment of service deposit, as deposits can adversely impact a household's ability to meet its financial obligations. Additionally, utilities are precluded from charging customers reconnection fees. This decision also requires the IOUs to improve their disconnection notices so that customers are better informed that they are in danger of having their utilities disconnected and are provided information concerning the availability of financial programs which may be available to assist them.

This decision also establishes new procedures that the large utilities will use when determining whether a customer has benefited from prior service at a residential location. It also makes various improvements in the way that the IOUs interact with Low Income Home Energy Assistance Program providers. This decision also revises the medical baseline program so that physician's assistants and nurse practitioners can certify eligibility for medical baseline enrollment. Additionally, the decision promotes greater transparency with the community choice aggregation providers.

This decision requires that the issue concerning additional outreach for California Alternate Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) be addressed in the consolidated Applications referred to collectively as Application 19-11-003. It also encourages gas field collectors to have the capability to accept payments in the field from residential customers who are facing immediate disconnections. To assist CARE and FERA customers with large unpaid arrearages, it creates an Arrearage Management Payment (AMP) plan. To evaluate ways of making monthly utility bills manageable, this decision creates a separate ratesetting phase of this proceeding to evaluate the percentage of income payment plan (PIPP) which was originally set forth in the proposed decision. Finally, this decision mandates the creation of an enforcement program to ensure that the IOUs are complying with the requirements of this decision.

We leave this proceeding open to consider additional policies, rules, and regulations to address issues to reduce the rate of customer disconnections in Phase I-A, the new PIPP phase, and Phase II of this proceeding.

1. Factual Background

On September 28, 2017, Governor Brown signed Senate Bill (SB) 598 (Hueso 2017) into law. SB 598 acknowledges that disconnections of gas and electric utility customers have been rising and notes the public health impacts in

terms of hardship and stress resulting from disconnections, especially among vulnerable populations.¹

California's electric and natural gas investor-owned utilities (IOUs) each have differing procedures and protocols pertaining to disconnection for failure to timely pay for service and for reconnection. Some aspects of disconnection and reconnection processes occur pursuant to Commission-adopted rules and policies. Other aspects are voluntary and are not enforced by any Commission rules. Although the impetus for disconnection, repayment options, and reconnection times, differ across the IOUs, the ramifications of disconnection for customers can be far-reaching. The compounding effects of disconnection include disruption of the customer's normal daily activities (*e.g.* potentially, the ability to maintain employment,) as well as broad public health and social impacts associated with lack of electric and gas service.

Among other things, SB 598 requires the Commission to develop rules, policies, or regulations with a goal of reducing the statewide disconnection rate of gas and electric utility customers by January 1, 2024. The Commission is also required to analyze the impacts on disconnection rates of any utility rate increases in each utility's general rate case (GRC). SB 598 also sets forth circumstances under which a customer shall not be disconnected for nonpayment, including a customer receiving a medical baseline allowance, a customer (or member of their household) receiving hospice care, customer

¹ The Commission's Policy and Planning Division (PPD) also issued a paper in December 2017 finding that, aside from a brief slowdown in 2010, disconnections have been rising. Since 2011, the number of disconnections has steadily increased from the paused state in 2010.

dependency on life-support equipment, or the presence of medical conditions requiring electric and natural gas service to sustain life or prevent deterioration of the medical condition.

Through the instant rulemaking, we intend to implement specific requirements in SB 598. We also intend to analyze the current disconnection paradigm more broadly, in order to determine if more effective structures or policies can be adopted to reduce disconnections, reduce costs and improve the disconnection process across utilities. Through the instant rulemaking, we intend to undertake a comprehensive assessment of the root causes of (or events that correlate with) residential customer disconnections while also evaluating the rules, processes and procedures regarding disconnections and reconnections at both a statewide and utility specific level.

The scope of this rulemaking will build upon previous measures adopted in Rulemaking (R.) 10-02-005 to reduce disconnection rates during the Great Recession through improved customer notification and education. Decision (D.) 10-07-048 adopted interim actions to reduce disconnections before the 2010-2011 winter season. D.10-12-051 approved a settlement agreement to address disconnection practices of the major IOUs.

1.1. Procedural Background

On July 20, 2018, the Commission instituted the instant rulemaking to consider new approaches to disconnections and reconnections to improve energy access across California's electric and gas investor-owned utilities. A prehearing conference (PHC) was held on August 15, 2018. The Assigned Commissioner's

Phase 1 Scoping Memo and Ruling and Request for Comments on a Proposed Pilot Program (Scoping Memo) issued on September 13, 2018.

This rulemaking names as respondents the four largest electric and natural gas IOUs. However, disconnections also occur within the service territories of small and multi-jurisdictional utilities under our jurisdiction. As such, the small and multi-jurisdictional gas and electric corporations are also respondents.² California Community Choice Aggregators (CCA) are not identified as respondents because CCA disconnections are managed by the interconnecting utility. However, CCA participation in this proceeding has been encouraged.

The Scoping Memo identified two phases for this rulemaking. Phase 1 is to adopt policies, rules, or regulations with a goal of reducing, by January 1, 2024 or before, the statewide level of residential gas and electric service disconnections for nonpayment³. Phase II will take a broader approach to the evaluation of residential natural gas and electric disconnections with the goal of determining if the disconnection rate can be reduced through broader reforms and new preventive approaches.

The parties were provided with many opportunities to take part in formulating the record for this proceeding. These opportunities include

² The smaller IOUs named as respondents are: Southwest Gas Company, Liberty Utilities (CalPeco Utilities) LLC, Bear Valley Electric Service, a division of Golden State Water Company, PacifiCorp, Alpine Natural Gas Operating Company, West Coast Gas Company, Inc. We will address the issues relevant to the smaller IOUs in Phase I-A of this proceeding.

³ As this proceeding progressed, the smaller IOUs requested that the Commission consider the smaller IOUs in a separate phase of this proceeding. It was concluded that any new rules and/or procedures for the smaller IOUs would be addressed in Phase I-A of this proceeding.

participating in several workshops conducted throughout the different IOUs service territories, the opportunity to review and comment on the workshop reports and other information presented at the workshops, and the ability to submit data and opening and reply comments to the many rulings issued by the assigned Administrative Law Judge (ALJ) during Phase I of this proceeding. No evidentiary hearings were held. The basis for this decision is the record developed through the above-referenced comments on the workshop reports/attachments and ruling issued by the assigned ALJ.

2. Issues set forth in the Scoping Ruling

The Assigned Commissioner's Scoping Memo and Ruling, which was issued on September 13, 2018 set forth the following scope for this proceeding:

1. What is the current rate and status of disconnections and reconnections within the service territories of California's investor-owned energy utilities (IOUs)? This will include, but is not limited to, an evaluation of:
 - a. Utility-specific disconnection rates for nonpayment.
 - b. Utility-specific rules and policies regarding disconnections for nonpayment.
 - c. Utility-specific requirements for reconnection, including time to reconnection after payment.
 - d. Current Commission rules regarding disconnections and reconnections.
 - e. The causes of utility disconnections for nonpayment. What events are correlated with an increase in disconnections?
 - f. The correlation between rate increases and the disconnection rate for nonpayment.

- g. The cost to all ratepayers to address disconnections and reconnections, including employee salaries, programmatic costs, and lost revenues.
 - h. What are the reasons that a utility decides to ultimately disconnect a customer? What internal procedures are followed? Is there an increased need for transparency?
 - i. What type of socioeconomic data is available as it relates to customers facing disconnections?
2. By what amount (goal or target) should the Commission seek to reduce disconnections by January 1, 2024 in accordance with SB 598? How will this goal be measured and evaluated? Should these goals be addressed in Phase I or Phase II of this proceeding? How should these targets be revised if additional information becomes available?
3. What policies, programs or rules should the Commission adopt to reduce the disconnection rate for nonpayment? This may include, but is not limited to, adoption of a payment plan framework, debt forgiveness.
- a. Should the Commission adopt comprehensive rules and policies that apply to all utilities, or should the utilities continue to have the flexibility to develop their own rules and policies? Or both?
 - b. Should the Commission adopt specific rules or policies around reconnections, including a maximum allowable time to reconnect a utility customer after payment?
 - c. Are additional employee resources needed to adequately address reconnections, and if so, should the Commission address this issue globally in this OIR or within each utility's general rate case?
 - d. What programs or policies should the Commission adopt, either alone or in partnership with other agencies to stop disconnections before they happen?

- e. Can the Commission and utilities design programs that will aid or assist utility customers at risk of disconnection before a disconnection occurs?
 - f. What are the best practices regarding disconnections and reconnections currently being used in other states? Should or can the Commission adopt any of these best practices to immediately reduce the disconnection rate in California?
 - g. Should the Commission adopt rules or policies that establish enforcement mechanisms for utilities that do not adhere to any policies, programs, or rules adopted to reduce the disconnection rate for nonpayment? What sort of penalties should apply for violations?
4. What are the disconnection rules and policies in other states, and could these policies be adopted successfully in California?
 5. Are there customers that should never be disconnected?
 6. What are the impacts of disconnections on vulnerable customers, including, but not limited to customers with disabilities and non-English speaking households?
 7. In order to provide rapid relief, should the Commission place a cap of disconnection rates at the 2017 levels?
 8. Should there be a portion of this rulemaking tailored specifically to Small and Multi-Jurisdictional Utilities?
 9. What is the role of Community Choice Aggregators in disconnections and should the Commission establish policies as it relates to disconnections that are managed by the interconnecting utility?

3. Emergency Interim Rules Set Forth in the Interim Rules Decision

In addition to explicitly requiring an overall reduction in disconnection rates, SB 598 created protections for customers for whom disconnection would be

life-threatening. Specifically, SB 598 prohibits gas or electrical corporations from disconnecting customers who utilize a medical baseline allowance, are financially unable to pay, agree to a payment plan, and either are under hospice care, on life-support equipment, diagnosed with a life-threatening condition that makes electricity service medically necessary.

As discussed, and modified below, this decision makes the Interim Rules permanent.

3.1. Interim Rules for Medical Baseline, Customers 65+, and Extreme Weather Protections

In line with SB 598 protections, the Scoping Memo similarly proposed to ban disconnections of vulnerable customers, defined as customers who qualify for medical baseline and/or are above 65 years old, as long as the customer agrees to a payment plan. As noted in SB 598, customer disconnections are a public health issue, and impact people with physical disabilities, and with life-threatening medical conditions. Additionally, the Interim Rules decision also adopted various protections during extreme weather events. Parties filed comments on the proposals set forth in the Scoping Memo which helped formulate the Interim Rules adopted by the Commission.

On December 13, 2018, the Commission adopted D.18-12-013 which set forth various emergency interim measures to address and prevent disconnections of vulnerable populations and to prohibit disconnections during extreme weather events.

In D.18-12-013, the Commission adopted the following interim rules preventing utilities from disconnecting vulnerable customers:

The utilities shall not disconnect customers for nonpayment who qualify for medical baseline and/or are above 65 years old, as long as the customer agrees to a payment plan. For the purpose of applying this requirement, we define senior citizens as any permanent member of a household, age 65 or older, in any income bracket, consistent with the criteria in D.16-09-016.⁴ The utilities shall not disconnect a customer if anyone in the household meets that definition. We shall not require the utility to make affirmative inquiry of every residential household as to whether eligible vulnerable customers reside there. If the utility has discussions with the customer prior to disconnection, however, the utility shall have a duty to inquire if there is anyone in the household who meets the age 65+ parameters for senior citizens as adopted herein.⁵

The Commission also adopted Interim Rules related to disconnections during extreme weather conditions. The Interim Rules required that energy IOUs not be allowed to disconnect customers when the 72-hour National Weather Service forecast predicts temperatures above 100 degrees or below 32 degrees. The 100-degree prohibition does not apply to gas utilities. Again, the IOUs generally supported the extreme weather protections.

The Commission noted in D.18-12-013 that the interim rules adopted therein would be evaluated further in Phase I of this proceeding and the definition of vulnerable populations may be refined, as necessary. The protections afforded in the interim rule's decision were fully discussed during Phase I of this proceeding.

⁴ See D. 16-09-016, Section 2.1.2, Finding of Fact (FOF) 3, and Ordering Paragraph (OP) 1.

⁵ See D.18-12-013 at 21-22.

3.2. Discussion of Adoption of Interim Rules

Typically, the IOUs supported the Interim Rules protecting vulnerable populations⁶ and the weather protections. There was no evidence presented that would convince us that some of the Interim Rules should not become permanent. Therefore, we have decided that the Interim Rules prohibiting disconnections of customers who qualify for medical baseline shall become permanent. If the customer has arrearages, then the customer must agree to a 12-month payment plan.

The Interim Rules originally provided that anyone who was 65 years or older could not be disconnected for nonpayment of their electric and gas services. Although the IOUs did not have an affirmative duty to reach out and ask its customers if anyone in the household was over 65, they did have an affirmative duty to do so if they had any discussions with the customer for any reason. This created an additional administrative burden on the IOUs and it also created the potential of requiring the IOUs to track whether the individual over 65 had left the household for any reason.

UCAN raised concerns in its opening comments that requiring the IOUs to collect, and store personal customer data could lead to privacy concerns. Additionally, the IOUs noted in their opening comments that it is extremely difficult for the IOUs to verify this information.

We note that the consumer advocacy groups in this proceeding supported the protections for customers 65 and over. However, after careful consideration

⁶ *Id.* at 19-20.

of the comments from the IOUs and UCAN, we concur with UCAN that collecting this data presents various privacy concerns and we agree with the IOUs that they may have difficulty verifying the data that customers would provide. Therefore, we have decided to remove the protection for customers 65 and over from the Interim Rules. As will be discussed below, we will require the IOUs in this phase of the proceeding to provide payment plans of 12 months.

We make permanent the protections prohibiting disconnections during extreme weather conditions. These protections recognize that disconnections are a public health issue, particularly when temperatures are extreme. Lost access to energy services on extremely hot or cold days can be life threatening for some populations. To protect customers from disconnection due to nonpayment during periods of extreme temperatures in the winter, we establish thus immediate, interim temperature limitations on disconnections. Electric energy IOUs cannot disconnect residential electricity customers when temperatures above 100 degrees or below 32 degrees are expected based on a 72-hour look-ahead period. Gas utility IOUs cannot disconnect residential electricity customers when temperatures are expected to be below 32 degrees based on a 72-hour look-ahead period.

4. Additional Protections for Vulnerable Customers

In addition to making the interim rules permanent, many parties suggested that there should be additional protections to help reduce vulnerable customers from having their utilities disconnected. Some of these suggestions included not disconnecting any customer who receives assistance from Section 8.

Additionally, it was suggested that there should be no disconnection of vulnerable customers until they have been enrolled in all applicable benefit programs; the customer has been offered the assistance of funds from the Low Income Home Energy Assistance Program (LIHEAP); the customer has been offered a 12-month payment plan⁷; and that there should not be any disconnections for a customer who has a pending LIHEAP pledge pending. Finally, it was recommended that the Commission take further action to provide additional protections to households with children.

4.1. Extending Protections to Customers in Low Income or Subsidized Housing.

During Phase I of this proceeding, many of the intervenors recommended that the Commission extend disconnection protections to Section 8 households. On November 14, 2019, the assigned ALJ issued a ruling requiring the parties to provide comments on whether Section 8 households should be added to the list of customers who should not have their utilities disconnected.

On December 6, 2019, Southern California Edison Company (SCE) filed comments⁸ in response to a ruling issued by the ALJ. SCE opposes the idea of not disconnecting customers on Section 8. SCE believes that it would be inappropriate to set disconnection policies based on whether a customer received Section 8 housing vouchers and exclude other low-income customers who are on a waitlist or otherwise not participating in Section 8 housing programs. SCE

⁷ This payment plan should be a 12-month payment plan and not simply extensions or renegotiations of previous three-month plans.

⁸ See, SCE Comments Dated December 6, 2019 at 10-11.

contends that the relevance of Section 8 housing (versus any other low-income assistance programs) to the policies being developed in this proceeding are unclear. Further, SCE believes that this policy favors Section 8 housing customers above other customer segments without a reasonable basis and creates cost increases for all customers who must subsidize the increased costs associated with increased uncollectible expenses.

Pacific Gas and Electric Company (PG&E) similarly filed comments⁹ on December 6, 2019 and opposes the idea of extending the disconnection prohibitions to Section 8 customers. PG&E contends that it does not collect information from customers on whether they are on Section 8 and PG&E does not believe it is appropriate to collect and store this information due to potential customer privacy issues. Furthermore, PG&E contends that there has been no evaluation or evidence provided in this proceeding to establish to what extent, if any, these customers are disproportionately impacted by disconnections. Although PG&E opposes the expanding the protections to Section 8 customers, it does support promoting California Alternate Rates for Energy¹⁰ (CARE) and other existing low-income programs to help reduce disconnections.

San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (SoCalGas) filed joint comments¹¹ on December 6, 2019. Jointly they

⁹ See, PG&E Comments Dated December 6, 2019 at 6-8.

¹⁰ Low-income customers enrolled in the CARE program receive 30-35% discount on their electric bills and a 20% discount on natural gas bills. Customers whose total household income is at or below 200% of the Federal Poverty Guidelines are eligible for CARE enrollment.

¹¹ See, SDG&E and SoCalGas Comments Dated December 6, 2019 at 10.

oppose the idea of extending the protections to Section 8 customers. Jointly they contend that information regarding whether a customer lives in Section 8 housing is not accessible by the IOUs. Moreover, the IOUs would be forced to require customers to provide documents or other verification to prove their Section 8 status. Furthermore, they state that there is no evidence in this proceeding to support that customers who live in Section 8 housing are at a higher risk of disconnections than other populations.

On December 13, 2019, The Utility Reform Network (TURN) filed comments¹² on the ALJ's Ruling supporting additional protections for all vulnerable customers in any form of subsidized housing for which utility services is a leasing requirement. TURN believes that the IOUs should do the following to customers living in subsidized housing: automatically enroll the customer in the IOU specific support programs (*e.g.* Neighbor-to Neighbor and the Relief for Energy Assistance Through Community Help (REACH)); allow the Housing Authority to act as a Local Service Provider (LSP) in order to expedite a LIHEAP pledge for eligible customers; work with the customer to establish a payment plan; and enroll the customer in an Arrearage Management Payment (AMP) Plan or Percentage of Income Payment Plan (PIPP) pilot if the customer meets the eligibility requirements.

Center for Accessible Technology (CforAT) and National Consumer Law Center (NCLC) filed opening comments¹³ on December 6, 2019 supporting

¹² See, TURN Comments Date December 13, 2019 at 5.

¹³ See, CforAT and NCLA Comments dated December 6, 2019 at 1-12.

additional protections for vulnerable customers. They recommend that the Commission consider extending coverage to tenants of public housing as well because these customers should be provided with such targeted protections because the leasing terms for this type of housing often state that loss of utility service is a cause for eviction. They propose a pilot that couples a PIPP with AMP for these households receiving subsidized housing benefits. Under this proposed program customers pay a monthly bill based on their income while their arrearages are forgiven 1/12 every month. In Reply Comments¹⁴ filed on December 13, 2019 CforAT and NCLC disagree with the IOUs claims that the record does not support additional protections for customers receiving Section 8 housing. They assert that customers face losing their subsidized housing if the utilities are disconnected.

On December 6, 2019, Utilities Consumers' Action Network (UCAN) filed opening comments¹⁵ and reply comments¹⁶ on the ALJ's ruling. UCAN recommends that the Commission devise rules that apply to all low-income ratepayers, not just Section 8 participants. UCAN states that in most metropolitan areas far more households are eligible for Section 8 assistance than the program can accommodate. According to UCAN, the San Diego Housing Commission asserts that the average wait time for a housing voucher is 8-10 years. Also, in some locations local housing authorities (that administer the

¹⁴ See, CforAT and NCLA Reply Comments dated December 13, 2019 at 5.

¹⁵ See, UCAN Comments dated December 6, 2019 at 8-10.

¹⁶ See, UCAN Reply Comments dated December 13 at 3-4.

Section 8 program) have closed the list and are not taking any more applications for Section 8. UCAN agrees with TURN that Section 8 customers should be automatically enrolled in programs such as CARE/ Family Electric Rate Assistance Program (FERA¹⁷) if they have substantial bill arrearages.

Central Coast Energy Services (CCES) filed opening comments¹⁸ on December 6, 2019 supporting additional protections for Section 8 customers. CCES recommends that the Commission prohibits disconnections for all customers living in Section 8 or subsidized housing. CCES believes that the IOUs must conduct additional outreach to the identified subsidized housing tenants that have past due balances and are at risk of disconnection.

California Community Choice Association (CalCCA) filed opening comments¹⁹ on December 6, 2019. CalCCA supports prohibiting disconnections for customers who hold Section 8 vouchers if these customers are first enrolled in all the programs, they are eligible for, such as CARE. CalCCA believes that loss of housing is too high a price to pay for falling behind on one's utility bills. However, if the Commission ultimately rules to prohibit disconnections for these customers, a means to cover the costs of their energy usage will need to be established.

¹⁷ Families with household incomes which slightly exceed the CARE income allowance and below 250 percent of the Federal Poverty Guidelines qualify for FERA discounts, which applies an 18 percent discount for electric bills. FERA is available for households with three or more people.

¹⁸ See, CCES Opening Comments at 8.

¹⁹ See, CalCCA Opening Comments at 4-5.

The Department of Community Services and Development (CSD) filed opening comments²⁰ on December 6, 2019. CSD recommends that the Commission provide disconnection protections to Section 8 tenants which are as strict as protections provided to medical baseline customers. CSD asserts that utility service is a requirement for subsidized housing assistance and the loss of utilities can result in loss of subsidized housing.

The Public Advocates of the Public Utilities Commission (Public Advocates) did not take a position on the issue of additional protections for Section 8 customers.

4.2. Discussion Regarding Additional Protections for Low Income and Subsidized Housing Customers

The proposed decision envisioned expanding protections to include households who reside in subsidized housing. In opening comments on the proposed decision, the IOUs did not support expanding the disconnection protections. SDG&E and SoCalGas noted in their joint opening comments that as originally drafted, the proposed decision would have created a significant class of customers who would have additional protections from disconnections and this would increase the costs for remaining ratepayers. PG&E noted in its opening comments on the proposed decision that there would be no way for the IOUs to verify any of the information provided and it could create a negative customer experience if the IOUs were required to ask questions concerning the ages of members in the household and whether the household lived in subsidized housing. SCE also raised concerns about the IOUs ability to verify the information which would be provided by the customers in its opening comments on the proposed decision. SCE also raised the concern that collecting and implementing all the

²⁰ See, CSD Opening Comments at 5-6.

data that would be required to implement the protections in the proposed decision would also create an additional administrative burden for the IOUs. UCAN also expressed its concerns over the IOUs ability to collect demographic and income data that would be required to implement the customer protections in the proposed decision.

Upon further examination of all the comments received on this topic, we agree with the IOUs and UCAN that the IOUs would have difficulty verifying the information that would be needed to implement the additional protections that were set forth in the proposed decision. We also have concerns that collecting this additional information would require the IOUs to obtain and store sensitive customer data. Some customers may also be hesitant to provide the additional information that would be required to implement the original proposed protections, and this would ultimately defeat the purpose of providing the protections.

Therefore, based on the comments that we received on this issue; we believe that it is appropriate to refrain from adding any additional disconnection protections in this proceeding. Rather than create new classes of customers who would have extra protections, we believe that it would be fairer to all customers to implement a requirement that the IOUs provide a 12-month payment plan which will be open to all customers. If the customer is on the 12-month payment plan and making timely payments on both the 12-month payment plan and current charges, the IOUs are prohibited from disconnecting residential customers. We also note that there are currently prohibitions against disconnecting customers due to the COVID-19 protections that are currently in effect until April 2021.

4.3. Proposal requiring the IOUs Enroll Customers in all Applicable Programs; Offer a 12-Month Payment Plan; and Allow Customers to use LIHEAP Funds if Available Prior to Disconnection

During the workshops in Phase I of this proceeding, concerns were raised that vulnerable customers were not being made aware of all the applicable

programs, such as CARE, LIHEAP, FERA and Medical Baseline²¹ for example. Intervenors suggest that although these programs are designed to help vulnerable customers avoid having their utilities disconnected, many customers are unaware of their existence. They believe that more should be done so that vulnerable customers are made aware of these important programs. Also, many of the intervenors suggested that vulnerable customers should be offered a payment plan of 12-month and that utilities not disconnect customers if there is a LIHEAP pledge pending.

PG&E, SDG&E, and SoCalGas were generally opposed to requiring the IOUs to ensure that all vulnerable customers are enrolled in all applicable programs prior to disconnecting utility services.²² They assert that if they are required to implement this practice that it may hamper or delay the implementation of other programs.²³ PG&E further asserts that they do not collect information as to whether the customer has enrolled in all applicable benefits and that some customers do not enroll in assistance programs for cultural or other personal reasons. SCE, on the other hand, supports this idea if the proposal is defined in detail and that benefit programs be limited to programs administered by the IOUs.²⁴

²¹ Workshop Report I at 16 and 23.

²² See, PG&E Opening Comments Dated December 6, 2019 at 9-10 and SDG&E and SoCalGas Joint Opening Comments Dated December 6, 2019 at 10-11.

²³ *Id.*

²⁴ See, SCE Opening Comments Dated December 6, 2019 at 11.

TURN in its comments²⁵ supports auto enrollment in IOU programs such as REACH, Neighbor-to-Neighbor, Gas Assistance Fund and Energy Assistance Fund for vulnerable customers facing disconnection for the second or more time within a year. TURN also supports auto enrollment in CARE. TURN points out that the Commission's Low-Income Oversight Board (LIOB) has conducted research and analysis on the viability of automatic enrollment in CARE, which could be used to provide a framework for an automatic enrollment program. TURN further recommends that the Commission expand outreach and education regarding the Medical Baseline Program.

