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Ratesetting

Decision __________

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Address Energy Utility Customer Bill Debt Accumulated During the COVID-19 Pandemic.	R.__________

ORDER INSTITUTING RULEMAKING

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Summary

This Order Instituting Rulemaking (OIR) considers the necessity of establishing special relief mechanism(s) for customers who could not pay their energy bills during the COVID-19 pandemic to give them a better chance of becoming current on their energy bills. The moratorium on utility service disconnections preserves customer access to essential utility service during the pandemic, a time when disconnecting customers for non-payment would be unconscionable. Yet the pandemic has persisted longer than could have been imagined, and increases in unpaid customer bills may also impact the financial health of the very utilities that must continue to provide the essential services.

When the disconnection moratorium ends, some customers will be faced with outstanding utility bills. When disconnections for non-payment resume, some households will still be contending with loss of life and livelihood and we do not intend for these customers to face their outstanding utility bill arrearages alone. This proceeding will examine the need for arrearage relief tied to the COVID-19 period, with consideration of appropriate parameters, cost estimates, and potential funding sources.

To expedite consideration of the relief mechanism, we invite party feedback on straw proposals in Attachment A, as well as variations on or alternatives to the proposals. Furthermore, we encourage parties to engage with each other so that a timely decision is attained. The preliminary issues identified for the proceeding are set forth below.

1. Background

The Commission, energy utilities, and state government have worked in concert to respond as the COVID-19 pandemic has evolved. The Commission is considering directing utilities in all sectors to develop transition plans in anticipation of the end of the disconnection moratorium.[1] We appreciate the careful, and tireless efforts of the utilities to protect their employees and customers over this period, and this OIR considers one more injection of relief to assist with the transition. Below we review the sequence of events during the COVID-19 period as well as existing customer assistance programs and policies that have been available to energy customers since before the pandemic but are now more important than ever.

1.1. COVID-19 Impacts in California and Commission Response

On March 4, 2020, Governor Gavin Newsom declared a State of Emergency statewide due to the COVID-19 pandemic. At that time, there were 53 known cases of COVID-19 in California and one confirmed death.[2] A year after the first documented case of COVID-19 in California, January 26, there have been 3,136,158 confirmed cases and 37,118 associated deaths in the state.[3]

On March 16, 2020, Governor Newsom issued Executive Order N-28-20 requesting the California Public Utilities Commission (Commission) monitor and report on measures undertaken by public and private utilities to implement customer service protections in response to the pandemic.[4]

[1] Draft Resolution M-4849, published January 15, 2021, is on the Commission's Feb. 11, 2021 Voting Meeting agenda. Resolution text available at: https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M360/K367/360367792.PDF

[2] Governor Newsom, March 4, 2020 Proclamation, available at: https://www.gov.ca.gov/2020/03/04/governor-newsom-declares-state-of-emergency-to-help-state-prepare-for-broader-spread-of-covid-19/.

[3] "Tracking COVID-19 in California" https://covid19.ca.gov/(February 5, 2021).

[4] Governor Newsom, March 16, 2020 Proclamation, available at: https://www.gov.ca.gov/2020/03/16/governor-newsom-issues-executive-order-to-protect-renters-and-homeowners-during-covid-19-pandemic/ .

On March 17, the Commission's Executive Director issued a letter to regulated energy utilities, water utilities, and communications companies ordering immediate protections for residential and small commercial customers.[5] On March 19, 2020, Governor Newsom issued Executive Order N-33-20, directing utilities and the Commission to implement emergency customer protections due to the pandemic and resulting economic turmoil. On March 27, 2020, residents unable to pay rent due to COVID-19 related job loss or illness were granted protection from evictions via Executive Order N-37-20.[6]

On April 16, 2020, the Commission approved Resolution M-4842, which ratified the Executive Director letter from March 17.[7] The emergency customer protections reflected the necessity of preserving essential services to Californians during such an unprecedented health crisis, and included:

- A moratorium on disconnections for non-payment
- Suspension of reconnection fees
- Suspension of deposits for establishment of new service and reestablishment of disconnected service
- Suspension of excessive usage reviews for customers enrolled in California Alternate Rates for Energy (CARE) and Family Electric Rates Assistance (FERA) bill assistance programs

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[5] Executive Director Letter to Energy Companies Regarding COVID-19; Executive Director Letter to Water Companies Regarding COVID-19; Executive Director Letter to Communications Companies Regarding COVID-19, March 17, 2020. Available at: https://www.cpuc.ca.gov/covid/.

[6] Governor Newsom, March 27, 2020 Proclamation, available at: https://www.gov.ca.gov/2020/03/27/governor-newsom-takes-executive-action-to-establish-a-statewide-moratorium-on-evictions/.

[7] Resolution M-4842 directs energy utilities and regulated entities in other industries to implement a range of emergency customer protections identified as part of R.18-03-011 (regarding customer protections during an emergency) and the corresponding Decision (D.) 19-07-015 for at least one year. In response to Resolution M-4842, the utilities filed Tier 2 Advice Letters implementing the required customer protections.

- Suspension of customer removals from CARE or FERA enrollment
- Suspension of income verification requirements for CARE or FERA enrollment

In April and May 2020, California's unemployment rate reached 16.4 percent due to pandemic-related job loss.[8] As of January 2021, the statewide unemployment rate has dropped to 8.8 percent, which exceeds the pre-pandemic March 2020 rate of 5.5 percent.[9] Increases in unemployment have been concentrated among low-income households. Across three quarters of 2020 data, the unemployment rate for households with less than $30,000 annual income increased from an average of 12.2 percent to a high of 30.3 percent, before falling slightly to 25.8 percent. Over the same period households exceeding $150,000 annual income saw unemployment rise from 2.8 percent to only 9.4 percent before falling to 5.1 percent.[10]

On August 31, 2020, Governor Newsom signed Assembly Bill 3088 (COVID-19 Tenant Relief Act of 2020), which places a moratorium on residential evictions for those unable to pay between March 1, 2020 and January 31, 2021.[11]

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[8] California unemployment increased 0.9% since November 2020, January 22, 2021, available at: https://www.edd.ca.gov/newsroom/unemployment-december-2020.htm .

[9] Current Month Unemployment Rate and Labor Force Summary https://www.labormarketinfo.edd.ca.gov/data/unemployment-and-labor-force.html .

