PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Consumer Protection and Enforcement Division

Resolution UEB-015
December 19, 2024

R E S O L U T I O N

RESOLUTION UEB-015 ADMINISTRATIVE CONSENT ORDER AND AGREEMENT OF CONSUMER PROTECTION AND ENFORCEMENT DIVISION AND SAN DIEGO GAS & ELECTRIC REGARDING ALLEDGED BILL DISCOUNT PROGRAMS NON-COMPLIANCE PURSUANT TO RESOLUTION M-4846

PROPOSED OUTCOME:

- Approves an Administrative Consent Order and Agreement ("ACO") between the Consumer Protection and Enforcement Division ("CPED") and San Diego Gas & Electric ("SDG&E"), an investor-owned utility, to resolve all issues involving SDG&E's disenrollment of customers from the California Alternate Rates for Energy ("CARE"), Family Electric Rate Assistance ("FERA"), and Medical Baseline ("MBL") (collectively, "Bill Discount Programs") in 2021 and 2022.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this resolution.

ESTIMATED COST:

- Pursuant to the ACO, SDG&E agrees to pay $1 million to its Neighbor-to-Neighbor Program at shareholders' expense and $1.625 million in penalties to the State's General Fund to resolve the alleged violation. Neighbor-to-Neighbor is a shareholder-funded program administered by United Way of San Diego County on behalf of SDG&E to provide financial relief to residential customers struggling to pay their utility bills.

SUMMARY

In this Resolution, the California Public Utilities Commission ("Commission") approves an ACO between CPED and SDG&E to resolve all issues involving CPED's investigation into SDG&E's alleged noncompliance with requirements for the CARE, FERA, and MBL Bill Discount Programs customers pursuant to Resolutions M-4842 and

M-4849 and California Public Utilities Code sections 451 and 532 ("CPED's Investigation of SDG&E's Alleged Bill Discount Programs Non-Compliance"). In the ACO, SDG&E agreed to pay a total of $2.625 million at shareholder's expense, with $1 million to SDG&E's Neighbor-to-Neighbor Program and $1.625 million to the General Fund. This Resolution includes an analysis of the Penalty Assessment Methodology.

BACKGROUND AND DISCUSSION

On April 17, 2020, the Commission issued a set of guidelines in Resolution M-4842, directing the IOUs to implement consumer protections using the emergency disaster relief program guidelines set forth in Decision (D.) 19-07-015 during the COVID-19 pandemic. This included the prohibition of disenrolling CARE, FERA, and MBL customers from the corresponding programs during the protection period retroactively to March 4, 2020 – the date of Governor Gavin Newsom's declaration of a State of Emergency in response to the COVID-19 pandemic.

Resolution M-4849, which the Commission issued on February 21, 2021, extended the consumer protections adopted in Resolution M-4842 through June 30, 2021. During the extension, SDG&E transitioned to its new Customer Information System (CIS), which caused several problems related to noticing and tracking recertifications and program enrollments. To limit the number of customers who might fall off their programs, SDG&E informed the Commission that it planned to extend the period during which customers could recertify. This extension resulted in more recertification requests than expected during a time when SDG&E staffing was short due to COVID-19 impacts. Additionally, due to United States Postal Service delivery delays, many thousands of mailed recertification requests were delivered late. As a result, a significant backlog of recertification requests developed (Backlog).

SDG&E discovered the Backlog in January 2022, which it initially reported to the Commission in February 2022. On March 17, 2022, SDG&E sent a letter to CPUC Executive Director, Rachel Peterson, describing the Backlog and requesting an extension of recertification deadlines for up to two years for impacted customers, which was approved on May 13, 2022.

Beginning January 3, 2023, CPED reviewed data and information to evaluate SDG&E's compliance with the requirements of Resolutions M-4842 and M-4849. CPED concluded that SDG&E did not comply with provisions of Resolutions M-4842 and M-4849 and Public Utilities Code sections 451 and 532. CPED determined that SDG&E erroneously

disenrolled 38,666 (19,194 CARE, 18,640 MBL, and 1,238 FERA) distinct customer accounts from their respective discount programs.[1]

Resolution M-4846, issued in November 2020, adopted the Commission Enforcement and Penalty Policy (Enforcement Policy) and authorized Commission staff to negotiate and propose an Administrative Consent Order to resolve an enforcement matter, subject to review and consideration by the Commission.[2] CPED and SDG&E executed the attached ACO,[3] pursuant to and consistent with the Enforcement Policy, which resolves all issues related to CPED's Investigation of SDG&E's Alleged Bill Discount Programs Non-Compliance and any enforcement action CPED might have brought related to or arising from the CPED's Investigation of SDG&E's Alleged Bill Discount Programs Non-Compliance. In accordance with the Enforcement Policy, the proposed settlement between CPED and SDG&E (collectively, "Parties") is memorialized in the attached Administrative Consent Order and Agreement. The ACO includes information consistent with the requirements of Section III.A.7 of the Enforcement Policy.