CforAT and NCLC comments²⁶ indicate that they do not support disconnection protections on successful enrollment in all applicable benefit programs. Rather they support efforts modeled on Maryland Critical Medical Needs Partnership²⁷ (CNMP) to provide support for eligible customers in navigating the enrollment process for various benefit programs. They also recommend that the Commission prohibit disconnections for customers while applying for CARE, FERA, and/or Medical Baseline.

²⁵ See, TURN Opening Comments Dated December 6, 2019 at 5-6.

²⁶ See, CforAT and NCLC Opening Comments Dated December 6, 2019 at 12-14 and Reply Comments Dated December 13, 2019 at 10.

²⁷ CNMP provides rapid assistance with past-due energy bills and pending utility service shut-offs to medically vulnerable households who meet income eligibility guidelines. Additional information regarding the Maryland CNMP can be found at:

<http://opc.maryland.gov/Portals/0/Publications/Consumer%20Publications/Information%20Sheets/CMNP8.12.2019.pdf?ver=2019-09-12-084729-343>

UCAN provided the following comments on this proposal²⁸: The Commission should prohibit disconnections for vulnerable customers provided the customers make a good-faith effort to pursue applicable benefit programs. However, limited English-speaking ability customers face additional challenges in accessing various benefit programs, and thus deserve additional time to enroll in benefit programs. Customer service representatives should have access to information about community-based organizations that can assist households struggling to pay their utility bills. Additionally, the comments recommend increased outreach and publicity about available programs and coordinate outreach efforts with nonprofit organizations. They also recommend a multi-pronged public information campaign in this area that should include information on these programs in newspapers, cable television, radio, and social media such as Facebook and Twitter.

CCES filed opening comments on this issue as well.²⁹ CCES supports this proposal because customers who are facing disconnections and are eligible for CARE/FERA/Medical Baseline and have not been enrolled should have the opportunity to prove eligibility. Also, IOUs should make known the availability of all applicable benefit programs such as LIHEAP.

Public Advocates also filed comments on this proposal.³⁰ Public Advocates supports CforAT and NCLC's recommendation that the Commission

²⁸ See, UCAN Opening Comments Dated December 6, 2019 at 10-12.

²⁹ See, CCES Opening Comments Dated December 6, 2019 at 8-9.

³⁰ See, Public Advocates Reply Comments Dated December 13, 2019 at 3-4.

prohibits disconnections for customers while applying for CARE, FERA, and/or Medical Baseline. Further, Public Advocates proposes that this protection continue for one billing cycle after an eligible customer is enrolled. Public Advocates states that CforAT and NCLC's proposal would provide temporary disconnection relief for eligible customers while they apply for financial assistance programs. Public Advocates asserts that CforAT and NCLC's proposal has the additional benefit of providing subsidized housing customers who are not enrolled in utility financial assistance programs with temporary relief while their application is being processed. The temporary disconnection relief would be an incentive for customers to apply and enroll in these underutilized programs. It also offers an opportunity for customers to start a dialogue with utilities to get further information on additional rate and disconnection relief programs.

Many of the Community Based Organizations (CBO) stated during the workshops that customers are unable to establish payment plans longer than a few months with the utilities.³¹ They also shared firsthand knowledge of the difficulties that low-income customers face when dealing with the IOUs³². NCLC recommends that payment plans should be for a period of 12 months.³³ The IOUs on the other hand disagree and state that their data indicates that

³¹ See, Workshop Report I at 13-14.

³² *Id.*

³³ *Id.* at 23.

payment plans over three months are not successful.³⁴ SCE also found that payment plans under 3 months had higher kept rates, and 4-month pay plans had very low kept rates (only 1 percent). They found that extended 12-month payment arrangement plans, implemented in compliance with the D.14-06-036 settlement agreement, were less effective than previous policies.

Many of the CBOs suggested that the IOUs also should not disconnect customers if they have a LIHEAP pledge pending. According to the LIHEAP providers who participated in the workshops, customers who receive a 60-day or 48-hour disconnection notice are qualified for LIHEAP service in California.³⁵ During Workshop III SoCalGas proposed a pilot that allows customers with LIHEAP payments to reconnect without paying the past due balance if customers either make payment arrangements for the difference or take Level Pay Plan³⁶. Potential funds from LIHEAP could be used to assist customers with their past due utilities and may be a source of funding that helps to prevent disconnections.

4.4. Discussion Regarding Applicable Programs, 12-month Payment Plans, and Use of LIHEAP Funds

One of the primary goals of this rulemaking is to establish policies that will help to limit disconnections for customers. The Commission has decided that in order to provide additional protections to customers, the IOUs shall not disconnect a customer until they have offered to sign the customer up for all

³⁴ *Id.* At 8.

³⁵ *See*, Workshop Report II at 5.

³⁶ SoCalGas Workshop III Presentation.

applicable benefit programs such as CARE and FERA³⁷, which are administered by the IOUs, offered a 12-month payment plan, and shall not disconnect if there is a LIHEAP pledge pending.

Many customers may be unaware of the various programs which may assist them with their utility bills. Requiring the IOUs to offer to sign customers up for the applicable benefit programs will help ensure that the customers are made aware of the additional programs available to them. The utility shall not have an affirmative duty to reach out to the customer to offer applicable benefit programs. However, if the utility speaks to the customer, they shall have an affirmative duty to inquiry if the customer is interested in obtaining additional information or applying for the additional applicable benefits administered by the utilities. Once the customer has been made aware of any benefit programs they may be eligible for they shall enroll in any additional utility administered benefit programs within two billing cycles.

We recognize the IOUs concerns that payment plans longer than a few months may not be successful. However, we also recognize that customers who are struggling to pay their utility bills are probably also struggling to pay their other bills. Having to agree to a payment plan of only a few months is likely to place additional strain on the household. Therefore, the IOUs shall be required to offer all customers payment plans of at least 12-months³⁸ (and the customer

³⁷ CARE and FERA customers historically have higher disconnection rates compared to non CARE/FERA customers. See, Workshop Report I, Dated May 2019.

³⁸ The IOUs must offer a payment plan of 12-months. However, the customer may elect to a shorter payment period if they wish to do so.

must accept to avoid being disconnected). If a customer is currently in a payment plan, the payment plan should be extended to a 12-month payment plan if the customer wishes to extend their payment plan to 12-months. Finally, the IOUs shall not disconnect a customer if a LIHEAP pledge is pending as the LIHEAP funds may be an additional source of funds that can be used to pay for some of the arrearages.

4.5. Protections for Households with Children Under the Age of 12 Months

D.18-12-013 in this proceeding set out various protections to help prevent disconnections for certain customers. In filed comments to the scoping memo, certain parties suggested changes to the definition of vulnerable customers. UCAN and GRID Alternatives (GRID) specifically wanted children to be included in the definition of vulnerable³⁹. There was no consensus on what age should be used as it relates to children in the household. SCE maintains that it does not collect information on children in the household.⁴⁰

4.6. Discussion of Protections for Households Under the Age of 12 Months

Upon analysis of the comments that we received on the proposed decision, we conclude that requiring the IOUs to collect information on the ages of children in any given household would be burdensome and create additional administrative costs for the IOUs which will need to be absorbed by other ratepayers. We agree with the opening comments from the IOUs that they

³⁹ D.18-12-013 at 19.

⁴⁰ *Id.*

would have difficulty verifying whether any household had a child under the age of 12 months. Additionally, we agree with the comments from the IOUs that they would then have to have a system to track the age of any child who was under the age of 12-months. We believe that rather than creating this additional administrative task for the IOUs a better solution is to require that the IOUs offer all households a payment plan of 12-months as set forth in section 4.4 above.

4.7. Protections to Populations Set Forth in this Decision versus Protections Set Forth in Resolution M-4842 Pertaining to the COVID-19 Pandemic

On April 16, 2020, the Commission issued Resolution M-4842 on its own motion in response to Governor Gavin Newsom’s declaration of a state of emergency and issuance of executive orders due to the novel coronavirus (COVID-19) pandemic. This Resolution ratified directions provided by the Commission’s Executive Director on March 17, 2020 to energy, water, and communication corporations to retroactively apply customer protection measures from March 4, 2020 onward during the COVID-19 pandemic.

The IOUs⁴¹ shall take all reasonable and necessary actions that they will take to implement the Emergency Customer Protections. Pursuant to the Resolution, the Emergency Customer Protections apply to customers for up to one year from the date of the Resolution.

Nothing in this decision is meant to detract or change any of the Emergency Customer Protections set forth in Resolution M-4842. If there are any

⁴¹ As it relates to the utilities in this proceeding, PG&E filed Advice Letter (AL) 4427-G and 5784-E; SCE filed AL 230-G and 4174-E; SDG&E filed AL 2854-G and 3516-E; and SoCalGas filed AL 5604. All ALs were filed on March 19, 2020.

conflicts with the protections set forth in this proceeding and those set forth in the Emergency Customer Protections, then the Emergency Customer Protections are controlling. When the Emergency Customer Protections expire, the protections set forth in this decision for will continue to be in effect. The IOUs in this proceeding shall proactively undertake all necessary actions to ensure that any protections set forth in this decision which were not implemented due to a conflict Resolution M-4842 are ready to be implemented immediately upon the expiration of the Emergency Customer Protections. Furthermore, any customer who would be eligible for the Arrearage Management Plans described later in this decision shall be allowed to opt-in to such a plan even if they are enrolled in any other payment plan before an Arrearage Management Plan is put in place.

5. 2024 Disconnection Target Baseline, Reconnection Goal, and Limiting Disconnection Rates in Specific Zip Codes

Until the Commission recently took action to reduce disconnection rates, disconnections among residential customers were rising in the large IOUs territories.⁴² To ensure no further increases in disconnections, and that a path towards reduction is ensured, D.18-12-013 set a goal of limiting residential customer disconnections to the rate recorded in 2017.⁴³ This issue was discussed in detail during Phase I of this proceeding. In addition to discussing a reduction to the disconnection rates, it was also suggested that the Commission should set goals for how long it takes the IOUs to reconnect utility service and that the

⁴² Workshop Report Dated May 2019 at 1.

⁴³ D.18-12-013 at 12.

Commission should limit any zip code from exceeding a specific disconnection rate.

5.1. 2024 Target

TURN suggests in its comments⁴⁴ that the baseline should be disconnection levels in 2017. The target should be 3.5 percent to approximately 4 percent for the state. TURN suggests that the Commission should provide an annual sliding guidance schedule to each IOU as follows⁴⁵:

Target Date	PG&E	SDG&E	SCE	SoCalGas
07/01/2020	4%	3%	8%	2%
01/01/2021	4%	3%	7%	2%
01/01/2022	4%	3%	6%	2%
01/01/2023	3.5%	3%	5%	2%
01/01/2024	3.5%	3%	4%	2%

SCE recommends that the baseline should be 2018 individual IOU disconnection rates, that the Commission should not adopt a target, and finally that a root cause analysis be performed⁴⁶.

During the San Bernardino workshop, PG&E proposed that the IOU-specific targets should be 50 percent below the 2018 disconnection level for each IOU⁴⁷. PG&E support a target setting but urges the Commission to consider

⁴⁴ See, TURN’s Comments Dated June 14, 2019 at 6-11.

⁴⁵ *Id.* at 5.

⁴⁶ See, SCE’s Comments dated June 14, 2019 at 5-7.

⁴⁷ Workshop Report II at 8.

the effectiveness of the policies and programs such as those adopted in interim rules D. 18-12-013⁴⁸.

SDG&E and SoCalGas jointly support a 2017 baseline and they suggest a 5 percent statewide target by 2024 except for SoCalGas, which should keep its disconnection rate at the 2017 level (2.10 percent)⁴⁹. Public Advocates⁵⁰ and GRID⁵¹ both support a continuation of the 2017 baseline. GRID recommends that the target disconnection rate be set between 3 percent to 4 percent for each IOU⁵².

UCAN suggested a three-step approach.⁵³ UCAN suggests that the baseline be 2019 and that the target be a reduction of 50 percent by 2024 with a sliding scale.⁵⁴ UCAN proposes the sliding scale as follows: a 5-7 percent reduction for the first year; a 10-12 percent reduction for the second year; and during the 3rd-5th year a higher percent until the 50 percent mark is attained.⁵⁵ Alternatively, UCAN proposes that the baseline should be the 2015 percentage and an evaluation to determine if disconnections peaked and were reduced

⁴⁸ See, PG&E Comments Dated June 14, 2019 at 5

⁴⁹ See, SDG&E and SoCalGas Comments Dated June 14, 2019 at 7-8.

⁵⁰ See, Public Advocates Reply Comments Dated July 1, 2019 at 1.

⁵¹ See, GRID Comments Dated June 14, 2019 at 4-6

⁵² *Id.*

⁵³ See, UCAN Comments Dated June 14, 2019 at 6-7.

⁵⁴ *Id.*

⁵⁵ *Id.*

through the efforts of SB 350 or not.⁵⁶ UCAN also suggests that counties with the lowest disconnection rates be used as reference points.⁵⁷

CforAT and NCLC state that the baseline should be those documented in the 2009 Division of Ratepayer Advocates⁵⁸ Report, not the 2017 levels.⁵⁹

CalCCA indicates that it is not opposed to a disconnection target,⁶⁰ but believes that it should be a statewide target of 3.5 percent by 2020 and not an individual target for each of the IOUs.⁶¹

5.2. Discussion Regarding 2024 Caps

Until recently, disconnections have been rising. We believe that action needs to be taken to ensure that disconnection rates do not increase again in the future. SB 598 has tasked the Commission with reducing the disconnection rate no later than January 1, 2024. Since SB 598 was signed into law in 2017, it makes practical sense to use that year as the baseline, additionally, 2017 is the year used in the interim decision. We decline the suggestion that the caps be a statewide goal rather than each individual IOU. We also reject any suggestion that the 2024 target rates be above 3.5 percent to 4 percent. Ideally, the Commission would like to strive for a disconnection rate of zero. However, setting the disconnection

⁵⁶ *Id.*

⁵⁷ *Id.*

⁵⁸ Division of Ratepayer Advocates has changed its name several times and is now known as the Public Advocates Office.

⁵⁹ *See*, CforAt and NCLC Comments Dated June 14, 2019 at 5-9.

⁶⁰ *See*, CalCCA Reply Comments Dated July 1, 2019 at 3.

⁶¹ *See*, CalCCA Opening Comments on Workshop Report II Dated October 28, 2019 at 2-3.

rates below 4 percent in 2024 is a good first start at curbing the increasing disconnection rates.

We therefore adopt the sliding annual caps as suggested by TURN and set forth in the table in Section 5.1 above. The IOUs shall follow the rolling cap methodology that is described in Appendix 1 after the moratorium on disconnections is lifted by the Commission. We direct the IOUs to file a report in this proceeding detailing their compliance with the annual disconnection cap beginning in 2022 and continuing until 2025.

In its opening comments on the proposed decision SDG&E and SoCalGas requested that the Commission revise the proposed decision and adopt a uniform disconnection rate of four percent across all the utilities. TURN noted in its reply comments that granting this request would be bad policy and illegal. TURN also noted in its reply comments that granting this request would allow both SDG&E and SoCalGas to effectively disconnect more customers. The goal of SB 598 is to reduce the overall number of disconnections. There is nothing in SB 598 which states that there should be a uniform disconnection rate across the utilities. For these reasons we deny this request.

5.3. Reconnection Goals Among Electric and Gas IOUs

Reconnections amongst the electrical IOUs has been steady from 2010 to 2017.⁶² On average the same day reconnection rate was approximately 90 percent in 2017.⁶³ For 2018, Energy Division staff calculated the reconnections rates within 24 hours as follows: PG&E and SDG&E were 79 percent and SCE was 81 percent. Energy Staff determined these percentages by taking the number of reconnections within 24 hours divided by the number of

⁶² See, Workshop Report I at 12-13.

⁶³ *Id.*

disconnections. Reconnections for gas residential customers frequently take longer than electrical reconnections since an IOU employee must physically go to the residence to reconnect gas customers.

5.4. Discussion Regarding Reconnection Goals

The longer a household must wait for its utility service to be reconnected, the greater the potential risks there are to the families. We recognize that it is a desirable goal for IOUs to reconnect customers as quickly as possible. Therefore, we strongly encourage the electrical IOUs to achieve a 90 percent reconnection rate within the same day and for the gas utilities to strive for a 90 percent reconnection rate within 24 hours.

Several participants at the workshop recommended that the Commission prioritize reductions for vulnerable populations, and they note that zip code-level reports clearly show that some geographic areas have a severe disconnection crisis⁶⁴.

5.5. Limiting Zip Codes from Exceeding a 30 Percent Disconnection Rate

Many zip codes have higher disconnection rates than other zip codes. As such, it is important for the Commission to evaluate and address this disparity. CforAT and NCLC recommends that the Commission take immediate action to address why certain zip codes have higher disconnection rates.⁶⁵ During Workshop II, a GRID Alternatives representative stated that according to the Energy Division Staff Report, some zip codes had a disconnection rate around

⁶⁴ *Id.*

⁶⁵ *See*, CforAt and NCLC Comments Dated June 14, 2019 at 5-9.

40 percent. He argued that sub-rules or sub-targets for areas with high disconnection rates would help the state achieve the statewide disconnection target.⁶⁶

CalCCA supports sub-rules that would focus on decreasing the disconnection rate of zip codes with the highest disconnection rates as the primary strategy for lowering the average rate across the state.⁶⁷ At Workshop II, SCE indicated that it is open to reducing disconnections in zip codes with high disconnection rates. At Workshop II, a representative for SCE stated they could explore sub-rules for vulnerable customers and investigate sub-targets for zip codes with high disconnection rates.⁶⁸

5.6. Discussion Limiting Zip Codes from Exceeding a 30 percent Disconnection Rate

We are aware based on party comments and Energy Division's empirical analysis that the zip codes with the highest disconnection rates are typically low-income customers. As such, additional things must be done to limit the number of disconnections in these areas which NCLC and CforAT describe as "geographic pockets of crisis."⁶⁹ There was no opposition from the parties as it relates to addressing this issue. Therefore, we find it is reasonable to set a percentage cap per zip code that the IOUs cannot exceed. Accordingly, the IOUs shall not exceed a disconnection rate of 30 percent in any zip code.

⁶⁶ See, Workshop II Report at 2.

⁶⁷ See, CalCCA Workshop Report II Opening Comments Dated October 28, 2019 at 2-3.

⁶⁸ Workshop Report II at 10.

⁶⁹ See, NCLC and CforAT Opening Comments dated June 14, 2019 at 4.

6. Elimination of Establishment and Reestablishment Deposits

Households within the state often struggle financially to meet their monthly obligations. Establishment of service and reestablishment deposits can have an adverse impact upon these households. The issue of deposits was discussed at the Hayward workshop on July 22, 2019. The IOUs fully participated in this workshop along with the other parties. Additionally, the issue of deposits was addressed in a ruling from the assigned ALJ. All the parties were invited to provide opening and reply comments on this issue.

TURN filed opening comments on the ALJ's Ruling addressing the issue of deposits.⁷⁰ TURN stated in its comments that it is important to distinguish between the types of deposits that customers pay. There is an establishment of credit deposit for new customers⁷¹ and reestablishment of credit based on payment history. TURN notes that reestablishment deposits create an additional barrier to keeping or restoring utility services. TURN states that they are not aware of evidence suggesting that deposits make low income customers more likely to stay current. Rather they assert that deposit requirements cause them to fall behind on monthly bills. They recommend limiting the use of deposits for reestablishment of service, but do not object to deposits for the establishment of service. TURN asserts that reestablishment deposits cause customers to struggle with bill affordability. They urge the Commission to eliminate policies that make it harder for low income customers to catch up. Thus, they recommend the

⁷⁰ See, TURN's Opening Comments dated June 14, 2019 at 21-24.

⁷¹ See, PG&E Rules 6.A and 7.

elimination of reestablishment deposits for CARE, FERA and Medical Baseline customers.

UCAN's opening comments tentatively supports the elimination of deposits.⁷² UCAN believes that eliminating or reducing deposits for low income customers could help reduce disconnections. GRID's opening comments supports the elimination of deposits for low income customers.⁷³

NCLC and CforAT note in their opening comments⁷⁴ that deposits create hurdles for low income customers. They assert that the deposits impact low income customers' ability to pay their bills and maintain service. They also note that a report from the Federal Reserve indicates that four of 10 households nationally indicate that they would have difficulty with unexpected expenses of \$400 and three of 10 households are either unable to pay their bills or are experiencing a modest financial setback from a financial hardship. Additionally, they note that the states of Massachusetts do not charge deposits⁷⁵ and New York prohibits deposits for new service⁷⁶.

The Public Advocates filed opening comments on June 14, 2019.⁷⁷ They initially propose elimination of deposits for low income customers through a pilot program for new customers who also apply for CARE, FERA or Medical

⁷² See, UCAN's Opening Comments dated June 14, 2019 at 9-10.

⁷³ See, GRID Opening Comments dated June 14, 2019 at 10.

⁷⁴ See, NCLC/CforAT Opening Comments dated June 14, 2019 at 21-25.

⁷⁵ *Id.* at 24.

⁷⁶ *Id.* at 25.

⁷⁷ See, Public Advocates Opening Comments dated June 14, 2019 at 5-7.

Baseline or existing CARE, FERA or Medical Baseline customers attempting to reestablish service. They believe funding should not come from ratepayers, but sources such as donations or grants. In opening comments⁷⁸ filed by the Public Advocates on October 28, 2019 supporting removal of deposits for all residential customers unless the utility can provide relevant cost information to assess the reasonableness of maintaining deposits for residential customers.

In opening comments filed on June 14, 2019⁷⁹ SCE supports a root cause analysis to determine whether the elimination of deposits would influence disconnections. SCE contends the relationship between deposits and disconnections for nonpayment is unknown.

SDG&E and SoCalGas filed opening comments⁸⁰ indicating they do not support the elimination of deposits. They allege that uncollectible expenses would increase 10-15 percent if deposits were eliminated for low income customers. In comments⁸¹ dated July 12, 2019 they indicate that they support elimination of reestablishment deposits for CARE customers. They believe that doing this would assist low income CARE customers to pay more towards their utility usage. They presented at the Hayward Workshop on July 22, 2019 on a proposed pilot program for the elimination of reestablishment deposits for CARE customers.⁸²

⁷⁸ See Public Advocates Opening Comments dated October 28, 2019 at 3-4.

⁷⁹ See SCE Opening Comments dated June 14, 2019 at 14.

⁸⁰ See SDG&E and SoCalGas' Opening Comments dated June 14, 2019.

⁸¹ See, SDG&E and SoCalGas' comments dated July 12, 2019.

⁸² See Hayward Workshop Report Appendix at 55.

In PG&E's opening comments⁸³ they state that they do not support the elimination of deposits. They state that the elimination of deposits will not reduce disconnections. They note that a previous pilot to eliminate deposits for CARE customers in D.14-06-036 resulted in an impact of \$4.6 million in write-offs passed onto all customers in 2011-2014. PG&E also states that it does not disconnect solely for failure to provide a deposit. PG&E also presented at the Hayward workshop on July 22, 2019 where they supported the elimination of reestablishment deposits and reconnection fees for CARE/FERA customers as a pilot program. They also request the establishment of memorandum accounts to track expenses.

CalCCA opening comments⁸⁴ note that they support the elimination of reconnection deposits for vulnerable groups. However, they do not believe that the elimination of deposits would make disconnections less likely. They also note that the CCAs neither directly connect nor reconnect customers.

In TURN's reply comments⁸⁵ they dispute PG&E's statements that they do not disconnect solely for failure to provide deposits. TURN indicates that customers could be disconnected for unpaid deposits due to the way payments are applied. TURN notes that payments are applied to oldest debts. If a deposit is the oldest debt, then payments would be applied to the deposit and not the

⁸³ See, PG&E's Opening Comments dated June 14, 2019.

⁸⁴ See CalCCA Opening Comments dated June 14, 2019 at 4-5.

⁸⁵ See, TURN's Reply Comments dated July 1, 2019 at 5-6.

monthly bills.⁸⁶ Thus energy charges could accrue and become eligible for disconnection if unpaid.

GRID's reply comments⁸⁷ state that they support the Public Advocates proposal of a pilot program that waives deposits for establishment of credit for those customers who enroll in low income assistance programs if solar and energy efficiency programs are included in the pilot program. They also support TURN's proposal for the elimination of reestablishment deposits.

SCE's reply comments⁸⁸ opposes TURN's proposal to eliminate reestablishment deposits as SCE believes it would shift costs to other ratepayers and would provide incentive for customers not to pay their bills. In November 4, 2019 comments SCE opposes the Public Advocates suggestion to eliminate deposits. SCE states that there is insufficient data to support the relationship between deposits and customers staying current on their bills. SCE supports PG&E's, SDG&E/SoCalGas' pilots to remove deposits for low income customers only.

SDG&E and SoCalGas note in their November 14, 2019⁸⁹ comments that they object to the elimination of deposits for all customers. They contend that this was not discussed earlier in the proceeding and that it would be

⁸⁶ This assumes that the customer only pays for the monthly utility usage.

⁸⁷ See, GRID's Reply Comments dated July 1, 2019 at 1-2.

⁸⁸ See, SCE's Reply Comments dated July 1, 2019 at 8-10.

⁸⁹ See, SDG&E/SoCalGas' Comments dated November 14, 2019 at 2-3.

inappropriate since the utilities have not had the opportunity to fully respond to this proposal.

PG&E's reply comments⁹⁰ opposes TURN's and the Public Advocates proposals on deposits due to the potential rate increases on other customers.