[10] "Income Inequality and Economic Opportunity in California," Sara Bohn, Dean Bonner, Julien Lafortune, and Tess Thorman, Public Policy Institute of California https://www.ppic.org/wp-content/uploads/incoming-inequality-and-economic-opportunity-in-california-december-2020.pdf (December 2020). The cited figures are California data from the Basic Monthly Current Population Survey published by the Bureau of Labor Statistics on a monthly basis covering a period from January 2020 through September 2020.

[11] Assembly Bill No. 3088, September 2, 2020, available at: https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB3088

As of January 25, 2021, the Governor and Legislative leadership announced an agreement to extend the moratorium through June 30, 2021.[12]

On January 15, 2021, the Commission issued Draft Resolution M-4849, ordering utilities to extend the expiration date for the emergency customer protections directed in Resolution M-4842 to June 30, 2021, due to the ongoing nature of the pandemic and associated economic turmoil.[13] Resolution M-4849 would also require utilities to submit Tier 2 Advice Letters by April 1, 2021, describing plans for ensuring customers receive sufficient information and assistance to mitigate confusion and potential risk of disconnection during the transition away from emergency customer protections on or after June 30, 2021.

1.2. COVID-19 Impacts in the Energy Sector and Commission Response

Energy usage patterns have shifted since March 2020. In general, residential customers have used more energy while staying at home for work and school, while small commercial customers have used slightly less.

In anticipation of higher energy costs compounding the economic turmoil, the Commission ordered several actions to help customers manage energy use and bills. The Commission re-oriented its Energy Upgrade California marketing campaign to communicate additional ways to save energy and reduce bills while spending more time at home.[14]

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[12] Governor Gavin Newsom, Senate President pro Tempore Toni Atkins and Assembly Speaker Anthony Rendon Joint Statement, January 25, 2021, available at:https://www.gov.ca.gov/2021/01/25/governor-newsom-legislative-leaders-issue-statement-on-eviction-moratorium-extension/ (January 25, 2021).

[13] Draft Resolution M-4849, published January 15, 2021, will be on the Commission's Feb. 11, 2021 Voting Meeting agenda. Resolution text available at: https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M360/K367/360367792.PDF .

[14] COVID-19 Tips, available at: https://www.energyupgradeca.org/ (February 5, 2021).

In May 2020, the Commission issued Decision (D.) 20-05-013 to temporarily reduce the electric utilities' High Usage Charge from 75% of the Tier 2 rate to 25% starting in June 2020 through the end of October to account for the unavoidable increase in energy while safely working and schooling from home.[15] The Commission later extended this reduction so that it remains in effect until the Executive Director allows electric utilities to return the high usage charge to its original levels.[16] Additionally, Decisions issued in April and May 2020 advanced the electric Climate Credits that are normally distributed to residential households each October to earlier in the year, when shelter in place took effect.[17]

For San Diego Gas & Electric (SDG&E) gas customers, the Commission delayed an increase in core commercial and industrial bills through December 31, 2020. Resulting accrued under-collections are to be paid by the same customer class and amortized over 24 months beginning January 1, 2021.[18] For SDG&E electric customers, the seasonal differential from tiered rates and residential default time-of-use rates was reduced to help manage summer 2020 bills.

Energy efficiency and Energy Savings Assistance program administrators issued stop work orders to contractors providing in-building energy efficiency

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[15] D.20-05-013.

[16] Emerging Trends Committee Meeting https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/Transparency/Commissioner_Committee_Meetings/etrend/2020/Emerging%20Trends%20COVID19%20Slides%2020200617.pdf .

[17] *See* D.20-04-027 for PG&E and SCE and D.20-05-052 for Liberty and PacifiCorp dba Pacific Power.

[18] "CPUC Continues Work to Help Lower Customer Bills by Reducing Seasonal Differential for SDG&E" https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M340/K127/340127988.PDF (June 11, 2020).

and weatherization upgrades. For the Energy Savings Assistance program, the Commission directed utilities to offer 60-day advance payment to contractors.[19] In May 2020, the Commission's Executive Director issued guidance to energy administrators to resume activities in conjunction with regional public health orders.[20] When some counties relaxed business restrictions in June 2020, many energy efficiency and Energy Savings Assistance programs recommenced service. To accommodate safer business operations, energy efficiency contractors have transitioned on-site inspections, technical assistance, training, and evaluation activities to virtual platforms when possible.

On May 22, 2020, the Commission held an All-Party Meeting on CARE Education and Outreach in light of COVID-19. As a result of the All-Party meeting, Assigned Commissioner Shiroma issued a ruling in proceeding Application (A.) 19-11-003 to urge the energy utilities and all Class A and B water utilities with low-income assistance programs to share low-income customer information through an additional data exchange in July 2020.[21] The utilities added two extra data exchanges in 2020. After two meetings in November between Class A water utilities and energy utilities, the utilities

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[19] Resolution E-5074 text available at: https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M334/K379/334379715.PDF (May 28, 2020).

[20] "Guidance on Energy Efficiency and Energy Savings Assistance Program Suspensions" https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/News_Room/NewsUpdates/2020/Executive%20Director%20Letter%20to%20PAs%20re%20Stop%20Work%20Orders%20May%2021%202020.pdf (May 21, 2020).

[21] Per D.11-05-020, regulated energy utilities and Class A and B water utilities are required to share low-income customer data bi-annually, to increase enrollment in both energy and water bill assistance programs. Additional data exchange required in ruling posted to A.11-003 docket, available at: https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M340/K222/340222844.PDF (June 15, 2020).

proposed several improvements to the low-income data exchange including quarterly data exchanges, updating contact information to facilitate data exchanges, annual meetings for continual improvement, and conducting a data privacy forum.[22]

On November 12, 2020, the Commission held a public workshop to assess the continued impacts of COVID on customers and explore innovative solutions to address the most pressing customer needs. The workshop included presentations from Commission staff and external parties that assessed the current customer situation. Staff presented data highlighting the following key trends: residential customer energy use had increased, enrollment in bill payment assistance programs had increased, customers had larger and older arrearages, and the number of customers with bill payment arrangements decreased overall.[23] Representatives from other states also shared new policies and programs they recently implemented to help their customers facing similar challenges.