As noted in the ACO, SDG&E disputes the applicability of Public Utilities Code sections 451 and 532 in this enforcement action. It further contends that even if these sections were applicable, there is no violation. Solely for the purposes of settlement, and as applied to this matter only, CPED has not moved forward with violations of these sections. Therefore, the applicability of sections 451 and 532 in instances of non-compliance with Resolutions M-4842 and M-4849 has not been put before us, and our approval of the ACO should not be construed as agreement with SDG&E's position. CPED may pursue violations of sections 451 and 532 resulting from non-compliance with Resolutions M-4842 and M-4849 in future enforcement actions.

The Enforcement Policy provides that "the following general considerations should be evaluated as part of any proposed settlement to be submitted for Commission review: (1) Equitable factors; (2) Mitigating circumstances; (3) Evidentiary issues; and (4) Other weaknesses in the enforcement action[.]"[4] The Parties explicitly considered these factors in their confidential settlement communications under Rule 12.6 of the Commission's Rules of Practice and Procedure. CPED acknowledges SDG&E's cooperation with CPED on the negotiation of the Administrative Consent Order and Agreement, and CPED explicitly considered a range of evidentiary and other matters that would bear upon its pursuit of enforcement actions seeking penalties or citations on disputed issues of fact

[1] The CPED Staff Report is attached as Attachment A. Because the ACO adopts specific corrective actions to address the violations identified in the Staff Report, the recommendations proposed in the Staff Report are not adopted.

[2] Resolution M-4846, Findings and Conclusions #8; Enforcement Policy, p. 11.

[3] The ACO is attached as Attachment B.

[4] Enforcement Policy, p. 15.

and law. When taken as a whole, the Parties agree that the ACO amounts are within the range of reasonable outcomes had the matters proceeded to formal litigation.

The Penalty Assessment Methodology sets forth five factors that staff and the Commission must consider in determining the amount of a penalty for each violation: "[s]everity or gravity of the offense, conduct of the regulated entity, financial resources of the regulated entity, including the size of the business, totality of the circumstances in furtherance of the public interest, and the role of precedent."[5] These factors are addressed here.

A. Severity or Gravity of the Offenses

The Commission has stated that the severity of the offense includes several considerations, including economic harm, physical harm, and harm to the regulatory process.

1. Physical and Economic Harm

The Commission has described the physical and economic harm criteria as follows:

> Economic harm reflects the amount of expense which was imposed upon the victims. In comparison, violations that cause actual physical harm to people or property are generally considered the most severe, followed by violations that threaten such harm.[6]

SDG&E's violations primarily resulted in potential economic harm related to emergency customer protections to support California customers during the COVID-19 pandemic. As explained in Resolutions M-4842 and M-4849, the response to COVID-19 has been extremely disruptive to all Californians and has impacted many Californians' ability to work. The COVID- 19 pandemic represents a different type of emergency, one where the threat – in this case, a virus – necessitates a response which impacts Californians' ability to pay for utility service.

SDG&E erroneously disenrolled customers from the CARE, FERA, and MBL programs during and after the COVID-19 customer protection period provided by Resolutions M-4842 and M-4849. Further, SDG&E failed to suspend all CARE and FERA program disenrollments and erroneously disenrolled CARE and MBL customers between April 1, 2021 and June 30, 2021, in violation of Resolutions M-4842 and M-4849. SDG&E asserts that all affected customers were reinstated in their respective programs and received credits to offset the amount of the overcharge.

[5] Enforcement Policy, pp. 16-21.

[6] Enforcement Policy, p. 16.

The ACO acknowledged and reflected the economic harm arising from SDG&E's erroneous disenrollment of customers who depend on the CARE, FERA, and MBL bill discount programs during a time when the threat to Californians' ability to pay for service was heightened by the response to COVID-19.

2. Harm to the Regulatory Process

As part of the severity of the offense factor, the Commission has described the harm to the regulatory process criterion as follows:

> "Every public utility shall obey and comply with every order, decision, direction, or rule made or prescribed by the Commission in the matters specified in this part, or any other matter in any way relating to or affecting its business as a public utility, and shall do everything necessary or proper to secure compliance therewith by all of its officers, agents, and employees." (Public Utilities Code § 702).
>
> Such compliance is essential to the proper functioning of the regulatory process. For this reason, disregarding a statutory or Commission directive, regardless of the effects on the public, will be accorded a high level of severity.[7]

SDG&E complied with CPED's requests during CPED's Investigation of SDG&E's Alleged Bill Discount Programs Non-Compliance and in the negotiation and presentation of the ACO. There were no allegations of Rule 1.1 violations and no allegations of other ethical violations or any deliberate misconduct associated with the investigation. Accordingly, this was not a significant factor in determining the basis for the penalty imposed pursuant to the ACO.

B. The Conduct of the Utility

In evaluating the conduct of the utility, the Commission has described the following considerations in evaluating the utility's conduct: (1) actions taken to prevent a violation; (2) actions taken to detect a violation; (3) actions taken to disclose and rectify a violation; (4) actions taken to conceal, hide or cover up a violation; and (5) prior history of violations.[8]

Here, SDG&E took several steps to mitigate the Backlog, including incorporating CIS enhancements to comply with system issues. In addition, SDG&E promptly reported compliance issues and explained that it made attempts to correct the disenrollments so that it would not adversely impact its customers. Of the customers who paid their bills,

[7] Enforcement Policy, p. 17.