CalCCA reply comments⁹¹ states that they support TURN's recommendation that at a minimum the Commission eliminate deposits for CARE, FERA, and Medical Baseline customers. They also agree with UCAN, TURN, CforAT, and NCLC that requiring reconnection deposits makes it difficult for customers to retain utility services.

UCAN's reply comments⁹² state that they support the proposal set forth by the Public Advocates to eliminate deposits for residential customers.

6.1. Discussion Regarding the Elimination of Deposits

The utilities have failed to demonstrate that deposit requirements are beneficial. The record supports the finding that many residents in California struggle financially. As noted by NCLC and CforAT opening comments dated June 14, 2019, many households, not just low-income residents struggle to meet unexpected expenses. While many parties recommended pilots waiving deposits and re-establishment deposits for CARE/FERA and medical baseline customers, these vulnerable populations are not the only ones required to pay a deposit nor are they the only ones for whom deposits pose a barrier to receiving essential

⁹⁰ See, PG&E's Reply Comments dated July 1, 2019 at 10.

⁹¹ See, CalCCA's Reply Comments dated July 1, 2019 at 1.

⁹² See, UCAN's Reply Comments dated November 4, 2019 at 5.

utility service. There has been no evidence provided by the utilities showing that the small percentage of customers required to pay these deposits stay more current on their bills.

As of 2018 the total population of customers who are required to pay establishment deposits are as follows:

	Non CARE/FERA	CARE	FERA	Medical Baseline	Total
SCE	5.4%	5.8%	3.4%	.3%	5.5%
PG&E	4.37%	3.77%	2.49%	.71%	4.21%
SoCalGas	5.8%	4.5%		.61%	5.35%
SDG&E	6.63%	.08%	.07%	.01%	5.3%

The record also supports, and many parties agreed in their comments that reestablishment deposits make it increasingly difficult for households to have their utilities reconnected. Reestablishment deposits clearly make it difficult for households to catch up once they have fallen behind. The proposal to eliminate deposits and reestablishment deposits is not a first in the United States. As noted by NCLC and CforAT, Massachusetts and New York forbid deposits for new services.

As of 2018, the total population of customers required to pay reestablishment deposits was:

	Non CARE/FERA	CARE	FERA	Medical Baseline	Total
SCE	2.6%	2.4%	3.8%	1%	2.5%
PG&E	1.44%	2.31%	5.35%	.68%	1.67%
SoCalGas	.610%	.773%		.141%	.657%
SDG&E	3.96%	1.8%	3.08%	.39%	3.52%

We also disagree with SDG&E and SoCalGas' allegation that it would be inappropriate to eliminate deposits because the IOUs have not had a full opportunity to fully respond. Discussions of the elimination of deposits has been the subject of a workshop and a ruling from the assigned ALJ. The IOUs were all present at the workshop. They were given the opportunity to participate and comment at these workshops. Additionally, they responded to the ALJ's ruling via opening and reply comments.

Accordingly, we find and adopt the proposals put forth by the Public Advocates as it relates to the elimination of all deposits for residential customers. We also adopt TURN's suggestion to eliminate reestablishment deposits except we modify TURN's suggestion and eliminate reestablishment deposits for all customers not just CARE, FERA, and Medical baseline customers.

We realize that the IOUs are opposed to the elimination of deposits and we have carefully considered their opening comments on this issue. However, we have seen no evidence regarding the benefit of deposits have on keeping residential customers current on their bills. The utilities may file applications in two years to present evidence that the elimination of deposits is not beneficial to households establishing service or seeking to reestablish services. We also decline PG&E's request for a memorandum account as it relates to the issue of the elimination of deposits.

7. Notices

The utilities provided valuable information for review as it relates to disconnection notices. The IOUs provided information regarding the internal processes of disconnection communications to customers regarding

disconnections. We believe that further work is needed on the part of the IOUs to improve these communications.

A further review of PG&E's responses reveals that PG&E does not always send out 48-Hour Notices via email.⁹³ PG&E's notices encourage customers to call PG&E to avoid disconnection. However, they do not point out specific individual assistance programs that may be available to the customer.⁹⁴

SCE's responses disclose that SCE uses an interactive voice response (IVR) to make final call notifications to customers.⁹⁵ However, SCE notices do not provide information on specific assistance programs⁹⁶.

Neither SDG&E nor SoCalGas provide disconnection notices via email. They use an automated outbound call system.⁹⁷ Their notices include language encouraging customers to contact them for options.⁹⁸ However, their notices do not contain information on LIHEAP or other specific programs. Only when customers call or visit their websites do they learn about valuable assistance options, including LIHEAP.

⁹³ See, PG&E's Response to Questions Presented by the assigned ALJ July 10, 2019).

⁹⁴ PG&E's Response to Question 3E dated July 12, 2019 at 7.

⁹⁵ SCE's Response dated July 10, 2019 at 2-3.

⁹⁶ SCE Response to Q3E dated July 12, 2019 at 12.

⁹⁷ SDG&E and SoCalGas' Responses dated July 10, 2019 at 2.

⁹⁸ SDG&E and SoCalGas' Responses dated July 12, 2019 at 7-9)

In Workshop I Report, TURN noted that notices have decreased prior to disconnections.⁹⁹ GRID supports requiring the IOUs to include information on assistance programs.¹⁰⁰

The Public Advocates Office reviewed all the disconnection notices provided by the IOUs. The Public Advocates recommends the following changes to PG&E's notice:

The back of the 48-Hour notice has the following verbiage: If you are not able to pay your bill, call PG&E to discuss how we can help. You may qualify for ~~programs such as reduced rates under PG&E's CARE program,~~ **that can help to reduce your bill.** ~~or other special programs and~~ **We can connect you with community agencies that may can provide additional be** ~~available to assist~~ **ance to you.** You may **also** qualify for PG&E's Energy Savings Assistance Program which is an energy efficiency program for income-qualified residential customers¹⁰¹.

The Public Advocates also identified ways that SDG&E could improve its notices. As written, the initial call script states:

This is San Diego Gas and Electric with an important message.

Please contact us at 1-800-411-SDGE. We are available 24 hours a day, 7 days a week. That number again is 1-800-411-7343. Thank you.

Public Advocates notes that the customer is directed to a six-option menu. However, the sequences of directions do not alert the customer that their service

⁹⁹ Workshop Report I at 23.

¹⁰⁰ GRID's Response to Questions Presented by the ALJ Dated July 12, 2019 at 9.

¹⁰¹ Red is additions and strikethrough is deletions.

could be disconnected. It also does not prompt the customer either in its initial call or elsewhere, to select the “Billing” option, which would allow customers to access their account balance, make a payment arrangement, pay a bill, or manage bills.

The Public Advocates recommends that the Commission require SDG&E to update this notification service to alert the customer of their pending disconnection and advise them of ways to avoid disconnection, including available financial assistance. Then a follow-up call should prompt the customer to the “billing” prompt to immediately address their outstanding bill and receive information on payment, billing, and assistance options. Public Advocates recommends that SDG&E could accomplish this through a dedicated phone line for disconnection-related customer calls. This number could then be used in all customer notifications involving disconnections. The Public Advocates do not recommend any changes to the script used by SoCalGas.

The Public Advocates notes that SCE did not provide the text of its 48-hour notice.

7.1. Discussion Regarding Notices

A detailed review of the disconnection notices used by the IOUs reveals that additional work needs to be done to improve disconnections notices that the IOUs are issuing to customers in danger of having their utilities disconnected. As noted above, not all the IOUs provide email notices to customers and the notices lack information concerning the availability of programs such as CARE or FERA.

We agree with the Public Advocates Office that PG&E should amend its 48-hour disconnection notice as set forth above. We also agree that SDG&E's call script should be updated to clearly indicate to the customer that they are in danger of having their utilities disconnected and it should also indicate that there may be financial programs available to assist the customer. The initial call should also clearly indicate that the customer should select the billing prompt to immediately be connected to someone to discuss their outstanding bill and to receive information on financial programs which may be available to them and the availability of payment plans. We decline the Public Advocates suggestion that SDG&E establish a new tollfree number to be used for the purpose of disconnections.

In addition to the changes to the notices, all the IOUs must clearly indicate on their notices the availability of programs like CARE and FERA. Additionally, the IOUs must also provide email notice of pending disconnection to customers who have agreed to receive notices via email. The utility does not have an affirmative duty to reach out to customers to see if they would like email notices. However, if the IOU has a discussion with the customer, they shall inquire whether the customer wishes to receive notices via email. SCE must ensure that its notice conforms with all the above requirements.

8. Elimination of Reconnection Fees

Reconnection fees can be an additional barrier to receiving essential utility service. They have the potential of adding additional debt that customers may have difficulty paying. The parties were given the opportunity to comment on the proposal of eliminating reconnection fees. We have decided to eliminate

reconnection fees because it has the potential of adding additional debt to the accounts of vulnerable customers.

CforAT and NCLC supports the elimination of reconnection fees, especially for customers with smart meters since the reconnection fees are so low.¹⁰² In circumstances where it does cost the utility to reconnect the cost should be recovered in rates and not levied on the individual customer.¹⁰³

PG&E opposes the elimination as it would be distributed amongst other ratepayers.¹⁰⁴ They assert that the reconnection fee structure is based on a blended cost determined by product volume and the costs of both remote and field reconnections.¹⁰⁵

SCE opposes the elimination of reconnection fees without a root cause analysis as costs would be borne by other ratepayers.¹⁰⁶ SCE states that as a result of smart meters they have adjusted their reconnection fees from \$17.50 in 2012 to \$5 in 2018.¹⁰⁷ SCE has developed a weighted average of remote and manual reconnection costs, which are \$4.08 and \$39.75 respectively.

SDG&E and SoCalGas states that the elimination of reconnection fees would shift the costs from individual customers to the general ratepayers through base

¹⁰² CforAT and NCLC Opening Comments dated June 14, 2019 at 29).

¹⁰³ *Id.* at 29.

¹⁰⁴ PG&E Opening Comments Dated June 14, 2019 at 12.

¹⁰⁵ *Id.* at 11.

¹⁰⁶ SCE Opening Comments Dated June 14, 2019.

¹⁰⁷ *Id.*

margin rates.¹⁰⁸ They estimate the cost to be \$1.5 million for SoCalGas¹⁰⁹ and \$196,000 for SDG&E.¹¹⁰

TURN supports the elimination of all reconnection fees for the larger IOUs, particularly for CARE/FERA customers.¹¹¹ UCAN proposes that rather than charge fees and other fines that the utilities partner with social services agencies to offer financial planning sessions.¹¹² GRID supports the elimination of fees and penalties as they contend the fees and penalties are not an effective measure to disincentivize customers from being disconnected.¹¹³ CalCCA supports the removal of reconnection fees at a minimum for CARE and FERA customers.¹¹⁴ They assert these fees are an additional obstacle for vulnerable customers to access utility services. They support a root cause analysis as recommended by SCE but opposes UCAN's financial planning proposal.

8.1. Discussion Regarding Elimination of Reconnection Fees

The record establishes that a loss of utility services causes a significant health and safety concern. As noted in the intervenor's testimony, reconnection

¹⁰⁸ SDG&E and SoCalGas Opening Comments Dated June 14, 2019 at 12-13.

¹⁰⁹ The average cost to reconnect for SoCalGas is \$53/per order.

¹¹⁰ The average cost to reconnect for connections is approximately \$4 per order and approximately \$53 per order for fielded reconnections. In the 2016 general rate case, the Commission adopted a \$5.85 fee for each reconnection.

¹¹¹ TURN Opening Comments dated June 14, 2019 at 30-31.

¹¹² UCAN Opening Comments dated June 14, 2019 at 11.

¹¹³ GRID Opening Comments dated June 14, 2019.

¹¹⁴ CalCCA Reply Comments Dated July 1, 2019.

fees should be eliminated as they can be an obstacle to getting utility services restored.

We recognize SCE's request for a root cause analysis. However, we disagree that it is necessary. Reconnection fees are an additional hurdle that all customers must face to restore their utility services. A root cause analysis will not eliminate this hurdle.

We also acknowledge that there is a cost associated with reconnecting customers. However, with smart meters the utilities can reconnect electric customers remotely, and this significantly reduces the costs. We also appreciate UCAN's suggestion for utilities to offer financial planning sessions in lieu of reconnection fees. However, we decline to implement this suggestion. We have considered the comments from the utilities as it relates to reconnection fees and we disagree that the utilities should be able to continue charging reconnection fees for all of the reasons that were set forth above. Accordingly, we eliminate reconnection fees. In the next attrition year, fee-based revenue that was collected via reconnection fees may be addressed in the IOUs GRC and incorporated into base rates.

9. Benefit of Service

During this proceeding, concerns were raised by many of the parties that current account holders were being held responsible for outstanding balances of family members or former tenants. In each of the respective IOUs tariff rules regarding the establishment of services, it outlines that joint applicants for service are jointly liable for the bill. Where two or more customers occupy the

same premises, they shall be jointly and severally liable for the bills for the energy supplied. This practice is commonly known as benefit of service.

The Commission is concerned that individuals may become responsible for the costs of utility services even though they were not residing at the location where the utility service was supplied. Therefore, the issue of benefit of service and how to appropriately address this concern was discussed during this proceeding through a workshop, an assigned ALJ ruling requesting comments on a proposal related to new rules on benefit of service, and party comments on the workshop report.

Housing Long Beach (HLB) presented at the Fresno workshop. HLB noted that in a resident survey, 11 percent of those surveyed indicated that they were asked to pay a bill left over from a previous owner or renter.¹¹⁵ HLB recommends that the Commission require the utilities to end the practice of billing new residents for a previous tenants bills.¹¹⁶ They also recommend that any investigation done by the utility be done with the full knowledge and consent of the tenant and the results of the investigation be provided in writing to the tenant.¹¹⁷

Centro La Familia also presented at the Fresno workshop. They indicate that 9 percent of the 123 respondents who replied to their survey were asked to pay a bill leftover from a previous owner or tenant when moving to a new

¹¹⁵ Fresno Workshop Report at 70-80).

¹¹⁶ *Id.*

¹¹⁷ *Id.*

residence. They also recommend ending the practice of billing new residents for a previous tenant's bills.¹¹⁸ They also agree with HLB as it relates to the consent and full knowledge of the tenant before conducting an investigation and that the results be in writing and provided to the customer.

TURN also presented at the November 12, 2018 Fresno workshop. TURN recommends that due process be provided for what they call "roommate charges" as it relates to the benefit of service.¹¹⁹ They note that customers are currently not allowed to see the investigation report and that there is no process to dispute or appeal the investigation decision.¹²⁰ They suggest that customers be allowed to see the investigation report and that they be able to appeal the results of the investigation.¹²¹ TURN also recommends that any collection for the previous tenant be restricted to the customer whose name appears on that previous bill.

In TURN's opening comments dated June 14, 2019, they again reiterated that there should be new rules to protect new customers from being held responsible for another customer's utility debt.¹²² TURN also urges that utilities be required to provide notice of an investigation and provide the customers with the opportunity to be heard. TURN also asserts that the report submitted by the utilities should be easily understandable and that it explains that the customer be

¹¹⁸ *Id.* at 140.

¹¹⁹ *Id.* at 16-18.

¹²⁰ *Id.*

¹²¹ *Id.*

¹²² *See*, TURN's Opening Comments dated June 14, 2019 at 6-10).

given the right to appeal.¹²³ TURN also believes that in order to promote transparency, the IOUs should reveal their practices regarding benefit of service. Additionally, TURN advocates that minors at the time of usage cannot be held responsible.¹²⁴

In TURN's November 4, 2019 reply comments, TURN argues that the IOUs should have the burden of proof to demonstrate that a customer did not benefit from the service before they should be allowed to transfer the charges to the customers.¹²⁵

UCAN notes that customers should not be required to pay balances from the previous occupant when moving to a new location.¹²⁶ In November 4, 2019 reply comments, PG&E clarifies that the benefit of service does not require new tenants to pay the debts of previous tenants, but helps to ensure that a change in the customer of record in a particular household is not a means to avoid bill responsibility.¹²⁷

On November 14, 2019, the assigned ALJ issued a ruling requiring the parties to answer various questions. The question pertaining to benefit of service is as follows¹²⁸:

¹²³ *Id.* at 9.

¹²⁴ *Id.*

¹²⁵ TURN's Reply Comments dated November 4, 2019 at 2-3.

¹²⁶ October 14, 2019 Workshop Report at 8.

¹²⁷ PG&E Reply Comments dated November 4, 2019 at 3.

¹²⁸ ALJ Ruling dated November 14, 2019 at 1.

Utilizing the benefit of service proposal provided in Attachment 4, please answer the following question: Should this proposal be adopted? Why or why not? What, if any, changes should be made?

Attachment four of the ruling is reproduced as follows:

Based on information received from the utilities on their current practices regarding benefit of service of service practices (*i.e.* when an investigation is triggered, determining when a customer has benefitted from service, etc.), we have created the below proposal:

Key components of proposal

1. Customers are presumed to be telling the truth. Therefore, service should be provided immediately, while the investigation is pending.
2. In order to trigger an investigation that would require the customer to verify that he/she was not previously benefiting, the account at issue must have a utility debt of over \$500 AND the utility must identify two of the following:
 - a. Address - Information returned from an Experian identity validation tool such as a common address shared between the new customer and a previous service holder.
 - b. Telephone number - Matching telephone numbers between the new customer and the customer of a previous service.
 - c. Landlord or homeowner confirms that occupant is not new or has been residing at the address
 - d. No other trigger can be used to initiate an investigation. Most notably, it is prohibited to use field verification to verify occupants are living at the home/benefiting from service.
 - e. Furthermore, no new customer under the age of 25 should ever be required to absorb a benefit of service.
3. If the utility has two methods of evidence for triggering an investigation AND the previous account holder had over \$500 debt, the IOU may proceed with determining the customer has benefitted from service, but

must first provide the customer 30 days to submit the following forms of evidence to rebut the utilities findings. If the new customers provide any ONE of the following documents, the IOU must be accepted as sufficient proof that the customer did not benefit from the previous account:

- a. Valid documentation and/or confirmed residency. This includes:
 - i. Any type of valid identification such as a driver's license or passport
 - ii. Current lease or rental agreement
 - iii. Proof of home ownership
 - b. Previous proof of residency in another location, such as: previous lease, water/sewage bill, insurance bill, or other documentation of previous residency.
 - c. Customer provides evidence that they are 25 or under
4. After 30 days, once the customer is deemed to have benefited from the service, the IOU must provide in writing and verbally the information for the customer to contact the Public Utilities Commission's Consumer Affairs Branch, in addition to any appeal process they may still have at the utility.

UCAN, in its comments dated December 6, 2019, noted support for the proposal with minor modifications, such as requiring verification staff who are fluent in other languages. They also recommend removing the 25-age limit because this is not tied to reducing disconnections and they support a prohibition on field verifications.¹²⁹

On the other hand, TURN, in their December 6, 2019 comments and December 13, 2019 reply comments, strongly supports the proposal with one

¹²⁹ See, December 6, 2019 Comments and Reply Comments dates December 13, 2019.

modification. In addition to providing written and verbal information on how the customers can contact the Commission if they disagree with the IOUs findings, TURN also suggests the implementation of an appeal process. TURN also recommends that the IOUs be required to provide the customer with a copy of the evidence¹³⁰ that the IOU used to make the determination.¹³¹

In its reply comments, the Public Advocates Office suggests removing the \$500 arrearage amount and the 25-age limit as they both are arbitrary.¹³² CCES indicates its support for the proposal in its December 6, 2019 comments.¹³³ CforAT and NCLC also indicate support for the proposal in their December 6, 2019 opening comments and December 13, 2019 reply comments. They also contend that the IOUs comments do not adequately address the concerns raised throughout this proceeding and at the workshops.

CalCCA in its December 6, 2019¹³⁴ comments and December 13, 2019¹³⁵ reply comments noted that they would support the proposal if Part Three of the proposal is modified. They suggest that two documents should be required to establish residency addresses on the driver license may not be current and leases cannot typically be modified if someone moves in or out. Additionally, they

¹³⁰ Such as the investigation report, Experian Identify Validation tool output or other information used.

¹³¹ See, TURN's dated December 6, 2019 Opening Comments at 1-2 and Reply Comments dated December 13, 2019 at 1-2.

¹³² See, Reply Comments dated December 13, 2019 at 4-6.

¹³³ See, Central Coast Energy Services comments dated December 6, 2019 at 5.

¹³⁴ See, pages 2-3 of Opening Comments.

¹³⁵ See, page 5 of Reply Comments.

assert that passports can only verify identity and not the address. They also suggest that the triggers suggested by SCE needs further investigation.

SCE noted in its opening comments dated December 6, 2019¹³⁶ and reply comments dated December 13, 2019 that it tentatively supports the proposal with a few modifications. SCE suggests removing the prohibition on field verifications as it conflicts with the IOUs ability to deter fraud and to determine if customers provided false information and to determine customer status. SCE also notes that there is no basis for the \$500 minimum. SCE believes this could be exploited to avoid payment. Additionally, they suggest removing the 25-year age limit arbitrary and impractical as SCE does not track customer ages and asserts that there would be a cost associated with doing so. SCE also believes that there should be additional triggers such as the name of spouse or roommates, Social Security numbers, banking information and/or email addresses and an opportunity for the IOUs to add additional triggers. SCE also recommends two forms of identification to prove residency and length of occupancy.

PG&E in its December 6, 2019 opening comments¹³⁷ indicates a lack of support for the proposal. They assert that there is no evidence in this proceeding that this proposal will influence disconnection rates and only anecdotal evidence presented that benefit of service is a problem. They also note that the provisions of the proposal are arbitrary and provide no basis to support the suggested

¹³⁶ See, pages 2-5 of Opening Comments.

¹³⁷ See, pages 1-3.

proposal. They also note that the proposal weakens the intent of fraud protection protocols.

SDG&E and SoCalGas in December 6, 2019 comments¹³⁸ oppose this proposal. They note that complaints presented at workshops are unverified, anecdotal, and not supported by the evidence. They state in their comments that this proposal will have no impact on disconnections as only .13 percent of SoCalGas customers and .06 percent of SDG&E customers are affected. They also assert that it is in violation of Tariff Rule 3, which allows utilities to provide service to adults. Finally, they assert that the \$500 threshold lacks evidence and there is no rationale provided for why field personnel cannot verify occupancy.

9.1. Discussion Regarding Benefit of Service

As noted above, concerns were raised by many of the intervenors regarding the current practices of the IOUs as it relates to benefit of service. If an individual is required to pay for prior utility usage, even though they did not benefit from the prior service, this may cause additional financial stress for customers who are struggling financially. To further the purpose of this proceeding in limiting the number of disconnections, the Commission believes that it is necessary to address the underlying issues present in practice known as benefit of service.

The comments of all the parties in this proceeding have helped the Commission evaluate what is the best solution as it relates to the problems that may be caused when a customer is held financially liable for previous utility

¹³⁸ See, pages 2-3.

services when they may not have actually benefited from this prior utility service. Therefore, we have decided to adopt the benefit of service proposal that was included in the ALJ Ruling dated November 14, 2019 and included in the email ruling as Attachment 4, as modified below¹³⁹.

The IOUs shall provide immediate utility service while they conduct their investigation. The utility must identify any of the following:

- a. Address - Information returned from an Experian identity validation tool such as a common address shared between the new customer and a previous service holder.
- b. Telephone number - Matching telephone numbers between the new customer and the customer of a previous service.
- c. Landlord or homeowner confirms that occupant is not new or has been residing at the address.
- d. The account is transferred to the name of a spouse or roommate.
- e. The account is transferred to a customer who has the same email address as the previous customer.
- f. There is common banking information between the old customer and the new customer.

Once the IOU makes an initial determination, the IOU must provide the customer with 30 days to submit additional information to disprove that they benefited from the prior utility service. These include, but are not limited to a driver license or Department of Motor Vehicles (DMV) printout, proof of

¹³⁹ In its opening comments on the proposed decision, SCE raised concerns that the IOUs should also be able to conduct a benefit of service investigation where there are common banking accounts, common emails or the account is transferred to a spouse or roommate. We agree with SCE on these points and have adjusted them as set forth above.

homeownership, proof of previous residency in another location such as a previous lease, utility bill, insurance bill or other documentation that clearly establishes that the customer did not reside at the address in question during the timeframe suspected by the IOU. Additionally, the IOU must conduct an initial investigation set forth above prior to sending a field representative to the service location. Furthermore, no new customer who was under the age of 18 during the period in question shall be required to absorb a benefit of service charge.

Within 30 days of determining that the customer is deemed to have benefited from the service, the IOU must provide in writing and verbally the outcome of its determination and the information that was used in making the determination. If the IOUs are unable to reach the customer over the telephone to inform them of the determination, they must document that they made reasonable efforts to inform the customer verbally of the outcome. Additionally, the IOU shall provide the customer with the contact details for the Commission's Consumer Affairs Branch. Also, the IOU must inform the customer of any internal appeal process that the utility may have to dispute the determination.

We believe that the proposal as modified above helps to further the goal of this proceeding. Additionally, we believe that the modified proposal addresses the concerns raised by the IOUs relative to a need to verify an individual customer's residency and length of occupancy. Therefore, we adopt the above referenced requirements as it relates to benefit of service.

10. LIHEAP Improvements

LIHEAP helps keep families safe and healthy through initiatives that assist eligible low-income households with their energy costs.¹⁴⁰ When households are struggling to meet their energy costs and are in danger of having their utilities disconnected, a LIHEAP pledge can often help a customer keep their utilities connected. Since LIHEAP is such a valuable resource, the Commission decided to evaluate ways that the IOUs could promote the use of LIHEAP funds.