1.3. Energy Bill Impacts and Bill Assistance Program Enrollment During The COVID-19 Period

Despite the efforts to moderate customer energy use and bills during the pandemic, arrearages for residential customers have increased substantially.[24]

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[22] California Water Association compliance filing of December 1, 2020 in R.17-06-024.

[23] Workshop on COVID Impacts on Customers in the Energy Sector, November 12, 2020, materials available at: https://www.cpuc.ca.gov/covidworkshop/.

[24] According to utility tariffs, a customer bill becomes past-due once it is unpaid for a certain number of days past its presentment to the customer. A customer bill that is unpaid long enough to become past-due is a bill that is in arrears, the customer is considered to be "in arrears," and a customer's total balance of past-due bills is referred to as that customer's arrearage. The dollar balance of outstanding past-due bills owed by customers of a utility is also referred to as that utility's arrearages.

Since February 2020, residential arrearages for PG&E, SCE, SDG&E and SoCalGas have increased by over $650 million, from a total of $503 million to a total of over $1 billion in December 2020. Approximately $324 million of the increase is owed by CARE or FERA customers. This represents an increase of nearly 130 percent over the February 2020 total of approximately $503 million and 166 percent over the CARE/FERA February 2020 total of approximately $195 million. This trend is different than the same period in calendar year 2019, during which aggregate arrearages across the same utilities fell by $71,646,869. Although SCE and SDG&E arrearages did increase during the same period in 2019, the increase in 2020 was much larger.[25] The increase in arrearages for each utility between February 2020 and December 2020 in aggregate and averaged per customer is reported in the following table:

Table 1. Increases in Residential Arrears by Utility and Customer Class, February–December 2020

	PG&E	SCE	SDG&E	SoCalGas	Total
Non-CARE	$123,407,137	$137,569,182	$37,505,532	$28,730,414	$327,212,265
CARE/FERA	$151,237,389	$107,551,068	$36,048,779	$29,178,390	$324,015,626
Total	$274,644,526	$245,120,251	$73,554,311	$57,908,500	$651,227,588
Per Customer (Non-CARE)	$32.85	$32.07	$32.97	$7.82	$24.71

[25] SCE's increase in arrearages from February to December 2020 was approximately 325 times greater than the increase in the same period of 2019. SDG&E's increase was approximately 24 times larger in 2020 compared to the same period in 2019.

Per Customer (CARE/FERA)	$89.92	$198.72	$96.49	$14.26	$78.37
Per Customer (Total)	$49.88	$53.44	$48.65	$10.17	$37.69

Source: Monthly Disconnection Reports Filed by PG&E, SDG&E, SCE, and SoCalGas in Rulemaking 18-07-005, January 20, 2021

Each utility also reported higher customer arrearages in every month of 2020 compared to the same month in 2019 after February 2019. During 2020, utilities also reported increasing arrearages month-over-month in nearly every month after March, with increases in arrearage balances concentrated in the latter six months of 2020.[26]

Medical Baseline customers[27] receive a larger monthly allotment of electricity or gas at the lowest, or "baseline" rate, but this discount has not been enough to prevent many Medical Baseline customers from accruing significant arrearages since the onset of the COVID-19 Pandemic. Many Medical Baseline customers have life-threatening conditions that create burdens to seeking employment or external assistance due to the especially severe risk of contracting COVID-19. Following the recommendations of public health experts and officials to remain at home has likely increased their home energy use even more than in normal circumstances.

Table 2. Medical Baseline Arrears by Utility, February–December 2020

	PG&E	SCE	SDG&E	SoCalGas
Change in Medical	+$26,451,108	+$11,525,110	+$3,568,248	+$250,306

[26] Arrearages declined in April and June for PG&E and May for SCE.

[27] Eligibility for Medical Baseline is defined by Public Utilities Code 739(c), and includes customers dependent upon life-support equipment or those with specified medical conditions.

Baseline Arrears ($)[28]				
Change in Medical Baseline Arrears (% Change)	+132%	+179%	+97%	+37%
Change in Average Medical Baseline Arrears ($)[29]	+$305.15	+$48.16	+$18.28	+$22.87
Change in Average Medical Baseline Arrears (% Change)	69%	31%	46%	56%

Source: Monthly Disconnection Reports Filed by PG&E, SDG&E, SCE, and SoCalGas in Rulemaking 18-07-005, January 20, 2021

Large energy utilities report residential customer arrearages monthly and file reports in the docket of R.18-07-005; however, these reports do not include data for small business customers. Additionally, beginning with the week of March 8, 2020, utilities have submitted weekly reports to Energy Division on electric and gas usage, and under-collections, by customer class compared to the equivalent week in 2019.

1.4. Existing Customer Assistance Programs and Mechanisms

As economic hardships for California residents have increased, the Commission has relied upon existing customer assistance mechanisms. Residents

[28] This figure is the dollar amount of outstanding arrearages attributed to Medical Baseline customers in December 2020 minus the same figure for February 2020.

[29] This amount is equal to the dollar amount owed by Medical Baseline customers divided by the number of Medical Baseline customers reported to be in arrears.

whose household income is at or below 200 percent the Federal Poverty Guidelines (FPG) qualify for the CARE program. Customers enrolled in CARE receive a 30-35 percent discount on their electric bill and a 20 percent discount on their natural gas bill. Residents with a household income of 200 percent plus $1 of the FPG through 250 percent of the FPG are eligible for the FERA program, which provides an 18 percent discount on electric bills.[30]

Enrollment in both CARE and FERA has increased significantly over the course of the pandemic, with over one million new customer accounts enrolled. Pre-pandemic customer enrollment in either CARE or FERA was approximately 27 percent of PG&E, SDG&E, SCE, and SoCalGas customers. Current customer enrollment in either CARE or FERA has increased to approximately 30 percent of PG&E, SDG&E, SCE, and SoCalGas customers.[31]

Table 3. CARE & FERA Enrollment Increased in 2020

	February 2020	December 2020	Percent Increase
CARE Enrollment[32]	4,487,870	5,100,000	13.6%
FERA Enrollment[33]	53,661	77,810	45.0%

[30] CARE and FERA program information available at: https://www.cpuc.ca.gov/iqap/

[31] Total residential customers reported at Quarterly Low Income Oversight Board Meetings. Most recent presentation available at: https://liob.cpuc.ca.gov/wp-content/uploads/sites/14/2020/12/Item-010b-IOU-CARE-ESA-Status-Updates-LIOB201210.pdf (December 10, 2020).