[8] Enforcement Policy, p. 17.

SDG&E reviewed the accounts and provided these accounts with credits to offset the amount of the overcharge. SDG&E was also responsive to UEB's requests for data and information during UEB's investigation.

C. Financial Resources of the Utility

The Commission has described this criterion as follows:

> Effective deterrence also requires that staff recognize the financial resources of the regulated entity in setting a penalty that balances the need for deterrence with the constitutional limitations on excessive penalties. . . . If appropriate, penalty levels will be adjusted to achieve the objective of deterrence, without becoming excessive, based on each regulated entity's financial resources.[9]

Here, SDG&E is required to pay a total of $2.625 million at shareholder's expense. SDG&E shall pay $1.625 million of this amount to the State's General Fund. The remaining amount of $1 million will be allocated directly to SDG&E's Neighbor-to-Neighbor Program which provides financial relief to residential customers struggling to pay their utility bills. The settlement amount is enough to emphasize the importance of compliance with the consumer protection requirements, provide relief to SDG&E customers, and is reasonable given SDG&E's financial resources.

D. Totality of Circumstances in Furtherance of Public Interest

The Commission has described this criterion as follows:

> Setting a penalty at a level that effectively deters further unlawful conduct by the regulated entity and others requires that staff specifically tailor the package of sanctions, including any penalty, to the unique facts of the case. Staff will review facts that tend to mitigate the degree of wrongdoing as well as any facts that exacerbate the wrongdoing. In all cases, the harm will be evaluated from the perspective of the public interest.
>
> An economic benefit amount shall be estimated for every violation. Economic benefit includes any savings or monetary gain derived from the act or omission that constitutes the violation.[10]

[9] Enforcement Policy, p. 19.

[10] Enforcement Policy, p. 19.

The ACO amounts described above were tailored to the unique facts of the case and are reasonable. As described above, the $2.625 million settlement is reasonable under the circumstances described above and is in the public's interest. Resolutions M-4842 and M-4849 went into detail about the importance of customer protections during the COVID-19 pandemic. This fine represents the importance the Commission placed on the COVID-19 customer protections before and after the pandemic. It also provides benefits to SDG&E's customers.

The totality of the circumstances in furtherance of public interest supports approval of the ACO. First, it provides a significant resolution of the issues identified here. Second, with an appropriate resolution having been reached, it is in the public interest to resolve this proceeding now. The ACO obviates the need for CPED to initiate an enforcement proceeding and for the Commission to adjudicate the disputed facts, alleged violations, and appropriate penalty. Approval of the ACO promotes administrative efficiency so that the Commission and parties are not required to expend substantial time and resources on continued litigation for a matter that has been satisfactorily resolved.

E. Consistency with Precedent

The Commission has described the role of precedent as follows:

> Penalties are assessed in a wide range of cases. The penalties assessed in cases are not usually directly comparable. Nevertheless, when a case involves reasonably comparable factual circumstances to another case where penalties were assessed, the similarities and differences between the two cases should be considered in setting the penalty amount.

The settlement reached herein is comparable to recent precedent, including the following matters:

- Resolution UEB-011, wherein Southern California Edison Company (SCE) agreed to pay $2.5 million to the Energy Assistance Fund and $500,000 to the General Fund for compliance issues related to the CARE and Level Payment Plan (LPP) programs. Within several months of discovery of the violations, and after taking immediate corrective action, SCE reported to the Energy Division that it had failed to provide required LPP messaging to customers in 263 instances. Additionally, between January 2008 and September 2017, SCE failed to provide required CARE program eligibility in approximately 29 quarters. CPED and SCE executed an ACO and Agreement, pursuant to and consistent with the Enforcement Policy, which resolved all issues related to

CPED's investigation into the alleged noncompliance related to the CARE and LPP communication requirements.[11]

- Resolution UEB-012, wherein Southern California Gas Company (SoCalGas) agreed to pay $2.7 million, including $213,725 to its Gas Assistance Fund, $400,000 to the State General Fund, and $2,086,275.00 to directly benefit "new turn-on" customers who were charged a deposit. In violation of Resolution M-4842 and D.20-06-003, SoCalGas billed 100,380 residential and 4,537 small business customers deposits for establishment or reestablishment of service between March 4, 2020 and April 16, 2021. On August 4, 2020, SoCalGas self-reported the collection of residential deposits to the Energy Division. As remedial action, all customers who paid the deposit received a credit to offset the amount of the deposit charged. SoCalGas and CPED executed an ACO and Agreement, pursuant to and consistent with the Enforcement Policy which resolved all issues related to CPED's investigation into the alleged noncompliance related to SoCalGas's collection of residential and small business deposits.[12]

This is the second enforcement action of the COVID-19 customer protections since the Commission issued Resolutions M-4842 and M-4849. The ACO is reasonable when compared to the outcome of these other settlements and outcomes in Commission proceedings.

COMMENTS ON DRAFT RESOLUTION

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments and will be placed on the Commission's agenda no earlier than 30 days from today.