The Public Advocates Office suggests that there should be a service agreement between the LIHEAP providers, IOUs, and the Department of Community Services and Development (CSD) to clearly note how pledges proceed and the process timeline to reduce the number of broken pledges.¹⁴¹

PG&E in its opening comments dated June 14, 2019 recommends partnership with existing low-income programs, including LIHEAP¹⁴². PG&E also noted in their opening comments that they support broader usage of current programs, including LIHEAP, CARE, and FERA. PG&E also states that currently, as ordered by D.16-11-022 as modified by D.17-12-009, PG&E is exploring to provide LIHEAP agencies a "view only" access to customer records. In reply comments dated July 1, 2019¹⁴³, PG&E indicated that it is open to improving the LIHEAP process and indicated that it has met with TURN and intends to meet with CSD. PG&E disagrees that IOUs should bear the

¹⁴⁰ www.benefits.gov

¹⁴¹ See, Workshop II Report at 10.

¹⁴² See, Opening Comments dated June 14, 2019 at 2-3.

¹⁴³ See, pages 8-9.

responsibility to notify customers about a canceled pledge by CSD. Instead, communications between CSD and LIHEAP providers should be improved.

SCE indicated in its opening comments dated June 14, 2019¹⁴⁴, that it supports partnership with assistance program administrators including LIHEAP. SCE supports efforts to optimize collaboration between the IOUs and LIHEAP providers. SCE also provided recommendations on ways to improve LIHEAP. SCE recommends that a customer should be able to submit a disconnection notice electronically to a LIHEAP provider, LIHEAP should be promoted more, and that the LIHEAP pledge be delivered to SCE faster.

SDG&E and SoCalGas in their opening comments¹⁴⁵ dated June 14, 2019 recommends that LIHEAP providers provide a primary contact person with SoCalGas to address any obstacles that might be present. They also recommend holding quarterly meetings between the LIHEAP providers and the IOUs. SDG&E has streamlined its process with LIHEAP providers by allowing pledges to be obtained via the internet and providing customers a uniform template for its LIHEAP providers to submit pledges. SDG&E's improvements to its online LIHEAP portal now allows a LIHEAP provider to contact the IOU via the internet to pledge a dollar amount for assisting the customer.

TURN in its opening comments dated June 14, 2019¹⁴⁶ recommends improving the utility-LIHEAP agency interface, as well as leveraging LIHEAP as

¹⁴⁴ See, pages 7 and 14.

¹⁴⁵ See, pages 9-10.

¹⁴⁶ See, pages 18-21.

part of an Arrearage Management Plan. Specifically, TURN recommends that the Commission direct PG&E to explain when it will implement a "view only" interface to LIHEAP providers. TURN also recommends improving collaboration between PG&E and LIHEAP providers. TURN suggests that PG&E notify the provider and/or the customer when a LIHEAP pledge has been canceled by CSD. TURN suggests communications can be improved between CSD and the IOUs. Finally, TURN suggests that the pledge period should be extended so that the broken pledge rate would be decreased.¹⁴⁷

CalCCA in its opening comments date June 14, 2019¹⁴⁸ recommends that IOU webpages provide LIHEAP resources based on each account's service address or providing an online form where customers can initiate a request for one-time assistance. CalCCA notes that identifying LIHEAP providers is not currently an easy process for customers.

UCAN recommends in its opening comments dated June 14, 2019¹⁴⁹ that IOUs partner more closely with LIHEAP providers to offer better phone hours and locations. UCAN reported that a customer was not allowed in a LIHEAP office to speak to anyone about assistance but was told to call instead. They recommend that it may be possible for LIHEAP providers be available at locations where customers pay their bills. In reply comments dated July 1, 2019, UCAN suggests that information about LIHEAP programs are hard to find and

¹⁴⁷ See, Workshop II Report at 9.

¹⁴⁸ See, pages 13-14.

¹⁴⁹ See, page 9.

access on SDG&E's website. UCAN recommends that SDG&E partner more closely with LIHEAP providers to provide better info to its customers.

In reply comments dated July 1, 2019¹⁵⁰ CCES supports enhancing the utility-LIHEAP agency interface and information sharing. CCES noted that currently, LIHEAP providers have no access to the date when an account is credited with a LIHEAP payment. They believe that this is a lack of transparency in the LIHEAP process. They also request that the Commission require PG&E to adhere to their 90-day pledge period.

Community Action Partnership of San Bernardino (CAPSB) recommends that SCE prolong its operation time to 5:00 p.m. CAPSB notes that SCE currently stops taking pledges at 4:30 pm.¹⁵¹ Spectrum Community Services recommends that the IOUs develop an online pledging system like the one employed by the Sacramento Municipal Utility District (SMUD). Other workshop participants suggested that there should be additional outreach to help customers better understand the LIHEAP process and services provided.¹⁵²

In opening comments on the proposed decision dated November 16, 2018, CSD recommends that the IOUs share accurate customer data and pledge information with CSD and advocates that the LIHEAP policy should be consistent across all IOUs. Additionally, in its pledge letter addressed to Commissioner Guzman dated May 10, 2019, CSD recommends the following:

¹⁵⁰ See pages 2-5.

¹⁵¹ See, Workshop II Report at 9.

¹⁵² *Id.* at 12.

1. A 90-day pledge period (currently the pledge period varies based on the IOU and ranges from 60 to 120 days).
2. Improving current automated phone pledge system.
3. Improving LIHEAP policy consistency across IOUs
4. Detailed and accurate post-reporting from IOUs on paid pledges.
5. Standardizing IOU disconnection policies to not confuse customers.

To obtain additional information on ways to improve the LIHEAP process, the assigned ALJ issued a ruling on November 14, 2019 requiring the parties to address the following question:

Parties should respond to the following questions about the pledge process for the Low-Income Heating Assistance Program (LIHEAP). Please utilize the notes from Sacramento Municipal Utility District's (SMUD) webinar on October 29 regarding their online LIHEAP pledge portal (Attachment 5).

- a. Should utilities be required to allow online pledging through a web portal that their designated local service provider (LSP)?
- b. If yes, what should the timeline be for implementing this portal?
- c. What information should be accessible to the LSP? For example, SMUD provides: account number, address, name, usage, payment history for 12 months, amount needed to avoid disconnection, total arrears, bill history for 12 months, 48 hour notice, ability to download last due bill, summary reports of past pledges, and whether the pledge was accepted.
- d. How should privacy of the customer be maintained? Should clients sign a release form? Should LSPs sign non-disclosure agreements with their respective IOU?

In response to the ALJ's ruling, CalCCA noted in its opening comments dated December 6, 2019¹⁵³ that it supports requiring IOUs to implement an online payment pledging system through a web portal. CSD in opening comments dated December 6, 2019¹⁵⁴ also supports requiring IOUs to implement online payment pledging through a web portal. They recommend that this online payment pledging should be operational within one year; that also as a result of privacy concerns the current LSP intake process requires customer consent and one standard Non-Disclosure Agreement (NDA) for IOUs and individual LSPs; and they recommend that the LSP have all information listed in question 1(c) above and that 48-hour notices include information pertinent to the account.

In reply comments dated December 13, 2019¹⁵⁵ CSD notes that information should be provided to best assist clients and meet federal reporting guidelines. Additionally, they assert that the customer should not have to fill out additional forms as customer acknowledgement is already in the current LIHEAP pledge process forms.

In opening comments dated December 6, 2019¹⁵⁶, SDG&E and SoCalGas state that IOUs should not be required to implement a portal, but they note that they are open to exploring the idea. They believe that it is premature to consider

¹⁵³ See, pages 3-4

¹⁵⁴ See, pages 3-4.

¹⁵⁵ See, pages 3-7.

¹⁵⁶ See, pages 4-8.

a timeline currently. Additionally, they believe that additional information is needed to understand why LSPs need more data and they note that SMUD operates under different data rules.

Furthermore, they note that the information requested by the LSPs is considered secondary data under current Commission rules and customers would need to consent to release data, this would require:

1. Greater customer authentication (not just name and acct number) and use of Customer Information Service Request.
2. Data minimization principle: only necessary information (no payment plan, full customer bill).
3. Cost would be far greater to the IOUs than for SMUD.

CCES in opening comments dated December 6, 2019¹⁵⁷ supports IOUs developing online portal as an incremental step towards progress. They believe that the portals should be fully functional within one year of the issuance of the decision. They also suggest that the information provided include the following:

Account holders name; account number; service agreement ID(s); service address; current total charges; number of billing days; total amount due; dated total arrears; usage; billing and payment history for the previous 12 months; date and status of disconnection if disconnected; minimum amount to reconnect; amount needed to avoid disconnection; whether 15 day and 48 hour notices have been sent; whether the customer is enrolled in CARE, FERA or Medical Baseline; information on past pledges; pledge accepted or rejected; and pledge identifier number.

¹⁵⁷ See, pages 2-6.

As it relates to privacy concerns, they suggest that there should be NDAs between IOUs and respective LSPs.

In reply comments dated December 13, 2019, CCES asserts that based on IOU comments, many IOUs do not understand the federal requirements for data collection on LIHEAP. CCES asserts that eligibility is not determined solely based on account name and number and it is very unlikely fraud will occur based on using these items to access the portal. Additionally, they state that the LSP is required to keep energy bill (or proof of cost of energy) for 3 years after the application.

CforAT and NCLC in opening comments dated December 6, 2019¹⁵⁸ indicate support requiring IOUs to develop LIHEAP pledge portal. They believe that these portals should be running before October 20, 2020, which is the start of new federal fiscal year. They assert that the IOUs should already have all the information that SMUD has including payment arrangements and record date of when the pledge payment was posted. To address privacy issues, they suggest LSPs obtaining the customers consent before accessing their information in the portal and IOUs should establish Memorandum of Understandings (MOUs) with LSPs.

In reply comments dated December 13, 2019¹⁵⁹, they disagree with IOUs that a Customer Information Service Request (CISR) may be necessary when customers apply for LIHEAP.

¹⁵⁸ See, pages 4-8.

¹⁵⁹ See, pages 7-9.

In its opening comments dated December 6, 2019¹⁶⁰ TURN supports requiring IOUs to implement online pledging for IOUs. They note that the feedback from workshops and the staff report was that the IVR system is highly inefficient. They suggest that the portals be implemented no later than March 2020 and that all information provided by SMUD in its portal should be provided by the IOUs. Regarding privacy concerns TURN suggests that clients should sign online release forms and LSPs should sign NDAs with the respective IOUs. In reply comments dated December 13, 2019¹⁶¹ TURN strongly disagrees with Sempra's concerns regarding information sharing as the customer would be consenting to sharing customer information.

PG&E in its opening comments dated December 6, 2019¹⁶² asserts that the portal could be more efficient and it is open to exploring, but does not support the IOUs being required to implement a portal and they assert that much flexibility needs to be given to each IOU. PG&E contends that the current IVR systems is very successful and works well. As it pertains to what information should be provided, PG&E contends that only the information provided by IVR is necessary to make a pledge and they disagree with including past payment history as it is not necessary to receive LIHEAP payments. Regarding privacy concerns, PG&E states that the current IVR is best way to maintain customer

¹⁶⁰ See, pages 2-3.

¹⁶¹ See, page 3.

¹⁶² See, pages 4-6.

privacy. In reply comments dated December 13, 2019¹⁶³, it appears to have softened its position on portals and indicated that 12 months is a reasonable implementation timeline.

UCAN notes in its December 6, 2019¹⁶⁴ comments that it supports directing IOUs to establish a pledge portal but emphasizes this in and of itself will not solve disconnection problem. As it relates to the timeline for implementing such portals, UCAN asserts that the IOUs are in the best position to answer this question. However, UCAN recommends putting in deadlines. They state that if the IOUs cannot meet the deadline, they must show why. UCAN also suggests that the Commission might want to consider the possibility of imposing fines for unreasonable delays.

As it pertains to the sharing of information, UCAN believes that SMUD's portal provides a good starting point. However, UCAN asserts it would also be helpful to include payment arrangements and whether the customer is on CARE/FERA. Regarding potential privacy concerns, UCAN asserts that the IOUs are in a good position to navigate this via NDAs with the LSPs. In reply comments dated December 13, 2019¹⁶⁵ UCAN believes utilities should be allowed to recover costs for these portals.

¹⁶³ See, page 3.

¹⁶⁴ See, pages 4-6.

¹⁶⁵ See, page 3.

In its December 6, 2019¹⁶⁶ comments, SCE supports the development of an online pledging system. They believe that the portal should be operational within 12 months. As it relates to the sharing of information, they assert that the LSPs could log into a web portal, provide the customer name, account number, the pledge amount and the date the pledge is estimated to be received in a user-friendly interface. This approach would also include an added feature of providing a reference number that both LIHEAP providers and SCE representatives can use to track the status of pledges and create summaries of past pledges. As it relates to privacy concerns SCE believes that data should only flow from the LSP and that if information must flow from the IOU to the LSPs there must be a CISR signed by the customer.

10.1. Discussion Regarding LIHEAP Improvements

LIHEAP is an important program that can assist low-income households with energy expenses. This assistance can be especially helpful especially when a family is struggling financially and are on the verge of having their utilities disconnected. During this proceeding there were discussions at Workshop II on how to improve the IOUs use and interaction with LIHEAP. Additionally, the parties responded to an email ruling issued by the assigned ALJ seeking information on the implementation of an online LIHEAP pledge portal. Based upon the discussions at the workshop and the opening and reply comments received from the parties in this proceeding, we implement the following.

¹⁶⁶ See, pages 6-8

The Commission shall update its MOU with CSD for maintaining maximum data sharing and utility practices that improves service. Additionally, there should be quarterly meetings between the IOUs, Consumer Affairs Branch (CAB) and CSD for managing issues such as: the requirement that all pledge periods shall be 90 days across all IOUs; the times that LIHEAP providers can call for preventing disconnections, especially on Fridays; and allowing LIHEAP providers to assist customers even if they do not have the account number. The IOUs shall also accept payments each day until close of business to help reduce the number of disconnections.

The workshop and party comments indicate that an on-line pledging portal for LIHEAP LSPs is an important program which should be implemented. Therefore, within 9-months of this decision, SDG&E, SCE, PG&E and SoCalGas shall have an online pledging portal for LIHEAP LSPs. These IOUs shall work directly with the LSPs in their service territory to create focus groups to develop these portals.

We agree with CSD that the online portals should contain the following information: account number; service address; account holder name; current total charges; total amount due; number of billing days in the current billing cycle; status of disconnection; minimum amount needed to avoid disconnection if the customer is not already disconnected; the minimum amount needed to reconnect if already disconnected; total arrears; bill history for the last 12-months; 15-day notice issuance; 48-hour notice issuance; pledge acceptance or rejection status; the last bill; and a tracking number for each pledge. Additionally, the utility

shall be required to verify that the customer is eligible and enrolled in all applicable programs such as CARE, FERA, and Medical Baseline.

The online portal shall also provide weekly, monthly, and yearly summary reports of past pledges, account numbers, zip codes and whether the pledge was accepted. These reports shall be provided to CSD for greater transparency of payments that have been processed and customers that have been reconnected through LIHEAP pledges. In opening comments PG&E questioned whether the proposed decision actual meant to have the utilities provide the reports to CSD rather than the LIHEAP providers. Upon further consideration we believe that the utilities should provide this information to both CSD and the LIHEAP providers.

The IOUs shall also work with LSPs to develop a release form for customers to sign consenting to their information being shared and NDAs for information sharing with individual LSPs. The IOUs will also be required to enter an MOU with CSD and their LIHEAP providers.

11. Revisions to Medical Baseline Program

The Medical Baseline Program or Medical Baseline Allowance is a program for residential customers who have special energy needs due to qualifying medical conditions. All residential customers receive an allotment of energy every month at the lowest price. Customers who are eligible for medical baseline receive an additional allotment of electricity and/or gas per month at the

lowest price. This helps to ensure that more energy is available to support qualifying medical devices available at a lower rate.¹⁶⁷

At the Hayward workshop, panelists and workshop participants suggested that the categories of personnel who can certify patients to enroll in the program should be broadened.¹⁶⁸ Additionally, CforAT recommended broad certification authority for serious illness protections, including mental health and public health, as well as nurse practitioner and physician's assistants. Alameda County Public Health indicated at the workshop that social workers and case managers could help certify medical baseline customers if the authority to verify seriously ill customers can be broadened.¹⁶⁹ City Heights Community Development Corporation also indicated at the workshop that other personnel, such as social workers and case managers should be able to sign off medical baseline forms to accommodate customers who don't have medical insurance.¹⁷⁰ Finally, a representative from SCE indicated at the Hayward workshop that

¹⁶⁷ The four large IOUs Medical Baseline programs can be found at the following links:
https://www.pge.com/en_US/residential/save-energy-money/help-paying-your-bill/longer-term-assistance/medical-condition-related/medical-baseline-allowance/medical-baseline-allowance.page?WT.mc_id=Vanity_medicalbaseline

<https://www.sdge.com/residential/pay-bill/get-payment-bill-assistance/health-senior-support/qualifying-based-medical-need>

<https://www.sce.com/residential/assistance/medical-baseline>

<https://www.socalgas.com/save-money-and-energy/assistance-programs/medical-baseline-allowance>

¹⁶⁸ Workshop II Report at 16.

¹⁶⁹ *Id.* at 17.

¹⁷⁰ *Id.*

medical personnel be allowed to e-sign medical baseline applications for patients.¹⁷¹

11.1. Discussion Regarding Revisions to Medical Baseline Program

Senate Bill (SB) 1338 (Hueso 2018) was an act to amend Sections 739 and 779.3 and to add Section 779.4 to the Public Utilities (Pub. Util.) Code. As codified, the SB changes the Pub. Util. code to authorize a Physician's Assistant to certify in writing to the utilities that an individual has a medical condition which substantiates the need for a medical baseline allowance. The bill also requires the four large IOUs to demonstrate that they are working with the medical community to increase marketing and outreach to persons eligible for the medical baseline allowance.

We appreciate the comments that were made at the Hayward workshop as it relates to suggested changes to the Medical Baseline Program. These comments have assisted the Commission in developing additional measures that will help to improve enrollment in the medical baseline program.

In addition to implementing the changes set forth in SB 1338, allowing physician assistants to certify customers for medical baseline, we will also allow nurse practitioners to certify that a customer is eligible for the medical baseline allowance. Additionally, we will allow qualified medical professionals to electronically certify customers are eligible for the medical baseline program. The IOUs shall implement a system that will allow qualified medical

¹⁷¹ *Id.*

professionals to electronically certify that a customer is eligible for the medical baseline program.

In implementing the other requirements set forth in SB 1338, the IOUs will work with county level health and human services departments and public health departments to increase outreach to persons eligible for the medical baseline allowance. This will include but is not limited to the following:

(1) IOUs will provide annual training for county health services workers that do home visits before the second quarter of each year; (2) IOUs shall regularly provide outreach and educational materials in multiple languages for these workers to take into the field; and (3) Within 60 days of this decision, the IOUs shall file a Tier 3 Advice Letter (AL) outlining plans for implementing SB 1338 requirements outlined here.

In opening comments on the proposed decision PG&E requested that the IOUs should be able to include their SB 1338 efforts in the annual and quarterly reports required in Rulemaking (R.) 18-12-005 rather than a Tier 3 AL. The referenced proceeding directs the utilities to provide quarterly reports on their plans to aid customers with access and functional needs during de-energization events. These reports are specific to de-energization events and not the same as the Tier 3 AL which is about improving awareness. Therefore, we deny this request.

The IOUs should include existing work that will continue. They should detail in the AL their plans to continue funding small grants to CBOs relating to

medical baseline outreach.¹⁷² The AL should detail a cohesive plan outlining what they are doing and will continue to do to increase community outreach related to the medical baseline program.

The AL should also include enrollment goals and other metrics, including how many customers were reached and ultimately enrolled in the medical baseline program. Ultimately, the IOUs should strive to increase enrollment in the medical baseline program above 2018 levels.

12. Transparency for Community Choice Aggregation

Many of the Community Choice Aggregators (CCA) providers expressed concerns that the IOUs were not sharing adequate information when a CCA customer is disconnected. To obtain additional information for this proceeding the assigned ALJ issued a ruling on May 1, 2019 seeking input from the parties as it relates to transparency. Additionally, there was a workshop on July 9, 2019 relating to the issue of transparency. Three of the CCAs; CalCCA, Monterey Bay Community Power, and East Bay Community Power provided comments on the ALJ's ruling and workshop report.

In opening comments dated June 14, 2019¹⁷³ CalCCA noted that when a customer is disconnected and subsequently reconnected (within 48 hours), CCAs often receive no notice that the disconnection occurred. Current rules governing

¹⁷² PG&E has given out small grants to increase Medical Baseline outreach to CBOs like Central Coast Energy Services and has established a large contract with the Center for Independent Living.

¹⁷³ See, page 11.

the disconnection and reconnection of CCA customers provide only limited transparency to CCA organizations.

In opening comments dated October 28, 2019¹⁷⁴ CalCCA stated that CCAs typically do not know that a customer has received a 15-day or 48-hour notice or has been disconnected recently or in the past. They assert that the only means by which a CCA can gain access to information about individual customers' disconnections history is through a formal data request to an IOU.

CalCCA recommends that the disconnection history and 15-day notice information be added to the list of information currently released to CCAs on an ongoing basis under existing NDAs with IOUs. They also support the development of a framework for sharing customer information about payment history with third parties, such as CBOs. Additionally, they recommend the Commission develop such a framework by examining and, if necessary, modifying prior Commission D.12-08-045 to state that customer information related to payment history may be shared for the purpose of enrollment or implementation of Commission programs for low-income customers, such as CARE/FERA, DAC-SASH, and DAC-GT/CSGT.E151

In reply comments dated November 4, 2019¹⁷⁵ they recommend IOUs to share additional info with CCAs which includes the following: (1) automatic notification when a customer receives a 15-day and/or a 48-hour shut-off notice, and (2) ongoing access to information about which customers have been

¹⁷⁴ See, pages 5-7.

¹⁷⁵ See, pages 2-3.

disconnected, in .xlsx or .csv file format, without the need to submit formal data requests in this proceeding.

In the Workshop II Report¹⁷⁶ Monterey Bay Community Power (MBCP) and East Bay Community Energy (EBCE) stated that the big challenge for them is that they do not know when and which of their shared customers get disconnected. They suggested that CCAs are entitled to see customers' information. They suggest that information sharing between the IOUs and CCA is essential, so that CCAs can better serve and help their shared customers.

PG&E noted at the second workshop that they were open to discussing sharing of information with the CCAs.¹⁷⁷ In opening comments dated October 28, 2019,¹⁷⁸ PG&E clarified the information that they share with CCAs, which includes a monthly Billing Snapshot Report containing billing information, the age of the debt, and details on the Accounts Receivables for each customer. They also assert that the CCAs receive a Daily Payment report each business day. PG&E states that if this information is not enough, PG&E is open to discussing additional information sharing with the CCAs.

12.1. Discussion Regarding Improving Transparency for the CCAs

We are concerned that many of the CCAs have raised the issue that they frequently do not receive enough information as it relates to when their customers are disconnected or are facing disconnection. To promote

¹⁷⁶ See, pages 20-21.

¹⁷⁷ See, Workshop Report II at 21.

¹⁷⁸ See, pages 9-10.

transparency, we have decided that the Commission must make certain changes to promote interaction between the CCAs and the IOUs. Specifically, the IOUs and the CCAs shall enter MOUs/NDAs to improve access to information.

Specifically, the IOUs must do the following:

1. Provide automatic notification to the CCAs when a customer receives a 15-day, and/or a 48-hour shut-off notice and gets reconnected.
2. Provide ongoing access to information about which customers have been disconnected, in .xlsx or .csv file format, without the need to submit formal data requests by CCAs in this proceeding.

13. CARE and FERA Outreach

CARE and FERA are important programs which can aid households who may need assistance with their utilities. Ensuring that these customers are aware of the benefits of these programs is important to ensure that there is adequate outreach to the public from the IOUs as it relates to CARE and FERA. The issue of additional outreach was discussed at a workshop and the parties were given the opportunity to respond to the issue of additional outreach.

In opening comments dated June 14, 2019,¹⁷⁹ CalCCA noted that they support additional marketing and outreach via CBOs. They assert that additional outreach may help vulnerable customers obtain additional information about programs that they may not be aware of. They also recommend that the Commission, to the extent possible, assist these

¹⁷⁹ See, pages 4-6 and 8-9.

organizations by identifying sources of funding for program marketing, education, and outreach activities.

EBCE presented¹⁸⁰ on the subject at the Hayward workshop in this proceeding. During their presentation, they identified three zip codes in Oakland that have high disconnection rates, but only 15 percent are enrolled in CARE, while 50 percent of the population lives below twice the Federal Poverty Level. They propose outreach pilots to close the "CARE Gap" by partnering with programs offered by some CBOs such as Community Help and Awareness of Natural Gas and Electric Services (CHANGES). They also state that 80 percent of the disconnected are not enrolled in CARE, FERA, or Medical Baseline. The Commission/IOUs should raise awareness that these programs are available.

Catholic Charities was also present at the Hayward workshop. They suggested at the workshop that they can help the IOUs to verify customers' qualifications¹⁸¹. Alameda County Public Health Department also participated in the Hayward workshop. They assert that social workers and case managers could help certify medical baseline customers if the authority to verify seriously ill customers can be broadened.¹⁸²

At the second workshop a few individuals noted that there should be continued outreach efforts and public education to help customers understand

¹⁸⁰ See, Hayward Workshop Presentation included in Hayward Workshop Report.

¹⁸¹ See, Workshop II Report at 17.

¹⁸² *Id.*

LIHEAP service and eligibility for programs like CARE and FERA¹⁸³. In the Stockton workshop, it was suggested that IOU customer service representatives should be able to enroll customers in CARE or LIHEAP directly over the phone. The IOUs' call centers should also be able to directly enroll customers in CARE or assistance programs¹⁸⁴.