[32] CARE enrollment is reported in 2020 Investor-Owned Utility ESA-CARE Monthly Reports, posted to Docket A.14-11-007. Monthly ESA-CARE reports available in docket or at https://www.cpuc.ca.gov/iqap/ . Total number of customer accounts includes duplicated customers who have split electric and gas utility providers. Information available in ESA CARE monthly reports https://www.cpuc.ca.gov/iqap/.

[33] FERA enrollment provided by PG&E, SDG&E, and SCE to Commission staff. Final FERA enrollment will be available in IOU Annual Reports for Program Year 2020 on May 1, 2021, posted to Docket A.14-11-007.

1.4.1. Customer Payment Plans

Energy utilities have offered traditional customer payment plans for many years. Under a traditional customer payment plan, a customer is responsible for paying off the entire balance of their arrearage over a specified period of months, by making a contribution to the balance of the arrearage each month in addition to paying the customer's regular monthly bill. Before 2010, utilities were authorized, but not required, to offer payment plans to customers who indicated they were unable to pay a past-due bill. The Commission's review and improvement of customer payment plans has been ongoing for over ten years, and currently takes place in R.18-07-005. As of June 16, 2020, the Commission requires energy utilities to offer 12-month payment plans to any customer prior to disconnection for non-payment (although customers may request a shorter payment plan).[34]

A longer payment plan affords customers the opportunity to pay off an arrearage in its entirety using smaller individual monthly payments over more months. This may alleviate difficulties some customers may have with making significant additional payments towards an arrearage in addition to paying new monthly bills, meaning customers may be more likely to complete the payment plan and avoid disconnection or referral for collections. However, remaining current on a longer payment plan may still be difficult for customers with fluctuating income and/or expenses even if the payment amounts are smaller relative to a short payment plan. Additionally, customers opting for a longer payment plan duration may have higher arrearages (or lower incomes), making them more likely to break the terms of a payment plan over its lifetime. Data

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[34] D.20-06-003 Ordering Paragraph (OP) 1(d).

submitted by utilities in R.18-07-005 for 2019 (the last full year of data unaffected by COVID-19) suggests that longer payment plans have a similar, but slightly higher, rate of customers that break their agreement with the utility than 3-month payment plans, for all the large energy utilities except SCE.

Table 4. Average Number of Payment Plans and Broken Payment Plan Share by Utility, 2019

	PG&E	SCE	SDG&E	SoCalGas
3-month payment plans	32,445	40,669	4,3337	32,797
3-month payment plan breakage share	0.22	0.96	0.91	0.76
3+ month payment plans	123,544	5,289	208	2,825
3+ month payment plan breakage share	0.26	0.65	0.99+	0.79

Source: Monthly Disconnection Reports Filed by PG&E, SDG&E, SCE, and SoCalGas in Rulemaking 18-07-005

1.4.2. Arrearage Management Plans

In June 2020, the Commission ordered energy utilities to offer Arrearage Management Plans (AMP). AMPs are payment plans allowing customers to receive forgiveness for past-due bills in exchange for on-time payment of new bills over a specific period. D.20-06-003 limited eligibility for AMP to customers enrolled in CARE or FERA with at least $500 in past-due bills (or $250 for gas-only customers) with some portion of their arrearage at least 90 days past-due. Customers must also have been customers of the utility for at least six months and made one previous on-time payment in full in the previous 24 months (or in the account's lifetime if shorter). Enrolled customers receive forgiveness for 1/12 of their beginning arrearage balance (up to $8,000) for every on-time payment of a new monthly bill. Enrolled customers who miss a monthly payment may make it up in full the subsequent month (paying both the missed payment amount and the subsequent month's bill before the subsequent month's bill becomes past-due), but customers who miss two bills in a row or three non-sequential bills are removed from the program without forfeiting any arrearage forgiveness already accrued due to on-time payments. Customers who exit the program for any reason may re-enroll after a 12-month waiting period if they continue to meet the eligibility requirements.

PG&E, SCE, SDG&E and SoCalGas crafted the details of the AMPs through working groups and compliance filings and the Commission approved the customized AMP in Resolution E-5114. On February 1, 2021, PG&E, SCE, SDG&E and SoCalGas manually enrolled CARE and FERA customers in AMPs. Data reported by PG&E, SCE, SDG&E and SoCalGas in Monthly Disconnection Reports filed on January 20, 2021 in R.18-07-005 indicate that 687,891 CARE/FERA customers had arrearages over $500 across the four utilities and 2,334,505 CARE/FERA customers had arrearages older than 90 days. Most customers who fall into both of these categories are eligible for AMP.

The energy utilities will file monthly reports in R.18-07-005 specifying the number enrolled customers and the amount of debt forgiven. While this program has no limit on the number of customers that will participate, it requires a customer to make most of their future payments in order to receive forgiveness and is not immediate.

D.20-06-003 authorized participation by community choice aggregation (CCA) customers in AMP and directed parties to convene an AMP Working Group of stakeholders to propose a mechanism for cost recovery that would enable CCAs to recover costs for their customers to participate in AMP. Based on recommendations from the AMP Working Group and direction in D.20-06-003, utilities filed Tier 3 Advice Letters on September 9, 2020, proposing to implement AMP in accordance with the Commission's direction and utilize the Public Purpose Program Charge to recover costs of forgiven customer arrearages, with the amounts attributable to CCA generation costs remitted directly to CCAs to cover costs of CCA customer participation. On December 17, 2020, the Commission approved Resolution E-5114, approving the Advice Letters, and directing the utilities to implement AMP and conduct cost recovery for electric arrearages through electric Public Purpose Program Charges and gas arrearages through gas transportation rates. Resolution E-5114 excluded Core Transport Aggregation gas customers, residential Direct Access customers, Energy Service Provider customers, Net Energy Metering customers, and master metered customers from participation due to the complexity of integrating these customers with the initial AMP program structure.

1.5. Examples from Other Jurisdictions

We will consider examples in other jurisdictions to inform our thinking on potential solutions the Commission can enact. Below are descriptions of relief provided as well as the funding for the relief.