Comments were provided on December 5, 2024 by SDG&E. SDG&E's comments state agreement that the ACO between CPED and SDG&E resolves all issues involving SDG&E's disenrollment of customers from the Bill Discount Programs. However, SDG&E points out that the draft resolution does not clearly state that the recommendations in Attachment A, the CPED Staff Report, are moot given the signed

[11] See Resolution UEB-011 at 1-2.

[12] See Resolution UEB-012 at 1-3.

ACO and Settlement Agreement. The draft resolution has been revised to make this clarification.

FINDINGS AND CONCLUSIONS

1. Resolution M-4846 authorized Commission staff to negotiate and propose an Administrative Consent Order to resolve an enforcement matter, subject to review and consideration by the Commission.
2. CPED and SDG&E have engaged in settlement negotiations and, consistent with Resolution M-4846 and the Enforcement Policy, have memorialized their proposed settlement in the attached Administrative Consent Order and Agreement.
3. CPED and SDG&E have agreed that the attached Administrative Consent Order and Agreement resolves all issues related to CPED's investigations of and any enforcement action CPED might have brought related to or arising from CPED's Investigation of SDG&E's Alleged Bill Discount Programs Non-Compliance.
4. The agreed-upon fines and remedial actions appropriately resolve all issues related to CPED's investigations and any enforcement action CPED may have brought, are reasonable in light of the circumstances, consistent with the law, and in the public interest.
5. Based on the analysis under the Penalty Assessment Methodology, the agreed-upon fines, are reasonable in light of the circumstances.

THEREFORE, IT IS ORDERED that:

1. The Administrative Consent Order and Agreement between CPED and SDG&E relating to CPED's Investigation of SDG&E's Alleged Bill Discount Programs Non-Compliance is adopted.
2. SDG&E shall pay a monetary penalty of $1.625 million within thirty (30) days after the date that this Resolution is final and no longer subject to appeal. Payment must be with a certified check made or wire transfer payable to the ***California Public Utilities Commission*** to:

   California Public Utilities Commission
   Attn: Fiscal Office
   505 Van Ness Avenue
   San Francisco, CA 94102-3298

   SDG&E shall state on the face of the check or on the wire transfer: "For deposit to the General Fund per Resolution UEB-015."

3. SDG&E shall pay a monetary penalty of $1 million to SDG&E's Neighbor-to-Neighbor Program within thirty (30) days after the date that this Resolution is final and no longer subject to appeal. Payment must be with a certified check or wire transfer payable to ***United Way of San Diego County*** to:

   United Way of San Diego County
   Attn: Finance
   4699 Murphy Canyon Road
   San Diego, CA 92123

   SDG&E shall state on the face of the check or on the wire transfer: "For deposit to SDG&E's Neighbor-to-Neighbor Program per Resolution UEB-015."

   This payment shall be invoiced by the United Way of San Diego County and entered into SDG&E's "Blackbaud" tracking system.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on December 19, 2024, the following Commissioners voting favorably thereon:

/s/ RACHEL PETERSON
Rachel Peterson
Executive Director

ALICE REYNOLDS
President
DARCIE L. HOUCK
JOHN REYNOLDS
KAREN DOUGLAS
MATTHEW BAKER
Commissioners

ATTACHMENT A

CPED STAFF REPORT

CALIFORNIA PUBLIC UTILITIES COMMISSION
CONSUMER PROTECTION AND ENFORCEMENT DIVISION

STAFF REPORT

INVESTIGATION OF SAN DIEGO GAS AND ELECTRIC'S (SDG&E) BILLING AND ENROLLMENT ISSUES WITH THE CALIFORNIA ALTERNATE RATES FOR ENERGY, FAMILY ELECTRIC RATE ASSISTANCE, AND MEDICAL BASELINE BILL DISCOUNT PROGRAMS

BY VÍCTOR BAÑUELOS
NOVEMBER 12, 2024

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I. EXECUTIVE SUMMARY

The Utility Enforcement Branch (UEB) of the Consumer Protection and Enforcement Division (CPED) hereby documents the results of its review of San Diego Gas & Electric Company's (SDG&E) billing and enrollment violations concerning the bill discount programs California Alternate Rates for Energy (CARE), Family Electric Rate Assistance (FERA), and Medical Baseline (MBL). UEB staff (Staff) commenced review after the Energy Division (ED) referred the matter on January 3, 2023.[1]

SDG&E transitioned to a new Customer Information System (CIS) on April 5, 2021. The transition caused Information Technology (IT) problems that prevented CARE, FERA, and MBL customers from recertifying their eligibility to remain in these programs. Customers' inability to recertify their eligibility resulted in SDG&E depriving eligible customers of bill discounts. Staff found that:

1. 19,215 CARE, 1,238 FERA, and 18,645 MBL customers were unable to recertify their eligibility and were disenrolled from their respective bill discount programs in violation of Decision (D.) 02-04-026, D.21-06-015, Resolutions M-4842 and M-4846, and California Public Utilities Code sections 451 and 532.
2. SDG&E utilized funds from the CARE, FERA and MBL administrative budgets to fund an IT-specific expense related to the recertification issue. This misuse of funds violated D.21-06-015, which denied SDG&E's request for CIS Enhancements.
3. After disenrollment but before reinstatement, SDG&E deprived eligible customers of bill discounts. However, SDG&E reports that since that time, it has reinstated all eligible customers to their respective programs

[1] Attachment 1 - Leuwam Tesfai. "Energy Division Referral to Utility Enforcement Branch Regarding SDG&E CARE/FERA/MBL Enrollment Incidents," January 3, 2023.

and credited their accounts in an amount equal to the discounts they did not receive.