In opening comments dated July 10, 2019¹⁸⁵ PG&E noted that customers can enroll in CARE while on the phone with a PG&E Customer Service Representative (CSR). PG&E states that the information presented in the Stockton workshop was incorrect regarding whether a customer can enroll in CARE over the telephone. In opening comments dated June 14, 2019¹⁸⁶ PG&E supports self-certification for vulnerable customers. However, Post-Enrollment Verification (PEV) should be considered on a case-by-case basis by the utility. They assert that there is no need for additional verification methods.

13.1. Discussion Regarding CARE/FERA Outreach

The CARE and FERA programs are valuable programs that can assist vulnerable customers who may be struggling to pay their utilities. We believe that additional efforts need to be made to ensure that appropriate outreach on CARE and FERA is being done. However, we believe that the issue of CARE and FERA outreach is better suited for the consolidated proceedings which are

¹⁸³ *Id.* at 12.

¹⁸⁴ *See*, Workshop I Report at 22.

¹⁸⁵ *See*, page 4.

¹⁸⁶ *See*, pages 9-10.

Applications¹⁸⁷ (A.) 19-11-003, A.19-11-004, A.19-11-005, A.19-11-006, and A.19-11-007 (collectively referred to as A.19-11-003), which were filed on November 4, 2019 and consolidated by ALJ Tran on December 24, 2019.

We emphasize below key aspects of CARE and FERA outreach and make a proposal for future consideration.

To help enroll eligible households that qualify for CARE and FERA discounts, LIHEAP providers should be able to verify over the telephone with the IOUs whether a household is on CARE or FERA. If the household is eligible but not enrolled, the LIHEAP provider can obtain customer consent and assist the household with enrollment via phone with the IOU representative. The LIHEAP provider can also refer eligible customers to sign up for said programs.

CBOs are also able to register as capitation agencies to conduct outreach, assist with enrollment and ensure eligible households are enrolled in all applicable benefit programs. Additional direction regarding marketing of CARE/FERA programs to populations within the top 10 impacted zip codes with recurring disconnections in their service territories may also be addressed in the CARE/FERA consolidated proceeding, A.19-11-003.

14. Payments to Avoid Immediate Disconnection

When a customer's account becomes delinquent it is potentially subject to being disconnected. For gas service to be disconnected, the utility must physically send an employee out to the location. SoCalGas and SDG&E field

¹⁸⁷ These Applications were filed by PG&E, SCE, SDG&E, SoCalGas, and Marin Clean Energy and among other things are seeking approval of Energy Savings Assistance (ESA) and CARE Programs and budgets for 2021-2026 program years.

representatives can collect payments from customers. If the customer pays the field representative a significant portion of the past due amount, they may be able to forgo having their gas service disconnected.

This issue of field representatives collecting payments prior to disconnecting gas service was a subject of one of the workshops. To obtain additional information from the utilities, the assigned ALJ issued a ruling on June 12, 2019 requesting additional information. The ruling asked the following¹⁸⁸:

Utilities claimed in the workshops that customers can avoid disconnections if they pay a certain amount to the utility worker who arrives to conduct an in-person field visit or disconnect gas service. Can a field worker put a customer on a payment plan? Can they collect a portion of the amount due? What is the minimum a customer must pay to the worker to avoid disconnection?

In Opening Comments dated July 10, 2019¹⁸⁹ SoCalGas indicated that their field workers are not connected to the customer information system and therefore are unable to put a customer on a payment plan. However, the field representative may accept 50 percent of the past due balance for the customer to keep their service on. They also noted that the field representative does have discretion to not disconnect if the customer is seriously ill, if the customer has confirmed there is a permanent resident 65 or older, or if disconnection can pose a safety issue. The customer must contact the Customer Contact Center or the

¹⁸⁸ See, July 10, 2019 Ruling question 5.

¹⁸⁹ See, page 7.

Credit and Collections Department to make payment arrangement plans¹⁹⁰.

Some of the CBOs present at the workshop indicated that they disagreed.

In its opening comments dated July 10, 2019¹⁹¹ SDG&E indicated that the field representative cannot issue a payment plan but can collect a portion of the amount due. The order assigned to the field worker does have a minimum disconnection amount identified to be paid by the customer. However, the field worker does have discretion to take less or to not disconnect if the customer is seriously ill or if disconnection can pose a safety issue.

In its opening comments dated July 10, 2019¹⁹² PG&E noted that field personnel at PG&E do not accept payments to avoid disconnections or create payment plans. Customers wanting to pay or request a payment plan are referred to PG&E's Credit team. Customers may also choose to visit one of PG&E's local offices, Neighborhood Pay Stations, or the Call Center to make an immediate payment to avoid being disconnected.

In opening comments dated July 10, 2019¹⁹³ SCE asserts that field service representatives (FSR) are unable to place the customer on a payment plan or accept cash payments from the customer. The customer is given the option to make payment by debit or credit card by phone, QuickCheck by phone, or online

¹⁹⁰ Several of the CBOs disputed SoCalGas' assertions. They contend that the amount that frequently needs to be paid to avoid disconnection is not a nominal amount and the customer may still be disconnected due to a communication breakdown between the field representative and the dispatch center.

¹⁹¹ See, page 7.

¹⁹² See, page 3.

¹⁹³ See pages 9-10.

through SCE.com. To assist the customer, an FSR can provide a courtesy extension of 48 hours to make payment. For any further extensions, the customer would be directed to call SCE's Customer Contact Center to make payment arrangements. A Customer Contact Center representative will review/grant each extension on a case by case basis. There is no minimum a customer must pay to avoid disconnection as each circumstance may differ in payment arrangement.

14.1. Discussion Regarding Payments to Avoid Immediate Disconnections

One of the goals of this proceeding is to limit the number of disconnections. Through workshops and rulings, we have obtained valuable information that will assist us in meeting this goal. To further this goal, the proposed decision required gas field collectors to accept payments from customers when they are making field visits to disconnect gas service. PG&E raised concerns over this in their opening comments. They assert that requiring the field collectors to accept payment could create a safety concern. We do not necessarily agree with PG&E's concern as SoCalGas field representatives have had the ability to accept payments from customers and they did not raise any safety concerns.

Rather than require the gas field service representative to collect payments, PG&E suggests that the gas field service representative could assist the customer with submitting the payment while in the field. We find this to be an acceptable compromise. The gas field representative must be able to connect the customer to an employee or an online portal that will allow the customer to make a payment to avoid disconnection.

We also require that a customer be required to pay only a minimum of 20 percent of the past due balance and agree to a payment plan to avoid being disconnected¹⁹⁴. Additionally, we require that reconnection must occur within 24 hours for gas customers. Finally, customers shall be automatically reconnected once payments are made and they should not have to call another person to have their service reconnected.

15. Arrearage Management Plans

Parties and participants at workshops held in fall 2018 and summer 2019 identified a gap in the payment plan options provided by the utilities. Standard three-month payment plans assist customers with small, short-term buildups in their arrearages who need a few extra months to pay off their bill. However, three-month payment plans do not work for customers who have accrued significant arrearages. Those customers need assistance to eliminate their arrears and would benefit from policies that incentivize consistent, on-time bill payment.

In order to obtain additional information on potential AMP plans a workshop was conducted on July 23, 2019 in Hayward and the assigned ALJ issued several rulings requesting additional information and/or comments from the parties as it relates to the proposal to implement AMPs in California. Among other things, the first ruling issued on May 1, 2019 asked the question whether AMPs should be implemented in California and how they should be structured. The second ruling was issued on October 14, 2019 and it contained the Staff

¹⁹⁴ The utility shall reach out to the customer to set up a 12-month payment plan for the remaining balance.

Report on the Hayward Workshop.¹⁹⁵ The third ruling was issued on November 14, 2019 and contained a proposal attached to the ruling titled Arrearage Management Payment Plan which set forth the specific proposal that was being considered for the utilities in California.

15.1. Comments Received on the May 1, 2019 ALJ Ruling

Among other things the May 1, 2019 ALJ Ruling requested that the parties respond to multiple questions regarding the feasibility of AMPs in California.¹⁹⁶

TURN indicated in its opening comments on the ruling that it supports an AMP implemented simultaneously with other programs. TURN noted that the AMP could provide benefits to public safety, children's education, housing security, physical and mental health, adults' ability to work, and food security.¹⁹⁷ The Public Advocates Office indicated in their opening comments that they support AMPs as a pilot if there is a mandatory evaluation phase, and opportunity to re-evaluate the AMPs design.¹⁹⁸ GRID indicated that it prefers PIPPs to AMPs.¹⁹⁹

¹⁹⁵ The Hayward Workshop had a panel that discussed AMPS and consisted of representatives from TURN, NCLC, SDG&E and Spectrum Community Services. After the panel presentation, there was an opportunity for a group discussion on whether AMPS should be implemented in California and how that should be done.

¹⁹⁶ See, Question 7 of the May 1, 2019 ALJ Ruling.

¹⁹⁷ See, TURN's Opening Comments dated June 14, 2019 at 32-35.

¹⁹⁸ See, Public Advocates Opening Comments dated June 14, 2019 at 7-12.

¹⁹⁹ See, GRID's Opening Comments dated June 14, 2019 at 13-14.

UCAN expressed²⁰⁰ support for the AMP and opined that Massachusetts utilities initially opposed the AMP, but now value it. UCAN recommends that there be consistent criteria across the state rather than allowing each IOU to do its own thing. They would also like to extend the AMP to all Class A water utilities. They also recommend a limit to the frequency that AMPs can be used, and a threshold for arrearage and delayed payments.²⁰¹ UCAN also believes that the IOUs should get assurance that AMPs will not have a substantial adverse effect on their earnings.

NCLC and CforAT note support the AMP proposal,²⁰² but believe that there should also be programs to help lower bills and make sure that utilities are affordable. They also recommend coordinating with CBOs on notice, outreach, plan development. Additionally, they suggest hiring an evaluator before the start of the plan and they suggest that any AMPs in California should allow customers to miss between 1-2 payments like Massachusetts and the district of Columbia.

CalCCA indicated in its opening comments that it supports an AMP in California²⁰³. They see this as a possible solution to address high broken payment plan rates. They assert that AMPs would need to give CCAs a mechanism for arrearage forgiveness for generation and delivery charges, and

²⁰⁰ See, UCAN's Opening Comments dated June 14, 2019 at 12-21.

²⁰¹ Massachusetts requires at least \$300 arrears that has been unpaid 50+ days.

²⁰² See, NCLC and CforAT's Opening Comments dated June 14, 2019 at 29-40.

²⁰³ See, June 14, 2019 Comments at 14-19.

IOUs would need rules for the application of payments to delivery and generation charges. They indicate that they support the AMP design laid out by NCLC. They assert that AMP eligibility should be tied to income, and income levels should be tied to local cost of living.²⁰⁴ Additionally, they believe that the program should be offered to at risk customers as identified by payment patterns.²⁰⁵ Finally, they believe that there will be significant nonmonetary benefits of avoiding disconnection.²⁰⁶

15.2. Opening and Reply Comments Received on the Workshop Report Issued October 14, 2019

As noted above, the July 23, 2019 workshop in Hayward discussed in detail AMPs and whether they should be implemented in California. The workshop report issued by ALJ ruling on October 14, 2019 provided the parties an opportunity to respond to the proposals presented during the workshop. Opening comments were received on October 28, 2019 and reply comments were received on November 4, 2019.

The Public Advocates Office noted in its October 28, 2019 opening comments²⁰⁷ that the Commission should adopt AMP pilots, paired with a levelized payment plan. They would also like to test various terms of participation such as using a levelized payment plan vs not using a levelized payment plan. They believe that the pilots should be conducted by all large

²⁰⁴ *Id.* at 16.

²⁰⁵ *Id.* at 16-17.

²⁰⁶ *Id.* at 17-18.

²⁰⁷ *See*, pages 4-5.

IOUs. Additionally, they assert that the Commission should direct a working group for disconnection pilot program which would be one working group for all IOUs to discuss details regarding all AMPs. They suggest that these working groups should meet quarterly. Finally, they assert that SCE would need to make sure that customers from each group are comparable.

In its reply comments dated November 4, 2019²⁰⁸, the Public Advocates Office stated that AMP implementation working groups should begin after the final decision in Phase 1. They suggest that the pilot should focus on those who have received a disconnection notice. Their reply comments also lays out the process for cost forecasting which could include the following: IOU does forecasts; working groups discusses and reach consensus; IOU then file Tier 2 AL to create a balancing account; the IOUs track pilot costs, forgiveness payments, and revenue costs separate from each other.

In its opening comments SCE stated that the Commission should allow SCE and parties to work together to develop and implement the AMP pilot²⁰⁹. They assert that it must be a pilot because there is no data on whether an AMP is the best tool to help customers avoid disconnection.²¹⁰ In its reply comments²¹¹ SCE notes its support for an AMP developed amongst stakeholders.²¹² They also

²⁰⁸ See, pages 1-2.

²⁰⁹ SCE reiterated in its opening comments that it recommends adopting the AMP pilot that was put forth at the Hayward workshop.

²¹⁰ See, SCE's comments dated October 28, 2019 at 5-7.

²¹¹ See, SCE reply comments dated November 4, 2019 at 2.

²¹² The large IOUs and CalCCA.

note that they agree with the Public Advocates Office that there should be a working group created to discuss the details of the AMP pilot.

SDG&E and SoCalGas in joint reply comments²¹³ noted tentative support for an AMP. They recommend focus groups and a root cause analysis. They state that they are open to pilot programs but are concerned about the burden that AMPs will have on other ratepayers. They stress the importance of having pilots before establishing permanent policies. They also indicated that they do not want permanent policies before pilots. In their comments, they also contend that the Eversource model²¹⁴ would shift costs and raise rates for other customers and they listed several unresolved questions from the Eversource program.

NCLC and CforAT indicated in their joint reply comments²¹⁵ that they would support a working group that would work through the details of an AMP pilot design. Additionally, they noted concerns about SCE's proposed pilot at the Hayward workshop.

CalCCA notes in its reply comments²¹⁶ that there should be working groups formed for the pilots that would be used to determine structure,

²¹³ See, November 4, 2019 Reply Comments at 3-4.

²¹⁴ On October 25, 2019, there was a webinar hosted by Eversource. A summary of the webinar was attached to the ALJ's November 14, 2019 ruling. Eversource is a New England energy utility. The webinar presented on Eversource's AMP called New Start. Eversource operates in Connecticut, Massachusetts, and New Hampshire. New Start currently operates in Connecticut and Massachusetts and a request to implement New Start in New Hampshire is pending with the New Hampshire Public Utilities Commission.

²¹⁵ See, pages 1-2 of CforAT and NCLC's Reply Comments dated November 4, 2019.

²¹⁶ See, November 4, 2019 Reply Comments at 1-2.

eligibility, enrollment workflow, and coordination with CBOs. They also state that the AMP pilot should not be limited to bundled customers.

15.3. November 14, 2019 Ruling Setting Forth the Arrearage Management Payment Plan Proposal

The November 14, 2019 ruling contained an attachment titled Arrearage Management Payment Plan, which set forth the objective, structure, and implementation of the plan.

15.3.1. Arrearage Management Plan Structure

It is envisioned that the AMP structure would be a qualifying event that results in enrollment in the AMP. Once enrolled, the AMP would be designed so that a specific amount is forgiven after the customer makes each on time monthly payment. The IOUs will then report on the impacts of the AMP.

To qualify for the proposed AMP, the customer must have arrearage amounts of \$500 or higher. The customer must have also received a disconnection notice. Most of the customers with arrearages have arrearages under \$500. Therefore, setting the eligibility floor at \$500 in arrearages will target the payment plan to customers with unusually large arrearage amounts who have had difficulty making on-time bill payments. Both bundled and unbundled customers are eligible for this payment plan. In March 2020 Energy Division requested the amounts of customers for each utility that had \$500 in arrears that was at least 90 days old and received a disconnection notice in February 2020. For PG&E the number was 9,285. For SCE the number was 2,872. For SDG&E the number was 1924. For SoCalGas the number was 2011.

After the customer's balance reaches the minimum \$500 arrearage amount, the IOUs will enroll participants in the AMP payment plan. After they are

enrolled, the IOUs will provide potential participants with the information necessary to help the customer decide about the AMP payment plan.

The IOUs will provide AMP payment plan participants with ongoing encouragement and support. For example, if a customer has a financial emergency and misses a payment, there should be support in place to help them understand their options and identify programs and/or resources that may help them back on track with payments, such as PG&E's REACH program. Also, customers should receive acknowledgement from the utility when they reach 3, 6, and 9 months of on-time payments.

When eligible customers call the IOU for any reason, the customer service representative must offer them the opportunity to enroll. Eligible customers must also be offered the opportunity to enroll when checking their account online or communicating with a customer service representative online. In all communications, the customer must be informed of the payment plan rules and requirements, and how it could help benefit them.

Once enrolled in the AMP, it is envisioned that the AMP will forgive 1/12 of a customer's arrearage after each on-time payment. After twelve on-time payments, the customer's debt will be fully forgiven. Customers can miss up to two non-sequential payments if the customer makes up the payment on the next billing due date with an on-time payment of both the current bill and the past bill(s). For example, a customer can miss a payment in March and make it up in April but cannot miss March and April's payments and make both up in May. Missing two sequential payments will break the arrearage management payment plan.

If a customer drops out of the plan before reaching twelve on-time payments, there is no impact to the debt that has already been forgiven. For example, if a customer makes six on time payments and then breaks the payment plan, half of their arrearage will have been forgiven before the customer broke the payment arrangement.

So that the Commission can evaluate the effectiveness of the AMP, the IOUs will report on the impacts of the arrearage management payment plan on customer arrearage amounts and current and future customer payment behavior. The IOUs will report back to the Commission annually with the following data:

Payment plan Area	Data to Submit
Enrollment	<ul style="list-style-type: none"> • The number of participants enrolled by customer group (CARE, FERA, Non-CARE/FERA, Medical Baseline, Total) • The locations of those customers (zip codes)
Payment	<ul style="list-style-type: none"> • Arrearage management payment plan success rate for customers • Average arrearage amount for customers who successfully completed the arrearage management payment plan • Average arrearage amount for customers who failed to complete the arrearage management payment plan • Percentage of customers who missed one payment and made up the payment • Percentage of customers who missed two payments and made up the payments • Percentage of customers who missed two payments, did not make up the payments, and were disqualified from the payment plan • The percent of customers who made on-time payments during the six months following the end of their arrearage management payment plan

	<ul style="list-style-type: none"> ○ This should be split up by those who completed the payment plan and those who did not
Post-arrearage management payment plan Payment Behavior	<ul style="list-style-type: none"> • The percentage of customers that accrued new arrears within six months of completing the arrearage management payment plan • The percentage of customers that accrued new arrears within six months of dropping out of the arrearage management payment plan
Disconnection eligibility impacts	<ul style="list-style-type: none"> • The number of customer accounts eligible for disconnection

15.3.2. Initial Proposal on Arrearage Management Plan Implementation

To implement the AMP, the IOUs shall be required to submit a Tier 2 Advice Letter within 90 days of effective date of the decision, establishing the arrearage management payment plan pursuant to the criteria described above. After three years, the IOUs may file a joint Tier 3 Advice Letter with recommended improvements to the payment plan. The payment plan will remain in effect until a new decision is adopted. The IOUs may also submit an application requesting that the payment plan be terminated by the Commission. The application must include a justification for the termination and must also explain what steps the IOUs and other LSEs will take to help customers struggling with their bills after this payment plan is terminated.

15.4. Party Comments on Proposal

In its December 6, 2019 comments, CalCCA indicates that it supports the AMP and wants IOUs and CCAs to coordinate on progress of the AMP.²¹⁷ CalCCA stated that it desires there be a joint AMP/Percentage of Income Payment Plan (PIPP) working group. They assert that the AMP should do the following: provide the IOUs with cost recovery for the AMP program; that the AMP program should have a max arrearage forgiveness amount; and there should be coordination on billing processes for arrearage forgiveness through Electronic Data Interchange (EDI) protocol.²¹⁸ CalCCA also raised concerns about excessive arrearage forgiveness might promote fraud at the expense of other ratepayers.²¹⁹ They also note that CCAs don't have a set cost recovery process.²²⁰ Furthermore, CalCCA wants CCAs to be eligible to enroll customers also.²²¹

In December 6, 2019 comments²²², NCLC/CforAT noted support for the AMP and the \$500 limit because it makes the number of eligible customers manageable. They also support forgiving 1/12 of debt each month. They assert that customers should be able to enroll via phone and online and they want the IOUs to state the forgiven arrearage amount on the customer's bill and/or on

²¹⁷ See, CalCCA, Opening Comments dated December 6, 2019 at 6.

²¹⁸ *Id.* at 7-9.

²¹⁹ *Id.* at 8.

²²⁰ *Id.*

²²¹ *Id.* at 9.

²²² See, NCLC/CforAT's Opening Comments dated December 6, 2019 at 14-16.

online customer account. Furthermore, they believe that any LIHEAP funding for a customer in AMP should go towards the current bill not arrearages.

In its December 6, 2019 opening comments²²³, UCAN supports an AMP, but thinks \$500 in arrears is too rigid. They assert that customers who have arrears from \$75-500 who have missed 2 plus payments should be eligible for the AMP. They also support an effective outreach strategy. They also do not want the IOUs to be able to file advice letter to shorten the AMP. They assert that an AMP surcharge should be added to make the AMP revenue neutral. They support the AMP reporting requirements and believe that the AMP program will be effective.

CCES noted in opening comments²²⁴ that the AMP should require that customer have a balance with at least 12 months in arrears and that the customer must have experienced at least one disconnection in past 12 months. They also assert that the AMP should be a low-income only customer pilot.

TURN in its opening comments²²⁵ supports a working group for the AMP. TURN noted some concern about customers gaming the system. To combat this potential they propose one of these options be added: an age of arrears threshold, a requirement that customers have experienced at least one disconnection in the last 12 months, or both, or start the AMP with a first phase for low income customers.

²²³ See, UCAN's Opening Comments dated December 6, 2019 at 12-14.

²²⁴ See, CCES' opening comments dated December 6, 2019 at 9-10.

²²⁵ See, TURN's opening comments dated December 6, 2019 at 7-8.

The Public Advocates Office noted in December 6, 2019 opening comments²²⁶ that the AMP should be implemented as one of several different pilots so that the Commission can figure out the optimal configuration for reducing the disconnection rate. They contend that the IOUs should submit joint Tier 3 advice letter within 90 days of adoption of the decision detailing how they will implement the distinct pilots.

SoCalGas and SDG&E asserted in their joint opening comments²²⁷ that there should be AMP pilots before full implementation. They believe that it is important to ensure that other ratepayers are not impacted by a hastily implemented AMP program. They also note that the proposal as drafted does not consider funding needed for IT to make the AMP program work. They assert that the IOUs still have questions about program design after the Eversource webinar and want the AMP program to be piloted first. They also, note that Eversource piloted their program for years before it was fully implemented.

SCE notes in its opening comments²²⁸ that there is still a need for data collection on the effectiveness of AMPs in reducing disconnection rates. SCE suggests that the AMP rollout should happen in three phases. Phase 1 would include 1000 bundled low-income customers with arrears at least 90 days old and should last for a 14-month period. Phase 2 would be 6-9 months long and enroll

²²⁶ See, Public Advocates opening comments dated December 6, 2019 at 1-2.

²²⁷ See, SDG&E/SoCalGas' opening comments dated December 6, 2019 at 11-12.

²²⁸ See, SCE opening comments dated December 6, 2019 at 13-14.

more customers in the program. Finally, Phase 3 would be the full-scale program.

In their opening comments²²⁹, PG&E contends it is premature to offer an AMP at this time. They state that approximately 78,000 PG&E customers would qualify, and it would cost \$139 million for CCA customers and PG&E customers in PG&E service territory. PG&E believes that the Commission should offer the AMP plan as a targeted 1,000 customer pilot. PG&E notes that Eversource conducted a smaller program with its five-year pilot. The program as described does not consider income verification, a cap on total arrearage amounts, and allowing at least one year to get the program set up. PG&E recommends limiting the program to bundled customers, who have expressed an inability to pay to the utility. Also, PG&E states that the AMP should be limited to CARE/FERA customers to make sure it does not subsidize those who can afford to pay. Furthermore, eligibility should be limited to customers who have been with the IOU for at least 6 months and have made at least one on time payment. They also believe that there should be a 24-month waiting period before a customer can re-enroll in the AMP. PG&E would like reporting on cohorts of customers, those who start or finish the program at the same time, to provide more standardized data in addition to annual reporting. They also recommend that the Commission allow cost recovery via a balancing account.

²²⁹ See, PG&E opening comments dated December 6, 2019 at 10-16.

In reply comments dated December 13, 2019, UCAN²³⁰ stated that the proposals for limited 1,000 customer pilots do not address the scale and severity of the disconnection crisis, which the Commission has been tasked with addressing. Additionally, UCAN stated that it strongly disagrees with TURN's suggestion that people would play the system.

In reply comments dated December 13, 2019²³¹, CalCCA supports income verification for the AMP plan because with existing criteria, too many people are eligible and too much debt will be written off. They strongly oppose UCAN's suggestion to make AMP eligibility criteria broader by lowering the arrearage amount. TURN stated in its reply comments²³² that the IOUs estimate for potential impact of the AMP program is greatly overstated and without support. They state that by adopting TURN's recommendations it would address the concerns raised by the IOUs.

NCLC and CforAT note in their reply comments that the IOUs proposals are highly constrained and limited pilots. The IOUs also fail to note the amount of debt that would be written off as uncollectable without the AMP program. They noted continued support for the AMP as set forth originally in the ALJ's ruling. They also state that they disagree with TURN's concerns as it relates to freeloaders and individuals gaming the system.

²³⁰ See, UCAN's reply comments dated December 13, 2019.

²³¹ See, CalCCA's reply comments dated December 13, 2019 at 4-5.