1.5.1. Illinois Commerce Commission

A representative from Illinois' utility regulator attended the Commission's November COVID-19 workshop, and discussed their various customer protection programs, including the COVID-19 Bill Payment Assistance

Program.[35] The Illinois utilities each developed and implemented their own version of the program. Generally, the large Illinois utilities offer one-time bill assistance to Low Income Home Energy Assistance Program (LIHEAP) customers and low- to moderate-income customers ranging from $75-$500 for past due balances, up to the amount of the balance.[36] Commonwealth Edison, the largest energy utility, offered one-time $500 payments on a first-come first-served basis beginning July 31, 2020, and exhausted their $18 million budget for this program.[37] The utilities created budgets for their respective programs by taking a portion of the money that would normally go to uncollectibles; the cost was recovered from residential customers starting in July 2020.

Commonwealth Edison and other Illinois utilities, at the request of the Illinois Commerce Commission, also extended their disconnections moratoria through March 2021 for LIHEAP customers and those financially impacted by COVID-19; no documentation or written proof of financial hardship is necessary, but customers must call their utility to verbalize their difficulty.[38]

The large Illinois utilities also agreed to offer to residential customers through the end of 2020 Deferred Payment Arrangements with terms up to 18

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[35] The Bill Payment Assistance Program was developed as part of a stipulation agreement among the utilities, the Illinois Commerce Commission, and other parties filed in June 2020 https://www.icc.illinois.gov/docket/P2020-0309/documents/300399 (June 10, 2020).

[36] Details by utility available at: https://www.icc.illinois.gov/downloads/public/consumers/Struggling%20to%20Pay%20Your%20Utility%20Bills.pdf (February 5, 2021).

[37] Apply for Bill Assistance, ComEd, available at: https://www.comed.com/MyAccount/CustomerSupport/Pages/BillAssistanceForm.aspx (February 5, 2021).

[38] Illinois Commerce Commission Press Release, September 22, 2020, available at: https://www.icc.illinois.gov/downloads/public/Utility%20Moratorium%20Extended%20PR%20-%20Final.pdf. (September 22, 2020).

months, or up to 24 months for those customers who verbally conveyed a financial hardship.

1.5.2. New Mexico Utilities

In October 2020, Public Service Company of New Mexico, a New Mexico Public Regulation Commission regulated entity, created a COVID Customer Relief Fund assistance program. This program is funded by $2 million in shareholder contributions and offers assistance to income-qualified residential and small business customers with past due electric bills.[39] Qualified customers may receive $50-$200 in assistance towards past due bills. Customers are eligible if they meet income guidelines, pay at least 25% of the past due balance, and sign up for a payment plan.[40]

In January 2021, the New Mexico Public Regulation Commission approved the request of New Mexico Gas Company to reallocate funds from existing shareholder funded infrastructure expansion grant programs to create a customer COVID-19 relief fund. This COVID-19 relief fund will be used to help residential and small commercial customers pay outstanding arrearages. The $1.2 million in the COVID-19 relief program consists of remaining funds in a service expansion program set to expire in 2021 and additional funds remaining in an economic-development grant program.

1.5.3. Arizona Corporation Commission

In December 2020, the Arizona Corporation Commission approved a plan for utilities to automatically enroll customers at 150% of the federal poverty level

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[39] "PNM Resources Introduces COVID Customer Relief Programs, Raises 2020 Ongoing Earnings Guidance" https://www.prnewswire.com/news-releases/pnm-resources-introduces-covid-customer-relief-programs-raises-2020-ongoing-earnings-guidance-301143598.html (October 1, 2020)

[40] https://www.pnmforwardtogether.com/help (February 5, 2021).

who are behind on their bills in an eight-month payment plan and provide a one-time bill forgiveness up to $250. Half of the funding for the bill forgiveness comes from utility shareholders, and utilities are able to request for recovery of the other half in rates. Arizona Public Service, the largest electric utility in Arizona, had a budget of $5 million, with $2.5 million of that from shareholders.[41]

1.5.4. Los Angeles Department of Water and Power

In 2020, the Los Angeles Department of Water and Power developed the CARES Utility Grant Assistance Program.[42] The program provided low-income customers that experienced a loss of income due to COVID a one-time $500 check to help pay utility or other bills. Funding priority was given to applicants who were enrolled in eligible discount programs with the Los Angeles Department of Water and Power at the time applications were due in November 2020. In the case that eligible applications exceeded available funding, the program was designed so that accounts would be randomly selected for processing. Customers did not need to have a past due bill to be eligible for this program. The program was funded through the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act grant.

2. Purpose of Proceeding

This proceeding is designed to address the large and growing energy arrearages specific to the COVID-19 period. While the disconnection

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[41] *See* Arizona Corporation Commission Decision 77849 in Docket E-00000A-19-0128 https://docket.images.azcc.gov/0000202745.pdf?i=1611638894914 and associated press release https://azcc.gov/news/2020/12/10/covid-19-relief-coming-low-income-aps-tep-customers-will-receive-250-off-past-due-balance (December 10, 2020).

[42] Program information available at: http://LADWP.com/UtilityCares (February 5, 2021).

moratorium has delayed the consequence of disconnection for non-payment for residential and small business[43] customers, once the moratorium ends customers may be subject to credit and collections policies, including disconnections for non-payment. While we are confident the careful and thoughtful assistance programs will provide some relief, these programs, even the newly launched AMP, were designed to assist customers with routine affordability problems under typical conditions. This proceeding would consider ways to provide customers who could not pay their energy bills in full during such an unprecedented time, an opportunity to become current on their energy utility bills.

3. Preliminary Scoping Memo

This rulemaking will be conducted in accordance with Article 6, "Rulemaking" of the Commission's Rules of Practice and Procedure.[44] As required by Rule 7.1(d), this order instituting rulemaking (OIR) includes a preliminary scoping memo as set forth below, and preliminarily determines the category of this proceeding and the need for hearing.

3.1. Issues

The main issues to be addressed in this proceeding are whether the Commission should develop any special relief mechanism(s) to address energy

[43] Small Business is defined in Electric Rule 1 and Gas Rule 1. Electric small business customers are non-residential customers with an annual usage of 40,000 kilowatt hours, or less, or a maximum billing demand of 20 kilowatts or less, during the most recent 12 month period, or non-residential customers meeting the requirements of a micro-business as defined in Government Code Section 14837. Gas small business customers are non-residential customers with annual gas usage of 10,000 therms or less, per meter during the most recent 12 month period or non-residential customers meeting the requirements of a micro-business as defined in Government Code Section 14837.