Therefore, Staff recommends that the Commission opens an Order Instituting Investigation (OII) based on CPED's findings and order SDG&E to show cause as to why it should not be ordered to pay penalties and/or other remedies for its:

1. Failure to enable its CARE, FERA and MBL customers to recertify their eligibility within the prescribed period, which resulted in their disenrollment from their respective bill discount programs, in violation of D.02-04-026 and D.21-06-015.
2. Failure to suspend all CARE and FERA program disenrollments and failure to discontinue generating recertification requests for CARE and FERA customers as required by Resolutions M-4842 and M-4849.
3. Failure to charge CARE, FERA and MBL customers the fair and reasonable discounted rates they were eligible for as required by Public Utilities Code sections 451 and 532.
4. Improper utilization of the CARE, FERA, and MBL administrative budget to fund an IT-specific expense attributable to the recertification issues, in violation of D.21-06-015.

II. COMPANY INFORMATION

SDG&E (U902-M) is a regulated public utility and a subsidiary of Sempra. SDG&E provides natural gas and electricity to San Diego County and southern Orange County residents in southwestern California. SDG&E offers the CARE, FERA, and MBL discount programs.

The CARE program was established in 1989 to provide a discount on energy rates to low-income households. To qualify for this discount program, customers must self-certify that their annual income is no greater than 200 percent of the federal poverty guideline.[2]

[2] Decision (D.) 21-06-015, *Decision on Large Investor-Owned Utilities and Marin Clean Energy's*

The FERA program was established in 2004 and provides a discount on energy rates for low to middle income households with incomes between 200 and 250 percent of the federal poverty guideline. FERA was designed to assist larger households that are ineligible for the CARE program because their income level falls slightly above the CARE income eligibility limits.[3]

The MBL program is an assistance program for residential customers who have special energy needs due to qualifying medical conditions. Since it is based solely on medical conditions, there is no income requirement for applicants. The program provides a lower rate on a customer's monthly energy bill by allowing customers who are eligible for MBL to receive an additional allotment of energy at the lowest monthly baseline allowance. This helps ensure that more energy to support medical devices is available for the customer at a lower rate.[4]

III. BACKGROUND

SDG&E customers enrolled in the CARE, FERA or MBL discount programs must recertify their eligibility for each program according to the requirements set out in the Commission's income-qualified programs decisions. CARE customers are required to recertify their eligibility every two to four years, depending on whether the customer is on a fixed income or not.[5] FERA customers are required to recertify their eligibility every two years.[6] MBL customers are required to recertify their eligibility every one to two years.[7]

Through its CIS, SDG&E sends automated notices to enrolled CARE, FERA, and MBL customers prior to the end of their program eligibility period to inform

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California Alternate Rates for Energy (CARE), Energy Saving Assistance (ESA), and Family Electric Rate Assistance (FERA) Program Applications for Program Years 2021-2026 at 5.

[3] D.21-06-015 at 7.

[4] D.02-04-026, *Interim Opinion Regarding Phase 1 Issues of Baseline Allowances for Residential Usage of Gas and Electricity* at 2.

[5] D.21-06-015 at 21.

[6] D.21-06-015 at 93.

[7] D.02-04-026, Ordering Paragraph (OP) 22 at 44.

customers that they are due to recertify their eligibility. SDG&E sends a first notice to CARE and FERA customers 90 days prior to the end of the eligibility period and a second notice 30 days later.[8] A final notice is printed on the final bill where the discount was applied.[9] SDG&E sends an initial notice to MBL customers 90 days prior to the end of the program eligibility period and a final notice 30 days later.[10] Customers who do not recertify their eligibility by the end of the recertification deadline are automatically disenrolled from the discount program.

On April 5, 2021, SDG&E transitioned to a new CIS. SDG&E reported that several events occurred as a result of the transition: (1) some automatic processing of CARE recertifications was no longer available so recertification notices were not sent; (2) certain reports used by SDG&E to manage incoming CARE, FERA, and MBL customer requests were retired so SDG&E's listing of customers that needed to recertify was incorrect; (3) MBL recertification requests became more time intensive to process, and (4) some CARE, FERA, and MBL recertification statuses were incorrectly coded into the system.[11]

On July 1, 2021, SDG&E initiated its Transition Plan for the Expiration of COVID-19 Emergency Customer Protections for Residential and Small Business Customers (Transition Plan)[12] by relaunching the recertification process for CARE, FERA, and MBL customers. The Transition Plan directed that any customer with a deadline falling within the first three months after the COVID-19 emergency

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[8] Attachment 2 - SDG&E's Response to Energy Division's CARE/MBL Briefing Question #3, March 2, 2022 at 1.

[9] Attachment 2 - SDG&E's Response to Energy Division's CARE/MBL Briefing Question #3, March 2, 2022 at 1.

[10] Attachment 2 - SDG&E's Response to Energy Division's CARE/MBL Briefing Question #3, March 2, 2022 at 1.