²³² See, TURN's Reply Comments dated December 13, 2019 at 2.

In its reply comments²³³ SCE indicates that they agree with TURN, CalCCA, Public Advocates, CCEs, PG&E, SDG&E, and SoCalGas that the AMP should be a pilot and that it should be phased. They also state that they agree with TURN and CalCCA that there should be a working group for the AMP with specific criteria for a pilot within 45-60 days of the decision and launch of pilot within 90-120 days of the decision.

SDG&E and SoCalGas assert in their joint reply comments²³⁴ that there needs to be more research to understand which customers would benefit from an AMP. They contend that the AMP should be piloted and not implemented fully. They also state that there is a risk of unnecessary cost shifting to other ratepayers with the AMP. PG&E in its reply comments²³⁵ notes support for an AMP pilot with 1,000 bundled CARE/FERA customers with balances of 90 days or greater.

15.5. Discussion Regarding Arrearage Management Plans

The AMP Structure will be adopted with the following adjustments. The core structure of the AMP received support of the majority of the parties, and therefore we propose that the AMP structure consist of a 12-month payment plan that forgives 1/12 of a customer's arrearage after each on-time payment of the existing month's bill is adopted. After twelve on-time payments of individual month's bills, the CARE and FERA customer's pre-existing debt will be fully

²³³ See, SCE's Reply Comments dated December 13, 2019 at 2.

²³⁴ See, SDG&E/SoCalGas' Reply Comments dated December 13, 2019 at 3.

²³⁵ See, PG&E Reply Comments dated December 13, 2019 at 1-2.

forgiven. CARE and FERA customers enrolled in the AMP are protected from disconnection while participating.

CARE and FERA customers can miss up to two non-sequential payments if the customer makes up the payment on the next billing due date with an on-time payment of both the current bill and the past bill(s). For example, a customer can miss a payment in March and make it up in April but cannot miss March and April's payments and make both up in May. Missing two sequential payments will break the arrearage management payment plan. If a customer drops out of the plan before reaching twelve on-time payments, there is no impact (no reinstatement) to the debt that has already been forgiven. For example, if a customer makes six on time payments and then breaks the payment plan, half of their arrearage will have been forgiven before the customer broke the payment arrangement.

We make the following additional modifications to the AMP program: if an AMP participant receives a LIHEAP assistance, that assistance should be applied to participant's monthly bills, not the arrearage. Customers do not have to have received a disconnection notice to enroll in the program. AMP participants who drop out of the program can reenroll after completing a 12-month waiting period which begins the month they dropped out of the program and meet all other eligibility criteria. CARE and FERA customers who successfully complete the AMP program may enroll again if they meet the eligibility requirements and have completed a 12-month waiting period, which begins the month after successfully completing the first AMP. To make monthly payments more predictable, the CARE and FERA customer may request that the

monthly payments levelized for the 12 months in the program. The AMP program will forgive a maximum of \$8,000 per customer per successful completion of the AMP program. Both bundled and unbundled customers are eligible for this payment plan.

Although multiple parties, including TURN, suggested adding an eligibility requirement for the customer to have been disconnected at least once, we reject this requirement given that the intention is to prevent disconnections overall. In addition, we accept PG&E's suggestion to limit eligibility to customers who have been with the IOU for at least 6 months and have made at least one on-time payment.

The amount of arrears and the age of arrears were also commented on by various parties. For instance, UCAN advocated for a lower amount of arrears. Although we recognize that lower levels of arrears may require more than three-months to pay off, we believe the additional requirement above to allow for a 12-month payment plan before disconnecting will address the arrears below \$500. This will allow the payment plan to be available for customers with unusually large arrearage amounts who have had difficulty making on-time bill payments.

Many parties also recommended a minimum age for the arrears, CCES commented that the age of arrears should be at least 12 months old. Although a 12-month age of arrears is too long, we do adopt SCE's proposal for a minimum 90-day age of the arrears.

Many parties, including TURN, suggested a phased approach where CARE and FERA eligible customers would be eligible to enroll in the AMP

followed by subsequent phases where other customers would be eligible to enroll in the AMP. Initially, we proposed having the AMP open to all customers. However, there was a split between parties in this proceeding whereby some parties objected to this, and others supported the AMP as written in the Proposed Decision.

In opening comments on the proposed decision PG&E noted that a full-scale AMP may have unintended consequences such as unfair cost burden on customers who were not participating in the AMP. PG&E also expressed concern that the AMP should be a pilot and that it should not be open to all customers as this would have resulted in \$90.5 million in customer balances being eligible for the originally proposed AMP.

SoCalGas and SDG&E noted in their joint opening comments that rather than a full-scale AM being open to everyone it should be a pilot which is open to CARE and FERA customers only. SoCalGas noted that if the program were open to all customers that \$182 million in customer balances would have been eligible for the AMP and SDG&E asserts that it would have been \$38 million for them. SoCalGas also requested that the threshold for gas only customers be lowered from \$500 in arrearages to \$250.

SCE asserted in its opening comments that there was no evidence in the record that the AMP will reduce disconnection rates. They also noted that the proposed decision did not consider costs or the potential for customers to abuse the system. SCE also argues that the AMP should be a pilot open only to low-income residents.

The Public Advocates Office noted in its opening comments that the record does not support a finding that the AMP would be in the best interest of the public. They also noted that most of the parties supported an AMP which would be open to CARE/FERA customers only. CalCCA expressed in its opening comments that the implementation of the AMP should be delayed while the COVID-19 disconnection protections are in effect. They also believe that any AMP should only be a pilot and that there should be income levels to qualify for the AMP. They also raised concerns over cost recovery allocations between the CCAs and the utilities.

In California Low Income Consumer Coalition (CLICC) opening comments, they state their support for the proposal to adopt rules establishing an AMP as written in the proposed decision.

In opening comments by NCLC and CforAT, both parties express that the PD is grounded in a strong record, is justified, and fulfills the intent and directives of SB 598. NCLC and CforAT are strongly supportive of the PD in its entirety²³⁶.

We find the arguments by parties to begin the program with the most in need to be legitimate and have decided that the AMP will be open to only CARE and FERA customers at this time. Expansion of the AMP may be considered in phase II of this proceeding. We would also like to remind the parties that the impacts of COVID-19 are not fully known and that many customers may be impacted by the effects of COVID-19 and not just CARE and FERA customers.

²³⁶ See, NCLC and CforAT Joint Opening Comments on Proposed Decision dated May 26, 2020 at 5.

However, based upon the comments we received we have decided that the AMP will only be open to CARE and FERA customers. Therefore, the AMP program will be open to CARE and FERA customers if they \$500 in arrears which are at least 90 days old, have been a customer for at least six months and have had at least one on-time payment. If a customer is a gas only CARE customer then they shall be eligible for the AMP if they have \$250 in arrears which are at least 90 days old, have been a customer for at least six months and have had at least one on-time payment. If a CARE and FERA customer is currently on a payment plan to pay off their arrearages and they become eligible for the AMP program, they may voluntarily switch to the AMP program.

15.5.1. AMP Enrollment Facilitation

When eligible CARE and FERA customers call the IOU for any reason, the customer service representative must offer the eligible CARE and FERA customers the opportunity to enroll. Eligible CARE and FERA customers must also be offered the opportunity to enroll when checking their account online or communicating with a customer service representative online. In all communications, the eligible CARE and FERA customer must be informed of the payment plan rules and requirements, and how it could help benefit them. IOUs must maintain a frequently asked question (FAQ) on their website detailing how to participate in the program²³⁷.

IOUs will enroll participants in the AMP plan and will provide potential participants with the information necessary to decide about the AMP payment

²³⁷ See, Attachment 2 for the required FAQ.

plan. IOUs will provide AMP plan participants with ongoing encouragement and support. For example, if a customer has a financial emergency and misses a payment, there should be support in place to help them understand their options and identify programs and/or resources that may help them get back on track with payments.²³⁸ In addition, customers should receive acknowledgement from the utility when they reach 3, 6, and 9 months of on-time payments. IOUs shall also facilitate the participation of CCAs within their territories to also be able to enroll eligible customers.

15.5.2. Arrearage Management Plan Implementation

To implement the AMP, the IOUs shall be required to submit a Tier 2 Advice Letter within 90 days of the effective date of this decision, establishing the arrearage management payment plan for CARE and FERA customers pursuant to the criteria described above. Any costs associated with the AMP should be addressed in the utilities next GRC. A working group is established upon issuance of this Decision co-led by TURN, large IOUs, and the CCAs. The issue of concern raised by CalCCA as it relates to the allocation of proportional recovery shall be discussed in the AMP working group and a proposed resolution shall be set forth in the Tier 2 Advice Letters that the utilities file.

After three years, the Commission will initiate a proceeding to consider reauthorizing the AMP program. In this reauthorization proceeding, the IOUs may provide data relevant to whether the AMP should be reauthorized as set forth in this decision, modified or terminated. The AMP program will sunset

²³⁸ Such as PGE's REACH program.

after four years unless the Commission decides otherwise (such as a one year extension or longer) in the reauthorization proceeding.

16. Uncollectible Charges

At the Disconnections Workshop held in Fresno on November 19, 2018, TURN critiqued how uncollectible charges (uncollectibles) are recovered in the GRCs.²³⁹ They argued that because GRCs include an amount of revenue to account for forecasted uncollectibles, utilities are financially motivated to be efficient and disconnect customers quickly in order to reduce uncollectibles and keep the expanding difference between authorized uncollectibles and the actual uncollectibles as profit. TURN contends that PG&E, SCE and SDG&E have all profited from uncollectibles for the past 3 years. On May 1, 2019, the assigned ALJ issued a ruling asking parties to provide more information on how uncollectibles are determined, whether the current treatment of uncollectibles disincentivizes the utilities from keeping disconnections rates low, and whether they agreed with TURN's analysis of the perverse incentive to disconnect.

On June 14, 2019, TURN filed opening comments to the ruling.²⁴⁰ TURN affirmed its position that to keep uncollectibles below the authorized amount, utilities are incentivized to disconnect as soon as possible and force the customer to make a payment. To remove this misaligned financial incentive, TURN encourages the Commission to adopt a balancing account treatment for uncollectibles.

²³⁹ Workshop Report I at 20 and 103.

²⁴⁰ See TURN comments Dated June 14, 2019 at 2 and 36-38.

Similarly, SCE filed comments on June 14, 2019.²⁴¹ SCE disagrees with TURN's position because any financial gain from uncollectibles would be short-term and be balanced out by a lower uncollectible authorized amount in the next GRC. SCE argues that the best way to reduce uncollectibles is to avoid disconnections all together and work with customers to get their bills paid.

In PG&E's comments filed on June 14, 2019 it disagrees with TURN's position.²⁴² PG&E notes that in its experience disconnecting customers at a point when their arrears are more manageable leads to the customer reconnecting sooner. PG&E addresses TURN's recommendation of a balancing account in reply comments filed July 1, 2019.²⁴³ According to PG&E, before any policy changes to the treatment of uncollectibles occur, a root cause analysis is necessary to understand why customers wait until they are disconnected to pay.

On June 14, 2019 SDG&E and SoCalGas filed joint opening comments.²⁴⁴ They disagree with TURN's argument and note that SoCalGas has exceeded their authorized uncollectible amount (and absorbing the loss) since 2008. Furthermore, they contend that managing disconnection levels helps keep uncollectibles low which in turn lowers costs for other ratepayers. On July 1, 2019, SDG&E and SoCalGas filed reply comments.²⁴⁵ SDG&E opposes TURN's recommendation of a balancing account treatment and argues that it is not

²⁴¹ See SCE comments Dated June 14, 2019 at 25-28.

²⁴² See PG&E comments Dated June 14, 2019 at 15-17.

²⁴³ See PG&E comments Dated July 1, 2019 at 14.

²⁴⁴ See, SDG&E and SoCalGas comments Dated June 14, 2019 at 16-18.

²⁴⁵ See, SDG&E and SoCalGas comments Dated July 1, 2019 7-8.

within the scope of this proceeding as it is determined in each utility's GRC. Instead, they suggest a memorandum account for tracking all costs of implementing policies associated with this proceeding.

Public Advocates also filed comments on June 14, 2019 in response to the ALJ's ruling. Public Advocates agrees with TURN that the IOUs benefit from a higher disconnection rate but contends that ratepayers benefit as well because their rates are then lower. Therefore, utilities and ratepayers are incentivized to develop disconnection policies that minimize uncollectibles. On July 1, 2019 Public Advocates filed reply comments that address TURN's proposal for a balancing account.²⁴⁶ Public Advocates contends that changing uncollectibles recovery to a balancing account could benefit ratepayers by more accurately reflecting the actual cost of uncollectibles recovered through rates. However, this approach may lead to increased costs for ratepayers over time as it may remove any incentive for the utility to contain costs. Instead of the traditional two-way balancing account, Public Advocates recommends a capped one-way balancing account.

UCAN filed comments on June 14, 2019.²⁴⁷ UCAN notes that though service disconnections are at an unacceptably high level in California, UCAN is unaware of any specific evidence that the existing incentive regime encourages utilities to sever service from their ratepayers. UCAN believes that utilities

²⁴⁶ See, Public Advocates comments dated July 1, 2019 at 7-8.

²⁴⁷ See, UCAN comments dated June 14, 2019 at 21-22.

prefer to keep existing customers on their system rather than disconnecting them.

CalCCA notes in its July 1, 2019 reply comments, that the IOUs provide conflicting information in their opening comments and recommend that the CPUC conduct an analysis of the difference in IOU approaches to uncollectibles including how the projected amounts compare to actual recorded uncollectibles.²⁴⁸

16.1. Discussion on Uncollectibles

It is clear from the record in this proceeding that there is a lack of transparency regarding actual uncollectibles versus the authorized amounts determined in each GRC. We agree with TURN, CalCCA and Public Advocates that the current accounting practice for uncollectibles means that IOUs are incentivized to keep uncollectibles low. The record also supports the conclusion that when the IOUs have a lower actual uncollectible amount than the authorized amount, the difference is absorbed as profit. While SoCalGas has exceeded their authorized uncollectible amount since 2008; as of 2018, the latest year reported, SDG&E, has profited six years in a row; SCE has profited the last four years and PG&E has profited the last three years. Therefore, we adopt TURN's suggestion of a two-way balancing account to create more transparency and more accurately reflect the actual cost of uncollectibles in rates to be implemented in each utilities GRC, respectively.

²⁴⁸ See, CalCCA comments dated July 1, 2019 at 14.

In opening comments on the proposed decision, PG&E and SDG&E and SoCalGas request that the two-way balancing account be used to track both residential and nonresidential costs. We are perplexed as to why they would seek to include the nonresidential costs in the two-way balancing account as SB 598 and the proposed decision are only focused on reducing residential disconnections. We agree with TURN that this request is inappropriate, and we decline to grant this request.

PG&E, SDG&E and SoCalGas also requested in their opening comments on the proposed decision that they be given authority to transfer balances in their COVID-19 Pandemic Protections Memorandum Account to the two-way balancing account. TURN asserts in its reply comments that costs recorded in memorandum accounts are subject to a reasonableness review at the time when recovery is sought and that it would be inappropriate to transfer them to the two-way balancing account that was established for uncollectibles in this proceeding. The utilities' COVID-19 memorandum accounts include items that are not uncollectibles such as outreach efforts, waived deposits, etc. so their request to transfer the entire balances of their COVID-19 memorandum accounts is denied. However, we recognize the utilities may have valid concerns over this. Therefore, the utilities may submit Tier 2 Advice Letters to address the issue of transferring the portion of their COVID-19 Pandemic Protections Memorandum Account related to uncollectibles from residential disconnection into the two-way balancing account

While we acknowledge Public Advocates concerns regarding cost containment, we think a two-way balancing account will be more accurate than a one-way capped balancing account.

17. PIPPs

Percentage of Income Payment Plans (PIPP) were discussed throughout the course of this proceeding. PIPPs were the subject of discussions at workshops and several rulings. The parties were provided with the opportunity to present and discuss the topic at the workshops. Additionally, on October 14, 2019, the assigned ALJ issued the second Workshop Report dated September 2019. On November 14, 2019, the assigned ALJ issued a ruling which contained an attachment titled Percentage of Income Payment Plan Pilot Proposal (PIPPPP). The parties were requested to provide opening and reply comments on the PIPPPPP. Finally, the parties were also given the opportunity to supply opening and reply comments on PIPPs in a May 1, 2019 ruling issued by the ALJ.

The purpose of the PIPPPPP is to answer the following:

1. Do Percentage of Income Payment Plans (PIPPs) encourage on-time bill payment?
2. Does a levelized bill reduce the risk of falling into arrears?
3. Do PIPPs reduce the number of customers eligible for disconnection in areas with high disconnection rates?
4. Do PIPPs reduce the rate of recurring disconnections in areas with high disconnection rates?

The attachment titled PIPPPPP set forth the enrollment criteria, CBO outreach and enrollment partners, outreach and enrollment, PIPP design,

payment plan duration, PIPP working groups, PIPP evaluations, PIPP implementation, and cost recovery.

17.1. Enrollment Criteria and Pilot Population

Customers are eligible for this program if they live in an area with high rates of recurring disconnections. This is defined as the ten zip codes with the highest rates of recurring disconnection in each large IOU's service territory. Any customer within those zip codes with a household income at or below 250% of federal poverty line is eligible to enroll. It is estimated that no more than 20,000 customers will be eligible to participate in this pilot.

17.2. CBO Outreach and Enrollment Partners

The IOUs will design outreach plans in collaboration with designated community-based organizations that are in the designated zip codes and work with CARE and FERA eligible customers (*e.g.*, LIHEAP providers). Contracted CBOs will conduct income verification and help to enroll eligible participants in the program. IOUs may contract with multiple CBOs per zip code, but they must be in and serving those customers.

IOUs and contracted CBOs will provide potential participants with the information necessary to decide whether to enroll in the program. If customers do not meet the eligibility requirements for the PIPP, the IOUs and contracted CBOs must make them aware of other payment plan options that might be more appropriate, such as the extended (12-month) payment plan and the Arrearage Management Payment Plan.

To address any privacy concerns, the IOUs will sign any necessary NDAs with the designated CBOs to provide for an efficient and private pilot. IOUs are

required to pay contracted CBOs for their work helping PIPP participants enroll in the program. IOUs will work with contracted CBOs to ensure that customers receive ongoing information and support. CBOs will be able to provide important information to the IOUs and the PIPP Working Group about the pilot.

17.3. Outreach and Enrollment

The IOUs must offer all eligible customers the opportunity to enroll in the program. The IOU must send a letter to all customers in the PIPP zip codes informing them of the program and the income eligibility criteria. The IOU informational letter should direct customers to the designated CBO to receive more information. In addition to the letter and the referral to the CBO, the customer will also receive a call from the CBO. Both the letter and the call from the CBO should inform the customer of the program rules and requirements, and how the PIPP program could benefit them.

The communication should be available in English, Spanish, Tagalog, and Chinese languages including Mandarin and Cantonese, as well as Korean and Russian where appropriate.²⁴⁹ It should also be available in any other appropriate languages for that zip code as identified by the IOU, the contracted CBOs, and/or the Payment Plan Working Group.

The IOU is responsible for enrolling participants in the PIPP program. However, the contracted CBO(s) will handle income verification for the program. PIPP participants will be able to verify their incomes using the same criteria

²⁴⁹ These are the languages required for notices of de-energization events pursuant to Commission Decision 19-05-042.

employed when CARE participant incomes are verified. Income verification must be completed before the customer’s PIPP can begin.

17.4. PIPP Design

PIPP customers would receive levelized monthly bills that are based on a percentage of their income. The proposal would adopt TURN’s proposed PIPP design, which sets the following bill cap amounts by income bracket:

Income by Percentage of Federal Poverty Line	Bill Cap
0-50%	2% with a \$12 minimum
51-100%	2.5%
101 – 150%	3%
151 – 250%	4%

Customers with arrearages prior to entering the program will receive arrearage forgiveness after twelve on-time payments. Customers can miss up to two non-sequential payments without losing eligibility for arrearage forgiveness, provided that the customers make up each missed payment during the next billing cycle. If a customer misses two sequential payments, the customer is no longer eligible for arrearage forgiveness, and the utility has discretion to remove the customer from the PIPP pilot.

The program design benefits the lowest income households most. In fact, for some households at or near the upper limit of the program, their existing energy bill may be more affordable than a bill amounting to 4 percent of their income. This program is designed in a way to ensure that customers with extremely low incomes receive support that helps make regular bill payment achievable.

17.5. Payment Plan Duration

The PIPP pilot will last for a minimum of two years. At the end of two years, the IOUs must submit their proposal for what reforms, if any, they recommend improving or expanding the program. The program will continue while updates to the program are being considered.

If the utility finds harm to other ratepayers, it may request to terminate the program no sooner than two years after implementation through a Tier 3 advice letter requesting that this payment plan option be terminated. The Tier 3 advice letter must include justification for the termination of this payment plan option. The Tier 3 advice letter must also detail the steps and actions that the IOUs will take to help prevent disconnection and accrual of arrearages amongst this high-risk customer populations. Specifically, low-income customers who have experienced recurring disconnections or live in areas with high rates of recurring disconnections.

17.6. PIPP Working Groups

The PIPP Working Group will include community-based organizations that serve low-income households in the target zip codes, as well as IOUs, ratepayer advocates, CCAs, and other stakeholders. The PIPP Working Group will advise the IOUs and CCAs as they select one or more CBOs to contract with to verify eligibility and enroll customers.

The PIPP Working Group will also advise the IOUs and CCAs on customer outreach and ongoing program implementation matters. The PIPP working group must meet at least twice before the IOUs submit the Tier 2 advice letter establishing the PIPP program. PG&E, SCE, SoCalGas and TURN should

collaborate with Commission staff to convene a PIPP working group by no later than forty-five (45) days from issuance of this proposal's adoption.

17.7. PIPP Evaluation

The IOUs will report on the effects of the PIPP on customer payment behavior, customers eligible for disconnection, disconnection rates in zip codes with high disconnection rates. The IOUs will submit annual reports detailing the following information:

- Number of customers enrolled in the PIPP
- Locations of those customers (numbers of customers in each zip code)
- Number of customers entering the program with arrears
- Average amount of arrears per customer with arrears
- Number and percentage of customers that receive arrearage forgiveness
- Number and percentage of customers that reach three months, six months, nine months, and twelve months of consecutive on-time payments

17.8. PIPP Implementation

The IOUs are required to coordinate with TURN and Commission staff establish a PIPP working group within forty-five (45) days of the effective date of a Commission decision on this matter. The IOUs are required to submit a Tier 2 advice letter within 120 days of the effective date of a Commission decision on this matter. The Tier 2 advice letter must establish the PIPP pursuant to the criteria detailed above. When CBO contractors are selected, the IOUs must submit a Tier 1 advice letter informing the Commission of the selection.

17.9. Cost Recovery

The premise of this pilot is that revenue will be collected from customers where no payment is currently being received. It is envisioned that the IOUs will be better off because customers will be making payments rather than having their utilities disconnected for non-payment. However, in each respective IOUs GRC they may seek recovery for the establishing the respective PIPP pilots, costs associated with direct mailings, and payments to CBOs for example.

17.10. Party Comments

SCE strongly opposed the PIPP proposal. In their July 1, 2019 reply comments to the ALJ's ruling, they note that other customers will bear the costs not paid by PIPP customers and that the PIPP proposal should be considered in affordability OIR.²⁵⁰ SCE also asserts that the PIPP program needs more analysis and they note that other states' programs have had heavy state involvement in implementation of the programs. SCE also asserts that two to four percent of a bill is not necessarily affordable for some customers. Again, they urged the Commission to consider the PIPP in the affordability proceeding as that proceeding is coming up with affordability metrics. In their October 28, 2019 comments SCE states that the proposed PIPP program would be expensive and there is no record on cost impacts in this proceeding. A working group is needed to assess these issues.²⁵¹

²⁵⁰ See, page 6 of SCE's July 1, 2019 comments.

²⁵¹ See, page five of October 28, 2019 comments.

In their December 6, 2019 comments, SCE states that there is not enough information in the record to support a PIPP.²⁵² They believe that there is not enough information on why customers fall behind on their bills. Also, SCE contends that there is not enough information on how it could impact the state's energy conservation goals. SCE points out that decoupling bills from usage is not a good ratemaking practice and this proposal should be considered in a ratesetting proceeding.²⁵³ In their reply comments dated December 13, 2019, SCE again asserts that the PIPP will leave part of customer bills unpaid, could be counter to conservation goals, and will create ratemaking issues that should be addressed in a ratesetting proceeding.²⁵⁴

In their June 14, 2019 comments, SoCalGas and SDG&E stated that they did not have a clear position on the proposal at that time.²⁵⁵ However, they asserted that they believe longer payment plans are less effective and there is a need for a root cause analysis before the Commission finalizes the PIPP. In their October 28, 2019 comments,²⁵⁶ they assert that there should first be a pilot for AMPs before PIPPs.

They do agree that the pilot can happen with a working group that works through parameters for implementation such as verification requirements, eligibility criteria, funding, and metrics. They want the proceeding to consider

²⁵² See, pages 16-17 of SCE's December 6, 2019 comments.

²⁵³ *Id.* at 17.

²⁵⁴ See, December 13, 2019 comments at 3.

²⁵⁵ See, page 15 of June 14, 2019 comments.