[44] All references to "Rules" are to the Commission's Rules of Practice and Procedure unless otherwise indicated.

arrearages accumulated during the COVID-19 period, estimates of the costs of such proposed relief mechanism(s), potential funding sources, and cost allocation.

To initiate the discussion, the Appendix to this OIR includes two straw proposals for COVID-19 period arrearage relief. In their responses to this OIR, respondents are directed to and parties should comment on these straw proposals and their efficacies, and present variations or alternatives. In addition to the proposals, we also direct the respondents and request parties to consider the following questions as part of the scope of the proceeding:

1. Is it reasonable to rely upon existing policies and customer assistance programs to assist customers with arrearages that have accumulated during the COVID-19 period once the disconnection moratorium ends? On what basis?
2. Is it reasonable to develop arrearage relief to assist customers with arrearages that have accumulated during the COVID-19 period once the disconnection moratorium ends? On what basis?
3. If there is a need for arrearage relief, how might we determine the amount of funding necessary? Does the determination of the amount of relief depend upon the funding source? What data supports this?
4. If there is a need for arrearage relief,
    a. Which customer classes, and within customer classes which customer segments, are most in need of relief, in light of the existing programs and policies currently available to energy utility customers, and on what basis? Should different customer classes receive different amounts or types of relief? What data supports this?
    b. How should customers be identified for arrearage relief?

c. Should arrearage relief be conditional upon customer payment behavior, either past or future? On what basis?

d. Should arrearage relief be integrated with existing customer assistance programs?

e. Should arrearage relief be integrated with existing credit and collections policies and practices, and related outreach? For example, how will arrearage relief integrate with the recently adopted orders in D.20-06-003?How should arrearage relief be coordinated with the utility transition plans ordered by the Commission in draft Resolution M-4849, including customer outreach?

5. What lessons should the Commission leverage from other relevant Commission proceedings addressing disconnections and bill affordability, and why?

6. What are the concerns and considerations unique to the small and multi-jurisdictional utilities and their customers? If necessary, identify variations or alternatives to the straw proposals that would be applicable to the small and multi-jurisdictional utilities.

7. How might arrearage relief impact utility relationships with Core Transport Agents, Energy Service Providers, and Community Choice Aggregators, and their customers?

8. Please identify models of funding structures that would be applicable to funding arrearage relief, and provide a basis for such applicability.

   a. How should utilities track the costs of arrearage relief?

   b. If at all, how would existing funding mechanisms in place for energy utilities related to the COVID-19 period or other cost recovery mechanisms be applicable to arrearage relief?

   c. Are funding structures that include or allow shareholder contributions, including those structures being utilized in other states and referenced in Section 2.6, suitable for arrearage relief? If so, how might such structures could be utilized and implemented by the Commission.

d. How might the recovery mechanism of the arrearage relief impact the utilities' financial health?

9. Should the Commission reserve any state or federal relief funding that becomes available for relief addressing customer utility debt accumulated during the COVID-19 period?

10. What will be the impacts on environmental and social justice communities, including the extent to which arrearage relief impacts achievement of any of the nine goals of the Commission's Environmental and Social Justice Action Plan?

The precise issues to be addressed and the process for addressing those issues will be determined in an Assigned Commissioner's Scoping Memo.

3.2. Categorization; *Ex Parte* Communications; Need for Hearing

As a preliminary matter, we determine that this proceeding is ratesetting. This proceeding will consider programs or policies for a class of entities with associated consideration of a funding mechanism. As described in Rule 7(e), ratesetting is the default category when a proceeding may fit more than one category. Accordingly, *ex parte* communications will be restricted and will be required to be reported pursuant to Article 8.

We are also required to preliminarily determine if hearings are necessary. We preliminarily determine that hearings will not be necessary as most of the issues are policy, not factual issues.

Any person who objects to the preliminary categorization of this rulemaking as ratesetting or to the preliminary hearing determination shall state their objections in the comments on the Rulemaking. After considering the comments, the assigned Commissioner will issue a scoping ruling or decision making the final category determination; this final category determination is subject to appeal as specified in Rule 7.6.

3.3. Preliminary Schedule

The following preliminary schedule is presented here:

Event	Date
Comments on OIR	March 3, 2021
Prehearing Conference	March 8, 2021
Scoping Memo and Ruling	March 15, 2021
Workshop	March 26, 2021
Concurrent briefs on scoped issues	April 15, 2021
Proposed decision	May 21, 2021
Commission decision	June 24, 2021

As reflected above, it is the Commission's intent to have a proposed decision on the Commission's agenda by May 2021. While the schedule above provides for a possible workshop, parties should state in their comments whether this is necessary, specifying what topics should be covered in the workshop. Parties are also encouraged to meet on their own and present additional proposals within the scope of this proceeding, including joint proposals by several parties.

Parties may enter appearances and address the OIR and the issues, scope, schedule for this proceeding at the prehearing conference (PHC). The PHC shall be held remotely beginning at 10:30 a.m. on March 8, 2021.

This schedule may be revised in the Scoping Memo and Ruling, and the assigned Commissioner or the assigned Administrative Law Judge(s) (ALJ) may modify this schedule to promote efficient and fair administration of this proceeding.

4. Respondents

All CPUC-jurisdictional electric and gas investor-owned utilities, including Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company, PacifiCorp, Liberty Utilities (CalPeco Electric) LLC, Bear Valley Electric Service (a division of Golden State Water Company), Southwest Gas Corporation, Alpine Natural Gas, Inc., West Coast Gas Company, Inc., and Catalina Island Gas Services are respondents to this proceeding.

5. Service of OIR

This OIR shall be served on all respondents. In addition, in the interest of broad notice, this OIR will be served on the official service lists for the following proceedings:

	Topic	**Proceeding Number**
1	Disconnections	R.18-07-005
2	Emergency Disaster Relief	R.18-03-011
3	Energy Savings Assistance and California Alternate Rates for Energy Programs and Budgets	A.14-11-007 et. Al.
4	Energy Savings Assistance and California Alternate Rates for Energy Programs and Budgets	A.19-11-003 et. Al.
5	San Joaquin Valley	R.15-03-010
6	Affordability of Service	R.18-07-006
7	Electric Utility Residential Rate Structures	R.12-06-013
8	Water Affordability Ruling	R.17-06-024

Service of the OIR does not confer party status or place any person who has received such service on the Official Service List for this proceeding, other than respondents. Instructions for obtaining party status or being placed on the official service list are given below.