[11] Attachment 3 - SDG&E Reinstatement Notification of Customers and Extension Request to Comply With CARE, FERA and MBL Recertification Requirements, March 17, 2022 at 1.

[12] Prior to transitioning to its new CIS, on April 1, 2021, SDG&E submitted a letter to the Commission detailing its Transition Plan. SDG&E filed Advice Letter 3729-E / 2967-G pursuant to Ordering Paragraph (OP) 5 of Resolution M-4849, which was approved by the Commission on February 11, 2021. (San Diego Gas & Electric Company AL 3729-E / 2967-G, April 1, 2021.)

protections were lifted on July 1, 2021, would have their deadlines extended for three months to provide them adequate notice of their recertification deadline. However, the deadline extension had the unintended consequence of doubling the number of customers who needed to recertify their eligibility, which, in combination with the above referenced events caused by the April 5, 2021 CIS transition, resulted in a backlog of customers in all three programs who needed to recertify their eligibility.[13] The backlog was particularly detrimental to the MBL program because it compounded the MBL processing issues created by the new CIS.[14]

Between late December 2021 and early January 2022, SDG&E conducted an internal audit of its CIS, which revealed inaccuracies in SDG&E's reports tracking incoming CARE, FERA, and MBL applications and recertification for currently enrolled customers. At that time, SDG&E discovered a resulting backlog of pending applications and recertifications.[15] SDG&E's customer service and digital teams immediately investigated and mitigated the backlog while the company implemented a long-term fix.[16] SDG&E also swiftly paused its recertification notice processes for CARE, FERA and MBL customers on February 9, 2022.[17] Despite the pause of its recertification notice, the CARE, FERA, and MBL recertifications were not processed within the extension period and those customers were disenrolled from their respective programs. As a result, SDG&E mistakenly disenrolled otherwise eligible customers and deprived customers of bill discounts.

[13] Attachment 3 - SDG&E Reinstatement Notification of Customers and Extension Request to Comply With CARE, FERA and MBL Recertification Requirements, March 17, 2022 at 2.

[14] Attachment 3 - SDG&E Reinstatement Notification of Customers and Extension Request to Comply With CARE, FERA and MBL Recertification Requirements, March 17, 2022 at 1-2.

[15] Attachment 4 - SDG&E Email to Energy Division, "SDG&E CARE and MBL Issue - Request for Meeting," February 14, 2022.

[16] Attachment 4 - SDG&E Email to Energy Division, "SDG&E CARE and MBL Issue - Request for Meeting," February 14, 2022.

[17] Attachment 5 – SDG&E April 13, 2022 Response to Energy Division Data Request, Follow Up Question 3 From March 30, 2022 Meeting at 2.

On February 14, 2022, SDG&E provided ED with a status of its backlog of CARE, FERA, and MBL recertifications and sought guidance from ED on next steps.[18] On February 22, 2022, SDG&E met with ED staff and briefed them on the CARE, FERA and MBL backlog issues and the steps the company was taking to ensure full resolution of the issues by June 2022.[19] On March 17, 2022, SDG&E requested an extension to comply with the CARE, FERA, and MBL recertification requirements from 90 days to up to two years.[20] The CPUC's Executive Director, Rachel Peterson, approved the extension on May 13, 2022, with the following requirements:[21]

1. Reinstatement by May 16, 2022 and back-billing corrections by May 31, 2025 for impacted CARE, FERA, and MBL customers;
2. Submission of a special mitigation and accommodation plan proposal to ED by May 20, 2022, for any customers impacted by the backlog who receive a disconnection notice in 2022;
3. Biweekly reports[22] to ED providing the status of the following information:
    a) the backlog that shows Total Pending and Total Reinstated by program type (CARE, FERA, and MBL),
    b) extension notifications sent and the number of customers notified (CARE, FERA, and MBL),

[18] Attachment 4 - SDG&E Email to Energy Division, "SDG&E CARE and MBL Issue - Request for Meeting," February 14, 2022.

[19] Attachment 6 - SDG&E Briefing on CARE/MBL Backlog to Energy Division, February 22, 2022 at 6.

[20] Attachment 3 - SDG&E Reinstatement Notification of Customers and Extension Request to Comply With CARE, FERA and MBL Recertification Requirements, March 17, 2022 at 3.

[21] Attachment 7 - Executive Director Letter Approving SDG&E Request for Extension of Deadlines to Comply with CARE, FERA, and MBL Recertification Requirements, May 13, 2022 at 2-3.

[22] The extension approval required biweekly reports until 100% completion of reinstatement and back-billing, and confirmation by ED staff that reports are no longer required.

c) back-billing corrections that show Total Pending Back-Billing Corrections and Total Completed Back-Billing Corrections by program type (CARE, FERA, and MBL),
d) the CIS's new reinstatement process,
e) modeling of how updated recertification deadlines from 90 days to up to 2 years will be staggered for customers impacted by the backlog,
f) SDG&E's strategy for auditing customers via a post-enrollment verification process, including the number of backlogged CARE and FERA customers audited,
g) the total cost to date for correcting the backlog and the source of funding for these expenditures.