²⁵⁶ See, October 28, 2019 comments at 2.

minimizing rate increases for other ratepayers in addition to reducing disconnections.²⁵⁷

In their December 6, 2019 comments, they assert that the PIPP is not appropriate for this proceeding and that it belongs in a ratesetting proceeding.²⁵⁸ They also raised concerns about cost recovery as well. They contend that the PIPP will write off costs as uncollectible and that will impact other customers.²⁵⁹ They also state that there is no evidence that PIPP will impact disconnection rates.²⁶⁰ In their December 13, 2019 reply comments, they believe that the PIPP may create unfair cost shifting.²⁶¹

PG&E did not indicate a clear position in its June 14, 2019 comments. However, they state that longer payment plans are less effective, and they too assert the need for a root cause analysis.²⁶² They too asserted that Commission should remove the PIPP pilot from consideration because it would require a new rate, doesn't incentivize conservation, and has privacy implications.²⁶³ They also assert that the philosophy of a PIPP violates common principles of utility ratemaking.²⁶⁴ PG&E also note that the CARE proceeding denied an income

²⁵⁷ *Id.* at 1-2.

²⁵⁸ *See*, December 6, 2019 comments at 6.

²⁵⁹ *Id.* at 13.

²⁶⁰ *Id.*

²⁶¹ *See*, December 13, 2019 comments at 3.

²⁶² *See*, June 14, 2019 comments at 14.

²⁶³ *See*, December 6, 2019 comments at 16.

²⁶⁴ *Id.* at 17.

based rate approach in September 2019.²⁶⁵ In their December 13, 2019 reply comments, PG&E urges the Commission to drop the PIPP due to the unintended consequences that could result.²⁶⁶

In June 14, 2019, the Public Advocates also did not indicate a clear position on PIPPs. They did note that there needs to be more studies of the costs incurred and who would ultimately pay for them. They state that Philadelphia can put a lien on someone's property if they do not pay, which is not an option available to IOUs.²⁶⁷

In their October 28, 2019 comments, they assert that pilot programs should be deployed in every IOUs' service territory. They state that they support AMPs and PIPPs being tested separately to see each program's performance.²⁶⁸ From their December 13, 2019 reply comments they state that a PIPP would require recategorizing this proceeding as ratesetting and developing additional evidence, which is in agreement with the IOUs.²⁶⁹

CalCCA noted in their June 14, 2019 comments that they support the PIPP. They state that the PIPP should be available for vulnerable customers, and a program like Philadelphia's tiered assistance program (TAP) should be available for "gap" customers who don't qualify for low income programs but are still

²⁶⁵ *Id.*

²⁶⁶ *See*, December 13, 2019 comments at 12-13.

²⁶⁷ *See*, June 14, 2019 comments at 10-12.

²⁶⁸ *See*, October 28, 2019 comments at 7-8.

²⁶⁹ *See*, December 13, 2019 comments at 1-3.

struggling.²⁷⁰ They assert that they oppose the 15 year term pre-debt forgiveness. They prefer a shorter-term approach to debt forgiveness and that AMPs is likely to be more effective in doing this. They assert that tracking customers for 15 years is not realistic.²⁷¹

They believe that pilot programs should be deployed in every IOUs' service territory. They also state that the support AMPs and PIPPs being tested separately to see each program's performance.²⁷² In their December 6, 2019 comments they contend that there should be clarification that unbundled customers will be able to participate in the PIPP.²⁷³ They also suggest that there should be a usage cap to the PIPP pilot to prevent fraud.²⁷⁴ They also want to make sure that PIPP payments from unbundled customers are split proportionally between the IOU and CCA.²⁷⁵

They also state that the PIPP working group should consider billing coordination between IOUs and CCAs²⁷⁶ and should decrease bill percentage cap or further discuss in working group because bill cap could be higher than the average bill. They also state there should be a program fit matcher tool to help

²⁷⁰ See, June 14, 2019 comments at 5-6.

²⁷¹ *Id.* at 19.

²⁷² See, October 28, 2019 comments at 7-8.

²⁷³ See, December 6, 2019 comments at 10.

²⁷⁴ *Id.*

²⁷⁵ *Id.* at 11.

²⁷⁶ *Id.* at 12.

customers figure out whether the PIPP is appropriate and inform them about other programs like CARE, FERA, and budget billing.²⁷⁷

From their December 13, 2019 reply comments, they state that they agree with the IOUs about ratemaking impacts and want clarification on whether unbundled customers would be able to participate²⁷⁸. If unbundled customers can participate, then any PIPP will have to be approved by each CCA's governing board²⁷⁹. They state that CCA participation should be optional.²⁸⁰

NCLC and CforAT noted in their June 14, 2019 comments that they support the PIPP proposal as it can help the very poor, who would not be well served by an AMP.²⁸¹ They recommend a third party evaluator and using a stakeholder process to develop a PIPP.²⁸² In their December 13, 2019 reply comments they assert that it is acceptable to approve a limited pilot in this proceeding and to develop a full program in a ratesetting proceeding.²⁸³

In their June 14, 2019 comments, UCAN stated that they oppose establishing a debt forgiveness program similar to Philadelphia because a 15 year wait is too long.²⁸⁴ In their December 13, 2019 comments, they state that they

²⁷⁷ *Id.* at 12-13.

²⁷⁸ *See*, December 13, 2019 comments at 3.

²⁷⁹ *Id.*

²⁸⁰ *Id.* at 3-4.

²⁸¹ *See*, June 14, 2019 comments at 39-40.

²⁸² *Id.*

²⁸³ *See*, December 13, 2019 comments at 6-7.

²⁸⁴ *See*, June 14, 2019 comments at 19-20.

agree with TURN that the bill cap should be altered for those getting electricity and gas service from two separate companies as compared to those getting it from the same company.²⁸⁵

Centro La Familia noted in the workshop report dated June 12, 2019 that they support basing payment plan amounts on a customer's income.²⁸⁶ Also, Pacific Power notes in the June 12, 2019 workshop report that they are implementing a pilot program to offer fixed energy bills to low income families.²⁸⁷ GRID indicates that they support a PIPP pilot program. They suggest that the Commission should pilot in high disconnection zip codes to see if it helps while providing a reasonable level of cost recovery. They state that customers should also get info about low income solar and Energy Efficiency (EE) programs that could help lower bills.²⁸⁸

TURN indicates support a PIPP with EE and distributed energy resource programs implemented for participants to lower their energy use.²⁸⁹ In its July 23, 2019 PowerPoint, TURN wants a PIPP with a \$12 min for those who are 0-50 percent Federal Poverty Level (FPL). From 51-100 percent FPL = 2.5 percent income. From 101-150 percent FPL = 3percent income. From 151-250 percent

²⁸⁵ See, December 13, 2019 comments at 5.

²⁸⁶ See, page 21 of June 12, 2019 workshop report.

²⁸⁷ *Id.* at 20.

²⁸⁸ See, June 14, 2019 comments at 14.

²⁸⁹ See, page 35 of June 14, 2019 comments.

FPL = 4 percent income. TURN indicates that Ohio's PIPP minimum monthly payment is 6 percent of household income.²⁹⁰

In its December 6, 2019 TURN states, it supports the PIPP. It suggests some edits to the questions that the pilot will address, including making the questions more open ended and less yes/no, and adding a question about impact on energy usage or conservation.²⁹¹ TURN states that the PIPP working group should be allowed to evaluate more than just the initial questions posed in pilot.²⁹² TURN suggests that there should be protections that make sure that PIPP customers pay only the bill cap if their usage exceeds it, but pay less than the bill cap if their usage is below the bill cap.²⁹³ TURN also states that the bill cap needs to be adjusted depending on whether the customer receives electricity and gas service from one utility or two utilities.²⁹⁴

In December 13, 2019 comments²⁹⁵, TURN states that the PIPP pilot is not a new rate and does not require a new rate to be created, it simply caps the bill, which will be based on existing rates. PIPP pilot is a good idea for the same reasons the AMP pilot is. TURN also provides information about PIPPs in other states to show that it is not a brand-new idea, which included examples are from Ohio, Colorado, New Jersey, Nevada, Illinois, Pennsylvania, New Hampshire.

²⁹⁰ See, page 18 of June 12, 2019 Workshop Report.

²⁹¹ See, page 9 of December 6, 2019 comments.

²⁹² *Id.* at 10.

²⁹³ *Id.*

²⁹⁴ *Id.* at 11.

²⁹⁵ TURN discusses its views on PIPPs at pages 4-6 in its December 13, 2019 comments.

17.11. Discussion Regarding PIPPs

The goal of this proceeding is to reduce the number of residential disconnections. The PIPP proposal will help make monthly payments towards utility bills more affordable. The PIPP proposal will provide a payment arrangement for utility bills based on a percentage of a household's income. The PIPP proposal will be a valuable assistance program for households who are struggling to meet their monthly obligations.

It is disappointing that the IOUs were generally not supportive of the PIPP proposal when it was first presented to them and in opening comments on the proposed decision. For example, PG&E stated in its opening comments dated May 26, 2020 that the PIPP would result in rates that were not just and reasonable. SCE in its opening comments dated May 26, 2020, raised concerns that there is no evidence that the PIPP would reduce disconnections or encourage on-time payments and that decoupling bills from usage would encourage inefficient electricity usage. SDG&E and SoCalGas stated in their opening comments dated May 26, 2020, that the record does not establish that the PIPP would meaningfully reduce disconnections. UCAN in its opening comments dated May 26, 2020 raised privacy concerns over the IOUs ability to collect demographic and income data which would be needed to implement the PIPP. Finally, in its opening comments dated May 26, 2020, CalCCA suggested that the Commission defer the implementation of the PIPP at this time.

To adequately address the concerns which were raised in opening comments on the proposed decision, we have decided not to implement the PIPP at this time. However, the issue of the PIPP will be taken up as a separate phase

in this proceeding. The PIPP phase of this proceeding will be classified as ratesetting and will be taken up shortly.

18. Pilots

Various rulings and workshops were held to determine what are the best solution to address the increasing number of disconnections in California. Rulings seeking input from the parties were issued and workshops were conducted with the parties.

Proposals were put forth suggesting that pilots should be conducted to help reduce the number of disconnections. There were several proposals which the parties commented on. The first proposal would require the IOUs to pilot with verified partners; require the IOUs to enter in to MOUs with CSD and their LIHEAP providers; allow LIHEAP providers to verify income and the number of people residing in a household to confirm eligibility for benefit programs such as CARE and FERA. The second proposal would use existing programs to help reduce energy bills.

18.1. Party Comments on Pilot with Verified Partners

SDG&E presented at the third workshop concerning proposed pilots.²⁹⁶ SDG&E proposed a pilot on CBO assisted pay agreements. The target population would be customers who applied for energy assistance programs but did not receive a pledge. SDG&E suggests the pilot can measure the success of the payment arrangement and the customer's ability to remain current on their

²⁹⁶ See, SDG&E presentation at slide 5.

bills. In the Workshop Report²⁹⁷ SDG&E proposed creating a streamlined process with a direct line for the CBO to partner with the utility to create payment plans as a pilot. SDG&E representatives stated that they have heard customers are reluctant to contact the IOUs to set up payment plans and would like to ensure customers get assistance through CBOs. Their internal data show that less than 10 percent of customers received the assistance they were looking for. SDG&E would also benefit from decreased calling time to customer service representatives.

In their opening comments, PG&E noted²⁹⁸ that they recommend a partnership with existing low-income programs, including LIHEAP and they support broader usage of current programs, including LIHEAP, CARE, and FERA. SCE indicated in its comments²⁹⁹ that they support partnerships with assistance program administrators including LIHEAP. They also support optimize collaboration between the IOUs and LIHEAP providers. In their July 10, 2019 comments³⁰⁰, SCE asserts that further partnerships with CBOs can be helpful particularly as the parties work towards concrete recommendations on steps that can be taken, within SCE's tariff obligations, to improve existing processes.

²⁹⁷ See, Workshop Report II at 22.

²⁹⁸ See, PG&E June 14, 2019 comments at 2-3.

²⁹⁹ See, SCE June 14, 2019 comments at 7 and 14.

³⁰⁰ See, SCE's July 10, 2019 comments at 11.

CCES notes in the Workshop II Report³⁰¹ that LIHEAP providers have local knowledge and have connections with customers. They suggest that CSD and PG&E should reach out to local LIHEAP providers and work closely with them to tailor pledges and weatherization service to households. UCAN notes in its opening comments dated June 14, 2019³⁰² that IOUs should partner more closely with LIHEAP providers to offer better phone hours and locations, possible even at the same locations where people pay their utility bills. UCAN reported that a customer was not allowed into a LIHEAP office to speak to anyone about assistance and was told to call instead.

CalCCA states in its June 14, 2019 opening comments³⁰³ that it supports additional marketing and outreach via CBOs. Vulnerable customers may lack awareness of existing assistance programs, and have difficulty completing applications and providing income verification documents. The Public Advocates states in the Workshop II Report³⁰⁴ that there should be a service agreement between LIHEAP providers, IOUs, and CSD to clearly note how pledges proceed and the process timeline to reduce the number of broken pledges. Catholic Charities also notes in the Workshop II Report³⁰⁵ that they can help the IOUs to verify customers' qualifications. They support public education

³⁰¹ See, Workshop Report II at 11.

³⁰² See, UCAN's comments dated June 14, 2019 at 9.

³⁰³ See, page 5 of CalCCA's opening comments.

³⁰⁴ See, Workshop Report II at 10.

³⁰⁵ *Id.* at 17.

about assistance programs, and they contend that many customers are not aware of programs that are available to them.

18.2. Party Comments on Using Existing Programs to Help Reduce Energy Bills

EBCE indicated in their presentation at the Hayward workshop that there are three zip codes in Oakland that have high disconnection rates but only 15 percent of the households are enrolled in CARE³⁰⁶. They propose that there should be outreach pilots to increase enrollment in programs such as CARE. They suggest that this could be done by having the IOUs partner with CBOs. In the Workshop II Report, EBCE notes that 80 percent of those disconnected are not enrolled in CARE, FERA, or Medical Baseline. They urge the Commission and IOUs to raise awareness that these programs are available.

Public Advocates stated in their July 15, 2019 comments³⁰⁷ that an empirical analysis of disconnection data indicates that level payment plans, and housing weatherization assistance targeted to appropriate zip codes may help reduce future disconnection rates. In the Workshop II Report³⁰⁸, the Public Advocates noted that pilots should focus on zip codes with high disconnection rates and ensure that each weather baseline district and geographical area is represented.

GRID urged the Commission to consider leveraging existing low-income solar programs and energy efficiency programs to help customers pay their

³⁰⁶ See, EBCE's Hayward Workshop presentation at 12-14.

³⁰⁷ See, Public Advocates comments dated July 15, 2019 at 1-2.

³⁰⁸ See, Workshop II Report at 23.

energy bills.³⁰⁹ In reply comments³¹⁰, GRID notes that as part of the low-income assistance programs, solar and energy efficiency measures should also be included in pilot program design in order to reduce a customer's energy burden while simultaneously enabling a household to contribute to and benefit from California's growing carbon free economy.

TURN suggested to auto enroll CARE customers in IOU assistance programs if they face repeat disconnections³¹¹ Many of the CBO indicated that that existing energy bill assistance programs are often underutilized by the IOUs.³¹² Customers in need are not always aware of rate discounts programs that are available to them, such as CARE and REACH.

18.3. Discussion

We appreciate the suggestions made by parties concerning improvements to outreach and enrollment in assistance programs such as CARE. These issues have already been discussed in this decision and hence we decline to adopt the suggested pilots here. Parties can raise these ideas in the CARE proceeding. We also appreciate the suggestions made by GRID regarding using solar and energy efficiency programs to reduce energy bills. We agree that energy efficiency and solar programs are important. However, we decline to implement these suggestions currently as additional information is needed to determine how to best develop these suggestions. Additionally, the goal of phase I of this

³⁰⁹ See, GRID's opening comments dated June 14, 2019 at 5-6.

³¹⁰ See, GRID's reply comments dated July 1, 2019 at 2.

³¹¹ See, Workshop II Report at 24.

³¹² See, Workshop Report I at 14-15.

proceeding is to develop programs that can be implemented rather quickly to help reduce the number of disconnections.

19. Enforcement

On November 14, 2019, the assigned ALJ issued a ruling requesting that the parties provide information on whether the Commission should establish a citation program to enforce the rules and how much the citation amount should be.³¹³

In opening comments dated December 6, 2019³¹⁴, CalCCA believes that it is too early to consider a citation program. They suggest that any citation program should be put in place only after the rules are adopted and they suggest that there should be no citation program established for piloted programs. In opening comments dated December 6, 2019³¹⁵, UCAN indicated that they were reluctant to recommend a citation program until the IOUs have had an opportunity to implement whatever disconnections regime the Commission creates as a result of this rulemaking. They suggest having the IOUs make an annual report on their progress in implementing disconnection rules and include an express provision in the Commission's final decision in this case establishing a requirement that Commission staff perform an audit of IOU performance in implementing disconnections rules. They suggest that the audit be conducted two years after the final decision in this proceeding.

³¹³ See, ALJ November 14, 2019 Ruling at 2.

³¹⁴ See, page 4.

³¹⁵ See, pages 6-7.

In its opening comments dated December 6, 2019³¹⁶, CSD stated that it supports the development and adoption of a citation program, especially for LIHEAP rules and pledges. CCES in its December 6, 2019 opening comments³¹⁷ noted support for a citation program and stated that the minimum fine should be \$1,000. CforAT and NCLC indicates in its December 6, 2019 opening comments³¹⁸ that they support the idea of implementing a citation program. However, they cannot suggest specific structure or process as the record on the topic is very light. They do support implementing a citation program through resolution as done for the CTAs program. They also suggest workshops to get stakeholder input to develop the program. TURN states³¹⁹ that the statutory framework for the enforcement of violations is already well established by the Public Utilities Code. They assert that the requirements adopted within this proceeding should all be subject to a penalty. They contend that each violation of the rules should be subject to penalties of \$500 to \$100,000 per event per day.

PG&E³²⁰ does not support the development of a citation program. Rather, they recommend that the Commission continue to require the IOUs to meet a disconnection goal and to explain any deviations from the requirement through a report that is served to the service list of this proceeding. SCE³²¹ contends that

³¹⁶ See, page 5.

³¹⁷ See, page 8.

³¹⁸ See, pages 8-10.

³¹⁹ See, TURN's Opening comments dated December 6, 2019 at 4-5.

³²⁰ See, PG&E's Opening Comments dated December 6, 2019 at 6.

³²¹ See, Section A of SCE's Opening Comments dated December 6, 2019.

pursuant to Pub. Util. Code Sections 2107 and 2108, the Commission is authorized to impose fines against any public utility that violates or fails to comply with any provisions of "any order decision, decree, rules, directions, demand, or requirements of the Commission." SCE believes that if the Commission does decide a citation program is necessary, there should be workshops to further develop this issue.

19.1. Discussion Regarding Enforcement Programs

Utility compliance with these disconnection provisions is paramount to protect customers from disconnections. To further the goals of this proceeding, we believe that it is necessary for there to be an enforcement program designed to ensure that the utilities comply with the disconnection rules set forth in this proceeding. Accordingly, we direct the Commission's Utilities Enforcement Branch (UEB) to create a citation program for disconnection protocols.

UEB should hold at least one workshop for development of the citation program. The citation program should be designed to levy penalties on any IOU that violates the requirements set forth in this decision or in their respective existing tariffs. EUB shall establish this citation program through a Commission Resolution.

In opening comments on the proposed decision, the IOUs generally did not agree with the establishment of a citation program and believe that it is not necessary for the Commission to create a new enforcement program. CforAt and NCLC on the other hand noted in opening comments on the proposed decision that the enforcement provisions set forth in the proposed decision are timely, critical, and developed through a robust comment period. We disagree with the

IOUs on this point and therefore decline to make any of the changes suggested by the IOUs. We believe that a citation program is necessary to ensure compliance with the protections set forth in this decision.

20. Request for Memorandum Account to Track Implementation Costs Associated with this Decision and SCE's Request to Delay Implementation Due to System Upgrades

SDG&E and SoCalGas requested in their opening comments on the proposed decision that the utilities be allowed memorandum accounts to track implementation costs associated with this decision. They assert that this decision requires the utilities to make various changes that will result in additional costs for them. For example, they assert that there will be costs associated with the necessary billing system upgrades, the online LIHEAP portal and outreach and implementation programs. SCE also raised the same concerns as well as UCAN.

In its reply comments dated June 1, 2020, TURN rejected the need for a memorandum account. TURN incorrectly states that this decision allows the utilities to track uncollectibles and additional costs in the two-way balancing account. The two-way balancing account which was discussed and authorized in the section pertaining to uncollectibles is designed create transparency in uncollectibles. It was not designed to allow the utilities to track the costs associated with implementing many of the additional requirements set forth in this decision. We have no objection to there being a memorandum account to allow the utilities to track the costs associated with implementing this decision.

In opening comments on the proposed decision, SCE contends that due to current system upgrades it would be unable to implement many of the changes required in this decision until 2022. In reply comments, UCAN was sympathetic

to this allegation, but correctly asserts that the provisions of this decision should not be delayed. Therefore, we reject SCE's request to delay implementation of the provisions of this decision.

21. Comments on Proposed Decision

The proposed decision in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on May 26, 2020 by CLICC, CalCCA, TURN, UCAN, SCE, PG&E, SDG&E/SoCalGas³²², CforAT/NCLC³²³, and the Public Advocates Office. Reply comments were filed on June 1, 2020 by CLICC, the Public Advocates, CforAT, and NCLC, TURN, UCAN, CALCCA, PG&E, SCE, and SDG&E/SoCalGas³²⁴.

22. Assignment of Proceeding

Commissioner Martha Guzman Aceves is the assigned Commissioner and the Presiding Officer. Administrative Law Judge Gerald F. Kelly is the assigned ALJ in this proceeding.

Findings of Fact

1. The Commission opened R.18-07-005 pursuant to SB 598 to address disconnection rates across California's electric and gas investor-owned utilities by adopting policies and rules that reduce disconnections and improve reconnection processes and outcomes for disconnected customers.

³²² SDG&E and SoCalGas filed joint opening comments.

³²³ CforAT and NCLC filed joint opening comments.

³²⁴ SDG&E and SoCalGas filed joint reply comments.

2. As noted in SB 598, residential electric and gas disconnections are on the rise and create public health impacts, causing tremendous hardship and undue stress, including increased health risks to vulnerable populations, as well as overreliance on emergency services and underutilization of preventive programs.

3. R.18-07-005 calls for a comprehensive assessment of the root causes of (or events that correlate with) residential customer disconnections while also evaluating the rules, processes and procedures regarding disconnections and reconnections at both a statewide and utility specific level.

4. SB 598 mandated protections for customers for whom disconnection would be life-threatening.

5. Lost access to energy services on extremely hot or cold days can be life threatening for some populations.

6. Both Massachusetts and New York prohibit deposits for utility customers as a matter of law.

7. Deposits and reestablishment deposits can create financial hurdles for residential customers.

8. The Commission should take action to reduce the financial burdens caused by deposits.

9. Changes to the IOUs' disconnection notices are needed so that customers are better informed that they are about to have their utilities disconnected.

10. Disconnection notices should provide additional information to customers on the availability of financial programs that may be available to assist them.

11. Providing email notices to customers in danger of having their utilities disconnected is an additional measure that will ensure the customers have received as much information concerning the pending disconnection of their utilities as feasible.

12. Reconnection fees create additional hurdles for customers trying to reestablish their utility services.

13. Requiring a new tenant to pay the previous tenant's utility bills presents additional financial burdens to customers who may be struggling financially.

14. LIHEAP is an important program that can assist low-income households with energy expenses.

15. It is important that there be transparency between the IOUs and the CCAs.

16. Additional outreach on the CARE/FERA programs is needed.

17. Allowing gas field representatives to collect payments from customers will have an impact on reducing the number of gas disconnections.

18. The establishment of the AMP will be a valuable tool in assisting CARE and FERA residential customers to eliminate unmanageable arrears and incentivize timely payments.

19. Additional work needs to be done to evaluate and implement the PIPP in a separate ratesetting phase of this proceeding.

20. SB 1338 authorizes a physician assistant to certify a customer is eligible for medical baseline allowance.

Conclusions of Law

1. The parties in this proceeding have had a reasonable opportunity to comment on the Assigned Commissioner's Scoping Memo, the Workshop Reports, Staff Proposals and assigned ALJ rulings, which form the basis for this decision.

2. Previously, there was a rise in the rate of residential customer disconnections throughout the service territories of California-jurisdictional utilities. In D.18-12-013, the Commission adopted various interim rules which helped to reduce the number of disconnections. Therefore, it is reasonable to adopt and make permanent some of the interim rules as set forth in D.18-12-013 and as modified by this decision.

3. Because the smaller IOUs may have unique circumstances and other challenges, it is appropriate to apply these rules only to the larger IOUs.

4. Phase 1A of this proceeding should be conducted later to determine which rules shall apply to the smaller IOUs.

5. The rules adopted in this decision recognize the intent and directives set forth in Senate Bill 598, as described in the Order Instituting Rulemaking for this proceeding.

6. In line with the provisions of SB 598, it is reasonable to impose restrictions prohibiting disconnections of customers who qualify for medical baseline , if the customer agrees to a payment plan.

7. It is reasonable to prohibit the energy utilities from disconnecting residential electricity customers when temperatures above 100 degrees or below 32 degrees are expected based on a 72-hour look-ahead period. For this purpose,

it is reasonable to allow each utility to use its own existing in-house weather forecasting processes.

8. It is reasonable to prohibit the gas utilities from disconnecting residential gas customers when temperatures below 32 degrees are expected based on a 72-hour look-ahead period. For this purpose, it is reasonable to allow each utility to use its own existing in-house weather forecasting processes.

9. In line with the long-term goals of SB 598, it is reasonable to impose restrictions prohibiting disconnections of residential utility service until the utility has offered to enroll the residential customer all applicable benefit programs administered by the utility.

10. In line with the long-term goals of SB 598, it is reasonable to impose restrictions prohibiting disconnections of residential customers if a LIHEAP pledge is pending.