Service of the OIR does not confer party status or place any person who has received such service on the Official Service List for this proceeding, other than respondents. Instructions for obtaining party status or being placed on the official service list are given below.

6. Filing and Service of Comments and Other Documents

Filing and service of comments and other documents in the proceeding are governed by the Commission's Rules of Practice and Procedure.

7. Addition to Official Service List

Addition to the official service list is governed by Rule 1.9(f) of the Commission's Rules of Practice and Procedure.

Respondents are parties to the proceeding (see Rule 1.4(d)) and will be immediately placed on the official service list.

Any person will be added to the "Information Only" category of the official service list upon request, for electronic service of all documents in the proceeding, and should do so promptly in order to ensure timely service of comments and other documents and correspondence in the proceeding. (*See* Rule 1.9(f).) The request must be sent to the Process Office by e-mail (process_office@cpuc.ca.gov) or letter (Process Office, California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, California 94102). Please include the Docket Number of this rulemaking in the request.

Persons who file responsive comments thereby become parties to the proceeding (*see* Rule 1.4(a)(2)) and will be added to the "Parties" category of the official service list upon such filing. *In order to assure service of comments and other documents and correspondence in advance of obtaining party status, persons should* *promptly request addition to the "Information Only" category as described above;* they will be removed from that category upon obtaining party status.

8. Subscription Service

Persons may monitor the proceeding by subscribing to receive electronic copies of documents in this proceeding that are published on the Commission's website. There is no need to be on the official service list in order to use the subscription service. Instructions for enrolling in the subscription service are available on the Commission's website at http://subscribecpuc.cpuc.ca.gov/.

9. Intervenor Compensation

Intervenor Compensation is permitted in this proceeding.

Pursuant to Pub. Util. Code § 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation by April 14, 2021, 30 days after the prehearing conference. Parties new to participating in Commission proceedings may contact the Commission's Public Advisor.

10. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or has questions about the electronic filing procedures is encouraged to obtain more information at http://consumers.cpuc.ca.gov/pao/ or contact the Commission's Public Advisor at 1-866-849-8390 or 1-866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

11. Public Outreach

Public Utilities Code § 1711(a) states:

> Where feasible and appropriate, except for adjudication cases, before determining the scope of the proceeding, the commission shall seek the participation of those who are likely to be affected, including those who are likely to benefit from, and those who are potentially subject to, a decision in that proceeding. The commission shall demonstrate its efforts to comply with this section in the text of the initial scoping memo of the proceeding.

Public Outreach will be described in the Scoping Memo.

O R D E R

IT IS ORDERED that:

1. This Order Instituting Rulemaking is adopted pursuant to Rule 6.1 of the Commission's Rules of Practice and Procedure.
2. The preliminary category is ratesetting.
3. The preliminary determination is that a hearing is not needed.
4. The preliminary scope of this proceeding is as stated above.
5. The preliminary schedule of this proceeding is as set forth above.
6. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Southern California Gas Company, PacifiCorp, Liberty Utilities (CalPeco Electric) LLC, Bear Valley Electric Service (a division of Golden State Water Company), Southwest Gas Corporation, Alpine Natural Gas, Inc., West Coast Gas Company, Inc., and Catalina Island Gas Services are respondents to this Order Instituting Rulemaking.
7. Respondents shall serve and file comments on the draft issues for scope in this proceeding, including variations on and alternatives to the straw proposals in Appendix A, no later than March 3, 2021.

8. A prehearing conference is set for March 8, 2021 at 10:30 a.m. and will be conducted remotely.

9. The Executive Director will cause this Order Instituting Rulemaking to be served on all respondents and on the service lists for the following Commission proceedings: Rulemaking (R.) 18-07-005, R.18-03-011, R.14-11-007 et. al, Application (A.) 19-11-003 et. al, R.15-03-010, R.18-07-006, R.12-06-013, R.17-06-024.

10. Any party that expects to claim intervenor compensation for its participation in this Rulemaking must timely file its notice of intent to claim intervenor compensation. (*See* Rule 17.1(a)(2).)

This order is effective today.

Dated ____________________________, at San Francisco, California.

APPENDIX A

APPENDIX A

Straw Proposals for Arrearage Relief

To develop proposals to assist with arrearages, the following criteria were identified:

- Decrease customer arrearage balances
- Minimize risk of customer disconnections
- Mitigation of cost-shifting to non-participating customers
- Administrative simplicity
- Complement the Arrearage Management Plan (AMP) programs ordered in D.20-06-003 and the forthcoming Percentage of Income Payment Plan Pilot Programs under consideration in R.18-07-005, which address CARE/FERA customer arrearages

Two dimensions of vulnerability were considered: customer characteristics (e.g. eligibility for programs, as a proxy for their ability to pay bills) and arrearage characteristics (e.g. size of arrears). Given concerns about cost shifting onto other customers, the proposals are also mindful of the potential cost of the proposal, and parties are encouraged to comment on the tradeoffs to contemplate even within a set budget, for example providing a larger amount of assistance to a smaller number of customers versus a smaller amount of assistance to a larger number of customers.

With these criteria and principles in mind, two straw proposals are offered as potential approaches for addressing high customer arrearages. It should be noted that these are examples of new policies and programs that can help address customer arrearages to illustrate what potential solutions and associated costs would look like. The inclusion of these straw proposals is not intended to preclude the Commission's consideration of other options. These two straw proposals could be adopted independently of one another and/or in combination with other proposals or programs.

A. Arrearage Assistance Programs designed to provide targeted payment assistance to vulnerable customers, including Medical Baseline customers.

B. Expanded availability of payment plan options for all customers, including longer and more flexible options to meet the needs of customers temporarily unable to remain current on energy bills.