To comply with the requirements set forth by the CPUC's Executive Director, SDG&E initially reported that it reinstated about 18,400 CARE, 1,200 FERA, and 18,600 MBL impacted customers by May 16, 2022.[23] In addition, SDG&E reported in its September 28, 2022 bi-weekly status report to ED that it had resolved a total of 18,161 CARE, 1,168 FERA, and 17,168 MBL back-billing corrections.[24] As of September 13, 2022, SDG&E completed its development, testing, and deployment of SDG&E's CIS enhancements and upgrades to ensure correction of its CARE, FERA, and MBL recertification and notice procedures which had created the backlog of pending applications and recertifications.[25]

[23] Attachment 8 - SDG&E's Bi-Weekly CARE/FERA/MBL Backlog Process Updates to CPUC Energy Division, May 25, 2022 at 2.

[24] Attachment 9 - SDG&E's Bi-Weekly CARE/FERA/MBL Backlog Process Updates to CPUC Energy Division; September 28, 2022; pgs.1-2.

[25] Attachment 10 - SDG&E's January 27, 2023 Response to Question 8 of CPED Data Request DR-ELE-00211-01 at 10.

IV. FINDINGS

A. SDG&E Wrongly Disenrolled Over 39,000 Customers from Their CARE, FERA, and MBL Discount Programs.

On March 25, 2022, SDG&E reported to ED that as of April 5, 2021, approximately 20,000 CARE and FERA and 20,000 MBL customers were unintentionally disenrolled from their respective discount programs due to IT recertification issues.[26]

On November 9, 2022, SDG&E identified an additional 1,140 CARE and FERA customers and 518 MBL customers who were removed from the program due to their failure to recertify. These customers were provided with an extension and a recertification notice prior to SDG&E pausing the recertification process in February 2022. However, because of the backlog and lengthy processing times, these customers were disenrolled due to their failure to recertify their eligibility within the time extension. SDG&E was able to identify and reinstate these impacted customers and reissue recertification notices to provide these customers an additional opportunity to renew their eligibility. SDG&E identified the issue before the customers' billing cycle closed.[27] Therefore, no billing correction was necessary, and the customers remained enrolled in their respective discount programs.[28]

On January 12, 2023, UEB staff requested an updated list of customers affected by SDG&E's recertification backlog, which was provided on March 20, 2023. Based on its review of SDG&E's March 20, 2023 response, UEB staff determined that a total of 39,098 (19,215 CARE, 18,645 MBL, and 1,238 FERA)

[26] Attachment 11 - SDG&E Response to CARE MBL Backlog ED Follow up, March 25, 2022 at 1.

[27] Attachment 12 - SDG&E's Bi-Weekly CARE/FERA/MBL Backlog Process Updates to CPUC Energy Division, November 9, 2022 at 1-2.

[28] Attachment 12 - SDG&E's Bi-Weekly CARE/FERA/MBL Backlog Process Updates to CPUC Energy Division, November 9, 2022 at 1-2.

customers were disenrolled from their respective programs due to SDG&E's IT recertification backlog issues.[29]

On May 16, 2022, SDG&E informed ED that the company reinstated 100 percent of CARE, FERA, and MBL customers impacted by the initial disenrollment incident reported on February 22, 2022.[30] On January 12, 2023, UEB staff also requested an updated list of reinstated customers. Based on its review of SDG&E's March 20, 2023 response, UEB staff confirmed that all 39,098 customers that were disenrolled were later reinstated by SDG&E.[31] UEB staff also confirmed that none of the impacted customers were disconnected due to loss of program benefits.[32]

Table 1: Number of Impacted SDG&E Customers[33]

Program	Number of Reinstated Customers	Number of Reinstated Customers without Notice *	Total Number of Reinstated Customers
CARE	18,153	1,062	19,215
FERA	1,171	67	1,238
MBL	18,079	566	18,645
Total	**37,403**	**1,695**	**39,098**

* This represents those customers that were unenrolled and reinstated within the same billing period thereby not requiring a notice be sent regarding reinstatement to discount program.

SDG&E reported in its September 28, 2022 Bi-Weekly Report that 100 percent of the billing corrections had been completed for the reinstated customers.[34] UEB

[29] Attachment 13 - SDG&E February 3, 2023 Confidential Response (Updated March 20, 2023) to Questions 2 and 3 of CPED Data Request DR-ELE-00211-01.

[30] Attachment 14 - SDG&E Bi-Weekly CARE/FERA/MBL Backlog Process Updates to CPUC Energy Division, June 22, 2022 at 1.

[31] Attachment 13 - SDG&E February 3, 2023 Confidential Response (Updated March 20, 2023) to Questions 2 and 3 of CPED Data Request DR-ELE-00211-01.

[32] Attachment 15 - Email Response, "SDG&E Data Request ELE-00211-01 Follow Up," April 20, 2023.

[33] As calculated by UEB staff based on its review of SDG&E February 3, 2023 Confidential Response (Updated March 20, 2023) to Questions 2 and 3 of CPED Data Request DR-ELE-00211-01.