11. In line with the long-term goals of SB 598, it is reasonable to impose restrictions prohibiting disconnections of residential customers until they have been offered a payment plan of at least 12-months.

12. The rules set forth below should be adopted and made effective upon adoption of this decision.

13. To further the goal of limiting disconnections, it is reasonable to adopt rules relating to how the IOUs evaluate and determine benefit of service.

14. To further the goal of limiting disconnections, it is reasonable to adopt rules relating to how the IOUs interact with LIHEAP providers.

15. SB 1338 modified Sections 739 and 779.3 and added Section 779.4 to the Pub. Util. Code.

16. To further transparency between the IOUs and the CCAs is it reasonable to adopt rules relating to how the IOUs interact with the CCAs.

17. To promote the goals of this proceeding, it is reasonable to have the Commission consider additional CARE and FERA outreach in A.19-11-003.

18. To promote the goals of this proceeding, it is reasonable to adopt rules requiring all gas field representatives to accept payments or put the customer directly in contact with a customer service representative who can make arrangements for immediate payments from gas customers who are about to be disconnected.

19. To promote the goals of this proceeding, it is reasonable to adopt rules establishing an Arrearage Management Program which will be available to all CARE and FERA customers.

20. To promote the goals of this proceeding, it is reasonable to create a separate phase in this proceeding to discuss establishing PIPPs.

21. To promote the goals of this proceeding, it is reasonable to adopt rules establishing an enforcement mechanism designed to ensure that the IOUs follow the rules and requirements of this decision.

O R D E R

IT IS ORDERED that:

1. The interim rules set forth in Decision 18-12-013 and as modified below are hereby adopted to reduce residential customer disconnections and to improve reconnection processes. These measures shall become effective upon after the

current moratorium on disconnections is lifted.. The rules shall apply to the large California-jurisdictional investor owned energy utilities, as follows:

- (a) Residential customer disconnections shall be capped using the recorded 2017 percentage of each respective utility. Disconnections implemented for each utility subsequent year must remain at or below the percentages shown below for each utility:

Target Date	PG&E	SDG&E	SCE	SoCalGas
07/01/2020	4%	35	8%	2%
01/01/2021	4%	3%	7%	2%
01/01/2022	4%	3%	6%	2%
01/01/2023	3.5%	3%	5%	2%
01/01/2024	3.5%	3%	4%	2%

- (b) Residential customers shall not be disconnected for nonpayment if they qualify for medical baseline and the customer agrees to a 12-month payment plan.
- (c) residential customers shall not be disconnected for nonpayment until the utility offers to enroll eligible customers in all applicable benefit programs administered by the utility. The utility is not required to make affirmative inquiry of every residential household as to whether they are enrolled in all applicable benefit programs. If the utility has discussions with a residential customer prior to disconnection, however, that utility shall have a duty to inquire if the customer is interested in hearing about the applicable benefit programs. Residential customers must enroll in the applicable benefit program within two billing cycles of being made aware of the applicable benefit programs.
- (d) Prior to disconnecting any residential customer, the utility shall offer the residential customer a 12-month payment plan. The utility shall not disconnect any residential

customer who is on a 12-month payment plan and is current on both monthly bills and the 12-month payment plan.

(e) Residential customers shall not be disconnected if they currently have a Low-Income Home Energy Assistance Program pledge pending.

(f) Residential customers shall not be disconnected when temperatures above 100 degrees or below 32 degrees are forecasted based on a 72-hour look-ahead period. Each utility may continue to use its own internal weather monitoring systems for meeting this requirement.

2. Nothing in this decision is intended to contradict the Emergency Customer Protections set forth in Resolution M-4842 issued in response to the coronavirus (COVID-19) pandemic.

3. Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company shall immediately implement the vulnerable customer protections required by this decision at the expiration of the Emergency Customer Protections issued in response to the coronavirus (COVID-19) pandemic.

4. If any of the vulnerable customer protections set forth in this proceeding conflict with the Emergency Customer Protections established to address concerns of the coronavirus (COVID-19) pandemic, then the Emergency Customer Protections are controlling. Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company shall follow the rolling cap methodology that is described in Appendix 1 after the moratorium on disconnections is lifted by the Commission.

5. Within 120 days of the beginning of each calendar year, beginning in 2022 and ending in 2025, Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company shall each file a status report in this proceeding or its successor on their compliance with the disconnection cap for the previous year.

6. If any of the rules adopted herein require changes to a utility's tariff, that utility shall promptly file an advice letter to implement such changes within 30 days of the issuance date of this decision. Provided that the changes are of a ministerial nature, a Tier 1 advice letter filing is acceptable for this purpose.

7. A separate phase of this proceeding will evaluate what rules shall apply to the smaller investor owned utilities.

8. Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company are prohibited from requiring any residential customers to pay establishment of credit deposits for new service.

9. Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company are prohibited from requiring reestablishment of service deposits for any reestablishment of service.

10. Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company shall modify their disconnection notices to notify the customer that there may be financial programs available to assist them.

11. San Diego Gas & Electric Company shall modify all disconnection call scripts to clearly indicate that the customer is in danger of having their utilities disconnected.

12. San Diego Gas & Electric Company shall clearly indicate in the automated disconnection call script that the customer should select the billing option to speak to a representative regarding their bill, the availability of repayment options, and financial assistance that might be available.

13. Pacific Gas and Electric Company (PG&E) shall modify its 48- hour disconnection notice as follows:

If you are not able to pay your bill, call PG&E to discuss how we can help. You may qualify for ~~programs such as reduced rates under PG&E's CARE program,~~ **that can help to reduce your bill.** ~~or other special programs and~~ **We can connect you with community agencies that may can provide additional be available to assist** ~~ance to~~ **you.** You may **also** qualify for PG&E's Energy Savings Assistance Program which is an energy efficiency program for income-qualified residential customers.

14. Southern California Edison Company's disconnection notices shall conform with all the requirements set forth for San Diego Gas & Electric Company and Pacific Gas and Electric Company.

15. Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company shall provide disconnection notices via email to customers who have opted to receive electronic communications from the utilities.

16. Reconnection fees are eliminated effective with the date of this decision.

17. Fee based revenue that was collected via reconnection fees may be addressed in the Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company's next general rate case and incorporated into base rates.

18. In order to trigger an investigation that would require the customer to verify that they were not previously benefiting from the utility service, Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company must identify any of the following: address returned from Experian Identity Validation tool, matching telephone number; or landlord or homeowner confirms that the occupant is not new or has been residing at the address; the account is transferred to the name of a spouse or roommate; the account is transferred to someone with the same email address as the previous customer; or the account is transferred to someone with the same banking information as the previous customer.

19. If Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company determines that the customer benefited from the previous service, the utility must provide the customer with 30 days to submit additional evidence to dispute the determination.

20. After the customer submits any additional documentation, Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company shall within 30 days

provide both verbal and written notice to the customers of the outcome and what documentation was used in making the determination.

21. Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company shall document all reasonable efforts to contact the customer either by telephone or in writing.

22. Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company must provide verbal and written notification on the outcome of benefit of service which must include the contact information for the Commission's Consumer Affairs Branch and any internal appeal process that may be available to dispute the determination.

23. No customer who was under the age of 18 shall be required to absorb a benefit of service charge.

24. The Commission shall update its Memorandum of Understanding with the Department of Community Services and Development.

25. Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company, the Department of Community Services and Development and the Commission's Consumer Affairs Branch shall engage in quarterly meetings.

26. Low-Income Home Energy Assistance Program pledge period shall be for 90 days across Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company territories.

27. Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company shall develop an online Low-Income Home Energy Assistance Program pledge portal within nine months of this decision.

28. Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company shall each work directly with Local Service Providers in their territories to create focus groups to assist in developing these online portals.

29. Online portals shall contain the following information: account number; service address; account holder name; current total charges; total amount due; number of billing days in the current billing cycle; status of disconnection; minimum amount needed to avoid disconnection if the customer is not already disconnected; the minimum amount needed to reconnect if already disconnected; total arrears; bill history for the last 12-months; 15-day notice issuance; 48-hour notice issuance; pledge acceptance or rejection status; the last bill; and a tracking number for each pledge.

30. The online portal shall provide weekly, monthly, and yearly summary reports of past pledges, account numbers, zip codes and whether the pledge were accepted.

31. These reports shall be provided to the Department of Community Services and Development and Low-Income Home Energy Assistance Program providers to provide for greater transparency of payments that have been processed and customers that have been reconnected through Low-Income Home Energy Assistance Program pledges.

32. Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company shall work with Local Service Providers (LSPs) to develop a release form for customers to sign consenting to their information being shared and Non-Disclosure Agreements for information sharing with individual LSPs.

33. Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company are each required to enter a Memorandum of Understanding with Department of Community Services and Development and their Low-Income Home Energy Assistance Program providers.

34. Physician Assistants are authorized to certify to the utilities that a customer qualifies for medical baseline.

35. Qualified medical professionals are authorized to e-sign applications for the medical baseline program.

36. Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company shall each implement a procedure to allow qualified medical professionals to e-sign applications for the medical baseline program.

37. Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company shall provide annual training to county health workers that do in home visits before the second quarter of each calendar year.

38. Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company shall

provide outreach and educational materials in multiple languages for the county health workers to take out to the field.

39. Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company shall each demonstrate how they are working with the medical community and county public health offices to increase marketing and outreach to persons eligible for the medical baseline by filing a Tier 3 Advice Letter (AL) within 60 days of the issuance date of this decision outlining plans to implement Senate Bill 1338's requirements to allow additional qualified medical professionals to complete applications for the medical baseline program. The AL should also include plans to allow qualified medical professional to e-sign applications for the medical baseline program.

40. The Tier 3 Advice Letter outlining how the requirements of Senate Bill 1338 will be implemented shall include enrollment goals and other metrics which includes how many customers were reached and ultimately enrolled in the medical baseline program.

41. The Tier 3 Advice Letter outlining medical baseline outreach shall contain detailed and cohesive plans outlining how Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company each are funding outreach programs and grants to Community Based Organizations who are promoting public outreach relating to the medical baseline program.

42. As appropriate Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California

Gas Company shall each enter into Memorandums of Understanding and Non-Disclosure Agreements with the Community Choice Aggregation providers to promote the sharing of information.

43. As appropriate Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company shall provide automatic notification to the Community Choice Aggregation providers when a customer receives a 15-day, and/or a 48-hour shut-off notice, and when a customer gets reconnected.

44. As appropriate Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company shall provide ongoing access to information about which customers have been disconnected, in .xlsx or .csv file format, without the need to submit formal data requests by Community Choice Aggregators in this proceeding.

45. Low Income Home Energy Assistance Program providers should be able to verify over the telephone with the IOUs whether a household is enrolled in the California Alternate Rates for Energy or Family Electric Rate Assistance Program.

46. Low Income Home Energy Assistance Program providers can obtain customer consent and assist the household with California Alternate Rates for Energy and Family Electric Rate Assistance enrollment via phone with representatives from Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company.

47. Community Based Organizations (CBO) are able to register as capitation agencies to conduct outreach, assist with enrollment and ensure eligible households are enrolled in all applicable benefit programs on behalf of Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company.

48. The issue of additional outreach for California Alternate Rates for Energy and Family Electric Rate Assistance Programs will be addressed in consolidated Applications 19-11-003, 19-11-004, 19-11-005, 19-11-006, and 19-11-007.

49. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company shall allow gas field representatives to collect a minimum of 20 percent of the past due balance and allow the customer to either not have their gas service disconnected or be reconnected within 24 hours if the customer has made the minimum 20 percent payment and also agrees to go on a payment plan.

50. To the extent that Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company have safety concerns of having a gas field representative collect payments while in the field, they can opt to have the gas field representative contact a customer service agent to make arrangements for the customer to pay a minimum of 20 percent to avoid being disconnected.

51. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company shall not require the customer to call another person to have their gas service reconnected once they make a payment to the gas field representative.

52. After an eligible California Alternate Rates for Energy (CARE) and Family Electric Rate Assistance residential customer who has been a customer for a minimum of six months and made at least one on-time payment and has a balance which reaches \$500 in arrears, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall enroll the eligible CARE and FERA residential customer in the arrearage management payment plan.

53. After an eligible California Alternate Rates for Energy (CARE) residential gas only customer who has been a customer for a minimum of six months and made at least one on-time payment and has a balance which reaches \$250 in arrears, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company shall enroll the eligible CARE residential customer in the arrearage management payment plan.

54. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company shall provide eligible California Alternate Rates for Energy and Family Electric Rate Assistance residential customers with all information concerning the arrearage management payment plan.

55. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company shall maintain a frequently asked questions section on their websites detailing how California Alternate Rates for Energy and Family Electric Rate Assistance can participate in the arrearage management payment program.

56. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company shall provide the eligible California Alternate Rates for Energy and Family Electric Rate Assistance residential customers enrolled in the arrearage management payment plan with ongoing support.

57. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company shall provide the eligible residential California Alternate Rates for Energy and Family Electric Rate Assistance customers with acknowledgment when they have three, six, and nine months of on-time payments.

58. When an eligible residential California Alternate Rates for Energy and Family Electric Rate Assistance customer calls Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company for any reason, the customer service agent must offer them the opportunity to enroll in the arrearage management payment plan.

59. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company must allow eligible California Alternate Rates for Energy and Family Electric Rate Assistance residential customers the opportunity to enroll in the arrearage management payment plan when checking their account online or communicating with a customer service representative online.

60. In every communication with an eligible residential California Alternate Rates for Energy and Family Electric Rate Assistance customer, Pacific Gas and

Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company shall each inform the customer of the arrearage management payment (AMP) plan rules, regulations and how the AMP plan could help them.

61. After the eligible residential California Alternate Rates for Energy and Family Electric Rate Assistance customer is enrolled in the arrearage management payment plan, Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company shall forgive 1/12 of an eligible residential customer's arrearage after each on time payment.

62. After 12 on-time payments, Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company shall forgive the eligible residential California Alternate Rates for Energy and Family Electric Rate Assistance customer's remaining arrearage debt.

63. After successfully completing the arrearage management payment (AMP) plan, a residential California Alternate Rates for Energy and Family Electric Rate Assistance customer can reenroll in the AMP program after a 12-month waiting period. The 12-month waiting period begins the first month after the first AMP was successfully completed.

64. Eligible residential California Alternate Rates for Energy and Family Electric Rate Assistance customers can miss up to two non-sequential payments if the customer makes up the payment on the next billing due date with an on-time payment of both the current and missed payments.

65. If an eligible residential California Alternate Rates for Energy and Family Electric Rate Assistance customer drops out of the arrearage management payment plan before reaching 12 on-time payments, there will be no impact on the 1/12th debt forgiven for previous on-time payments.

66. Eligible residential California Alternate Rates for Energy and Family Electric Rate Assistance customers who drop out of the arrearage management payment (AMP) program may reenroll after a 12-month waiting period. The 12-month waiting period begins the first month after the eligible customer dropped out of the AMP.

67. If a California Alternate Rates for Energy and Family Electric Rate Assistance arrearage management participant receives Low-Income Home Energy Assistance Program assistance, that assistance should be applied to participant's monthly bills, not the arrearage.

68. To make monthly payments more predictable, the California Alternate Rates for Energy and Family Electric Rate Assistance customer may request that the monthly payments be levelized for the 12 months in the program.

69. The arrearage management program will forgive a maximum of \$8,000 per California Alternate Rates for Energy and Family Electric Rate Assistance customer per calendar year.

70. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company shall report annually to the Commission on the impacts the arrearage management payment plan has had on California Alternate Rates for Energy and

Family Electric Rate Assistance customers arrearage amounts and current and future customer behavior.

71. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company must annually report to the Commission the number of participants enrolled in California Alternate Rates for Energy and Family Electric Rate Assistance Program customers who are enrolled in the arrearage management payment plan.

72. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company must annually report to the Commission the zip codes of eligible California Alternate Rates for Energy and Family Electric Rate Assistance residential customers enrolled in the arrearage management payment plan.

73. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company must annually report to the Commission the arrearage management payment plan success rate for enrolled eligible California Alternate Rates for Energy and Family Electric Rate Assistance residential customers.

74. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company must annually report to the Commission the average arrearage amounts for eligible California Alternate Rates for Energy and Family Electric Rate Assistance residential customers who successfully completed the arrearage management payment plan.

75. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company must annually report to the Commission the average arrearage amounts for eligible California Alternate Rates for Energy and Family Electric Rate Assistance residential customers who failed to complete the arrearage management payment plan.

76. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company must annually report to the Commission the percentage of eligible California Alternate Rates for Energy and Family Electric Rate Assistance residential customers who missed one payment and made up the payment in the arrearage management payment plan.

77. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company must annually report to the Commission the percentage of eligible California Alternate Rates for Energy and Family Electric Rate Assistance residential customers who missed two payments, did not make up the payments and were subsequently disqualified from the arrearage management payment program.

78. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company must annually report to the Commission the percentage of eligible California Alternate Rates for Energy and Family Electric Rate Assistance residential customers who made at least one on-time payments during the six months following the end of the arrearage management payment plan.

79. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company must annually report to the Commission the percentage of eligible California Alternate Rates for Energy and Family Electric Rate Assistance residential customers who did not make on time payments during the six months following the end of their arrearage management payment plan.

80. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company must annually report to the Commission the percentage of eligible California Alternate Rates for Energy and Family Electric Rate Assistance residential customers who accrued new arrears within six months of completing the arrearage management payment plan.

81. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company must annually report to the Commission the percentage of eligible California Alternate Rates for Energy and Family Electric Rate Assistance residential customers who accrued new arrears within six months of dropping out of the arrearage management payment plan.

82. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company must annually report to the Commission the number of California Alternate Rates for Energy and Family Electric Rate Assistance residential customer accounts eligible for disconnection.

83. To implement the arrearage management payment (AMP) plan, Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company must each file a Tier 2 Advice Letter within 90 days of this decision to implement the AMP plan.

84. After three years, Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company may file a joint Tier 3 Advice Letter with recommendations for improving the arrearage management payment plan.

85. The Commission will open a proceeding three years after the adoption of this decision to reauthorize the arrearage management payment plan.

86. The rules set forth in this decision regarding the arrearage management payment (AMP) plan will sunset after four years unless the Commission issues a decision extending, reauthorizing, modifying, or rescinding the AMP.

87. The issue of concern raised by CalCCA as it relates to the allocation of proportional recovery shall be discussed in the AMP working group and a proposed resolution shall be set forth in the Tier 2 Advice Letters that Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company file.

88. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company shall allow any California Alternate Rates for Energy and Family Electric Rate Assistance customer who would be eligible for an Arrearage Management Plan

to opt-in to such a plan if they are enrolled in any other payment plan before an Arrearage Management Plan is put in place.

89. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company shall each establish two-way balancing accounts to create more transparency and accurately reflect the actual costs of uncollectible charges in rates.

90. There shall be a separate phase established in this proceeding which will be classified as ratesetting and will evaluate implementing the percentage of income payment plan.

91. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company shall file a Tier 2 Advice Letter to establish the two-way balancing account as set forth in the uncollectibles section of this decision.

92. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company may submit Tier 2 Advice Letters to address the issue of transferring the portion of their COVID-19 Pandemic Protections Memorandum Account related to uncollectibles from residential disconnections into the two-way balancing account.

93. The Commission's Utilities Enforcement Branch shall establish an enforcement program designed to ensure that Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company comply with the rules set forth in this decision.

94. The enforcement program established by the Commission's Utilities Enforcement Branch shall be enacted through the Commission's Resolution process.

95. Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company shall be allowed a memorandum account to track the implementation costs associated with implementing the requirements of this decision.

96. Southern California Edison's request to delay implementing the requirements of this decision due to ongoing system upgrades is denied.

97. Rulemaking 18-05-007 shall remain open for subsequent phases of this proceeding.

This order is effective today.

Date, June 11, 2020, at San Francisco, California.

MARYBEL BATJER

President

LIANE M. RANDOLPH

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN

GENEVIEVE SHIROMA

Commissioners

ATTACHMENT

TABLE OF TERMS

Term	Definition
AFN	Access and Functional Needs
ALJ	Administrative Law Judge
AL	Advice Letter
AMP	Arrearage Management Payment
CAB	Consumer Affairs Branch
CalCCA	California Community Choice Association
CAPSB	Community Action Partnership of San Bernardino
CARE	California Alternate Rates for Energy
CBO	Community Based Organization
CCA	Community Choice Aggregators
CCES	Central Coast Energy Services
CforAT	Center for Accessible Technology
CHANGES	Community Help and Awareness of Natural Gas and Electric Services
CISR	Customer Information Service Request
CMNP	Critical Medical Needs Partnership
CSD	Department of Community Services and Development
CSR	Customer Service Representative
D.	Decision
DMV	Department of Motor Vehicles
EBCE	East Bay Community Energy
EDI	Electronic Data Interchange
EE	Energy Efficiency
UEB	Utilities Enforcement Branch
FAQ	Frequently Asked Question
FERA	Family Electric Rate Assistance
FPL	Federal Poverty Level
FSR	Field Service Representative
GRC	General Rate Case
GRID	GRID Alternatives
HLB	Housing Long Beach
IOU	Investor Owned Utility
IVR	Interactive Voice Response
LIHEAP	Low Income Home Energy Assistance Program
LIOB	Low-Income Oversight Board
LSP	Local Service Provider
MBCP	Monterey Bay Community Power
MOU	Memorandum of Understanding

Term	Definition
NCLC	National Consumer Law Center
NDA	Non-Disclosure Agreement
PEV	Post-Enrollment Verification
PFM	Petition for Modification
PG&E	Pacific Gas and Electric Company
PHC	Prehearing Conference
PIPP	Percent of Income Payment Plan
PIPPPP	Percentage of Income Payment Plan Pilot Proposal
PPD	Policy and Planning Division
Public Advocates	Public Advocates Office
R.	Rulemaking
REACH	Relief for Energy Assistance Through Community Help
SB	Senate Bill
SCE	Southern California Edison Company
Scoping Memo	Assigned Commissioner's Phase 1 Scoping Memo and Ruling
SDG&E	San Diego Gas & Electric Company
SMUD	Sacramento Municipal Utility District
SoCalGas	Southern California Gas Company
TAP	Tiered Assistance Program
TURN	The Utility Reform Network
UCAN	Utility Consumers' Action Network

(END OF ATTACHMENT)

APPENDIX 1

Rolling Methodology for the Disconnection Cap

Target Date	PG&E	SDG&E	SCE	SoCalGas
07/01/2020	4%	3%	8%	2%
01/01/2021	4%	3%	7%	2%
01/01/2022	4%	3%	6%	2%
01/01/2023	3.5%	3%	5%	2%
01/01/2024	3.5%	3%	4%	2%

1. The disconnection cap number is calculated each month by applying the IOU’s annual target rate in the above table to the number of accounts on the last day of the prior month. For example, assume the IOU’s number of accounts on June 30, 2020, is 5,500,000. The target rate starting on July 1, 2020 is 4%, based on the table above. The disconnection cap number for July 2020 is 220,000 (5,500,000 x 4%).
2. The amount of disconnections in the past 11 months, from August 2019 through June 2020, is summed into a total. For this example, assume that total is 205,000.
3. Amount of disconnections allowed for the IOU in July 2020 is calculated as the difference between the disconnection cap number and the sum of disconnections August 2019 through June 2020: 15,000 (220,000-205,000).
4. To calculate the amount of disconnections allowed for August 2020, steps 1 to 3 are repeated using the number of accounts on July 31, 2020 and summing the number of disconnections from September 2019 through July 2020.
5. If the sum of disconnections in the past 11 months exceed the disconnection cap number, the IOU cannot disconnect any customers for the coming month. Using the example above, if the sum of disconnections from August 2019 through June 2020 was 235,000, then the IOU cannot disconnect any customers in July 2020 (235,000 > 220,000).

(END OF APPENDIX 1)

APPENDIX 2

Sample FAQ for IOU Arrearage Management Payment Plan (AMP)

What is the Arrearage Management Payment Plan (AMP)?

AMP is a debt forgiveness payment plan option for customers with past due bills greater than \$500 and 90 days of age or older.

What amount is eligible for the AMP?

For customers that meet the above eligibility guidelines, the amount eligible for the AMP is total account balance as of the enrollment date. For customers returning to the AMP, the amount eligible is the total account balance as of the reinstatement date.

What amount is ineligible for the AMP?

Any new bills issued on or after the AMP enrollment or reinstatement are ineligible and are your responsibility to pay.

Is there a cap or maximum amount eligible for forgiveness through the AMP?

The maximum amount eligible for AMP forgiveness in a calendar year is \$8,000.

How does the AMP work?

The Arrearage Management Payment Plan will forgive 1/12 of your utility debt after each on-time payment of the existing month's bill. After twelve on-time payments of individual monthly bills, your debt will be fully forgiven.

How Many Payments are Necessary to Complete the AMP?

After 12 on time monthly payments, your entire past due amount will be forgiven.

What Happens if I Miss a Payment?

You can miss up to two non-sequential payments, as long as you make up the payment on the next billing due date with an on-time payment of both the current bill and the past bill(s). Missing two sequential payments will break the arrearage management payment plan.

What Happens if I Break the AMP?

If you break the AMP before reaching twelve on-time payments, there is no impact (no reinstatement) to the debt that has already been forgiven. However, your remaining debt will not be eligible to be forgiven.

Can I sign up again after completing the AMP?

Once you complete the AMP, you are eligible to sign up again after a 12-month waiting period.

R.18-07-005 COM/MGA/gp2

If I break the AMP can I sign up again?

If you break or do not finish the AMP you will be eligible to enroll again after a 12-month waiting period.

I receive service through a Community Choice Aggregator (CCA) can I participate in the AMP?

Yes, customers who belong to CCAs can participate in the AMP.

I am already on a payment plan for my past due debt. What happens to the payment plan if I enroll in the AMP?

Your previous payment plan will be superseded by the AMP.

(END OF APPENDIX 2)