Proposal A: Arrearage Assistance Programs

A proposal is provided for a program that would offer all residential and small business customers[45] with an arrearage balance over $1,000[46] an immediate, one-time bill forgiveness in the amount of $200. Customers would then be enrolled in a payment plan to pay off any remaining arrearage balance over the next twelve months. Low- and moderate-income and medically vulnerable residential customers as identified through enrollment in CARE, FERA, Medical Baseline, or eligibility for LIHEAP would remain responsible for only half of the remainder of the arrearage, conditional upon paying future bills plus one-24th of

[45] Small business electric customer is defined as a non-residential electric customer with annual consumption of 40,000 kWh or less or energy demand of 20 kW or less. Small business gas customer is defined as a non-residential gas customer with annual consumption of 10,000 therms or less. A non-residential customer meeting the definition of micro-business described in California Government Code 14387 is also a small business customer.

[46] $1,000 is proposed as a minimum threshold for eligibility to target relief toward a subset of customers that is especially unlikely to be able to pay off their arrearages without assistance even with a 12-month payment plan. However, reviewing data on arrearages among residential and small business customers can help to determine whether this is an appropriate threshold for eligibility.

the remaining arrearage on time. This subset of customers may be particularly vulnerable, warranting this additional assistance. Eligible arrearages would be limited to those accrued between March 4, 2020 and June 30, 2021, or the end-date of the disconnection moratorium, because this program is for the unprecedented pandemic.

Customers participating in the AMP would not be eligible for this Arrearage Assistance Program. The AMP is generally a more generous forgiveness program, but available to a more targeted set of customers. It would be expected that those CARE/FERA customers that are eligible for AMP to enroll in AMP, as it would forgive all of a customer's arrearages, whereas it would be expected that most customers on the Arrearage Assistance Program would still need to pay some amount of their arrearages. CARE/FERA customers who are unable to uphold AMP program terms and continue to accrue debt that reaches the $1,000 threshold would be eligible for the Arrearage Assistance Program.

The basis for this proposal is built on much of the research and development that went into the AMP programs newly offered by utilities to only CARE/FERA customers with at least $500 of arrearages. While AMP targets low-income customers, all residential customers are eligible for the one time bill forgiveness element of the Arrearage Assistance Program proposal, as some customers just outside of the CARE/FERA eligibility range may also be facing hardships. Parties are encouraged to comment on how eligibility requirements should be tailored to deliver relief only to those customers facing hardship. The arrearage threshold, for both AMP and for AAP, is a proxy for need, and relies on the assumption that customers behind on energy bills are in the situation due to need.

Also included in this proposal are small busines customers, as this group of customers may have faced economic hardships during the COVID-19 period, however it should be noted that there is a need for arrearage data for this segment to inform additional analysis.

For administrative simplicity it is suggested that many parameters be the same as AMP. For those customers with more than $1,000 in arrears, it is suggested that either (1) they be automatically enrolled in the program, as customers are for AMP; or (2) they first need to verify with their utility that they have experienced economic hardship due to COVID, and discuss with their utility the terms of the program before enrolling. The projected number of residential customers of the large utilities eligible for this program is shown on the table below, based on data those utilities report in their monthly disconnections reports filed in R.18-07-005. While data is provided here to illustrate the potential impacts of the proposal, it should be noted that data SDG&E reports appears significantly higher than the other utilities. At this time, data was not readily available to estimate the number of small business customers eligible for arrearage assistance.

Table A-1. Estimated Number of Residential Customers Eligible for Arrearage Assistance

	PG&E	SCE	SDG&E	SoCalGas
CARE/FERA	70,114	2,579	251,694	3,245
Medical Baseline	13,386	655	25,538	99
Other Residential Customers	64,408	10,200	249,049	7,776

Total[47]	147,908	13,434	526,281	11,120
Eligible Customers as % of All Residential Customers	2.7%	0.3%	35.4%	0.2%

Cost estimates for each customer segment are presented below, based on the number of eligible customers as identified above.

Table A-2. Summary of Proposed Arrearage Assistance Program with Cost Estimate

Eligibility	Benefit	Estimated Cost
Any residential or small business customer with at least $1,000 of arrears that has a hardship	One time bill forgiveness of $200, enrollment in payment plan	PG&E: $26,983,600 SCE: $2,555,800 SDG&E: $100,143,600 SoCalGas: $2,204,200
Eligibility above, and Medical Baseline customers and/or customers enrolled in CARE or FERA, and/or customers eligible for LIHEAP	Benefit above, plus a monthly credit, for up to 12 months, each month customer makes on time payment of their arrearage balance in the amount of 50% of the paid arrearage balance	PG&E $89,846,126 SCE: $3,465,495 SDG&E $52,503,701 SoCalGas: $2,899,102

[47] Customers enrolled in both Medical Baseline and either CARE or FERA may appear in both totals and thus be double counted in this reported total.

Illustrative Example of Arrearage Assistance Program Calculations

Situation: a customer has $1,400 in arrearages, is enrolled in medical baseline, is not a CARE/FERA customers, the one-time credit would be $200, and the customer would enroll in a 12-month payment plan.

Calculation: $1,400-$200 = $1,200 remaining arrearage balance. The monthly payments for the arrearages will be set at 1/24 of the remaining arrearage balance (50% of the 1/12 monthly balance). For the first month of the payment plan, the customer will pay 1/24 of the remaining arrearage balance, or $50, in addition to the amount of their current bill. If they remain in good standing by paying that month's current bill plus the arrearage amount, they will continue to be billed the $50 of the arrearage balance in future months.

Proposal B: Expanded Payment Plans

The pandemic has created significant economic harm for many customers in California, including customers who may normally have little difficulty paying electric or gas bills. To provide assistance to these customers, who may require greater flexibility or time in paying off past-due bills but have a reasonable expectation of sufficient income to pay those arrearages, a proposal is provided for several expansions to the existing payment plans offered by utilities for any eligible arrearages. The goals of these options would be to provide customers with flexibility in paying off their arrearage balance while also ensuring that utilities receive full payment for providing service and systemwide uncollectibles are minimized. Eligible arrearages would be limited to those accrued between March 4, 2020 and June 30, 2021, or the end-date of the disconnection moratorium.

Proposed options to expand applicability of payment plans:

- Making available payment plans of up to 24 months for residential and small business customers who request them and have been customers of the utility for at least the length of the payment plan.
- Allowing customers to request up to three monthly deferrals on a payment plan before the payment plan is considered "broken."

(END OF APPENDIX A)