[34] Attachment 9 - SDG&E Bi-Weekly CARE/FERA/MBL Backlog Process Updates to CPUC Energy Division, September 28, 2022 at 1.

staff requested confirmation of the billing corrections and SDG&E responded on March 20, 2023 that 37,241 customers received a credit for the program benefits they were eligible for on their billing statement, 1,695 customers were disenrolled and reinstated within the same billing cycle so no adjustment was necessary, and 162 customers owed more money that what was paid, but SDG&E could not rebill the customers since more than three months had elapsed. SDG&E also reported that no other bill credits were provided to the affected customers.

Table 2: Number of SDG&E Customers Who Received Billing Corrections

Types of Customers	Number of Customers
Customers who have received credit	37,241
Customers yet to receive credit	-
Customers with net impact of $0*	162
Customers with no credit necessary**	1,695
Total	**39,098**

* These customers owed more money than they paid, however, because more than three months elapsed between the SDG&E discovered the error and implemented the fix, SDG&E cannot rebill customers for those charges per Rule 18. In these cases, SDG&E did not adjust the customer's bill, so the actual net impact for those customers is $0.00

** These customers were disenrolled and reinstated within the same billing cycle and therefore no credit adjustment was necessary.

1. SDG&E wrongly disenrolled 19,215 CARE and 1,238 FERA customers thereby violating Resolutions M-4842 and M-4849.

On April 16, 2020, the CPUC issued Resolution M-4842 in response to the Covid-19 pandemic. This resolution implemented specific customer protections applicable to all residential and small business customers in California using the Emergency Disaster Relief program guidelines in D.19-07-015. Specifically, Resolution M-4842 "suspended all CARE and FERA program removals to avoid unintentional loss of the discounted rate during the period for which the customer is protected under these customer protections" and it "discontinued generating all

recertification and verification requests that require customers to provide their current income information."[35]

Furthermore, the CPUC issued Resolution M-4849 on February 11, 2021, which extended the Emergency Customer Protections that were initially adopted in D.19-07-015, and later applied in Resolution M-4842 due to the Covid pandemic, through June 30, 2021, and provided the Commission with the option to extend the protections further.[36]

Immediate Action (8) of Resolution M-4842, which was extended in Resolution M-4849, required SDG&E to suspend all CARE and FERA program removals to avoid the unintentional loss of the discounted rate during the customer protection period, from April 16, 2020 to June 30, 2021.[37] In addition, Immediate Action (9) required SDG&E to discontinue generating recertification requests.[38] SDG&E failed to comply with both of these Immediate Action requirements and disenrolled 19,215 CARE and 1,238 FERA customers during this period due to failure to recertify enrollment in the CARE or FERA program.

SDG&E's failure to adhere to these two emergency customer protections and its disenrollment of CARE and FERA customers from their respective programs, violated Resolutions M-4842 and M-4849.

2. SDG&E violated Public Utilities Code sections 451 and 532 between April 1, 2021 and November 11, 2022 by depriving 19,215 CARE, 1,238 FERA and 18,645 MBL customers the discounts they were entitled to receive.

Section 451 of the Public Utilities Code states that, "All charges demanded or received by any public utility. . .for any. . .service rendered. . . shall be just and reasonable. Every unjust or unreasonable charge demanded or received for such. .

[35] Resolution M-4842 at 5.

[36] Resolution M-4849 at 2.

[37] Resolution M-4842 at 5.

[38] Resolution M-4842 at 5.

.service is unlawful." By wrongly disenrolling eligible customers, between April 1, 2021 and November 11, 2022, SDG&E deprived them of the discounted rates for which they were eligible. As a result, SDG&E overcharged its most vulnerable customers, an unjust and unreasonable outcome, in contravention of section 451.

Additionally, section 532 of the Public Utilities Code states that ". . .no public utility shall charge or receive a different compensation for any product. . .or for any service rendered or to be rendered, than the rates. . .and charges applicable thereto as specified in its schedules on file and in effect at the time." SDG&E's discount customers spent an average of 105 days wrongly disenrolled from their respective discount programs.[39] Thus, SDG&E overcharged 19,215 CARE, 1,238 FERA, and 18,645 MBL customers in violation of section 532.

3. SDG&E prevented 18,645 MBL customers from recertifying eligibility within the Medical Baseline decision timeline, thereby violating D.02-04-026.

Ordering paragraph 22 of the Medical Baseline decision, D.02-04-026, states:

> Respondent gas and electric utilities shall inform their customers of the following: 1) Customers certified as having a permanent disability will need to self-certify their eligibility every two years, in lieu of obtaining a physician's signature or authorization, to (at a minimum) ensure their continued residence at the service address, and 2) Those customers not having a permanent disability will need to self-certify each year, and will need a doctor's certification every two years.

As stated above, this decision set the recertification timeline for the eligible MBL customers to one or two years. SDG&E's IT recertification backlog prevented 18,645 MBL customers from recertifying their eligibility within that period. Those MBL customers who were disenrolled from the program due to SDG&E's

[39] As calculated by UEB staff based on its review of SDG&E February 3, 2023 Confidential Response (Updated March 20, 2023) to Questions 2 and 3 of CPED Data Request DR-ELE-00211-01.

recertification backlog issue, may have lost an estimated $58.41 in bill discounts for each month of continued disenrollment from the MBL program.

Table 3: Calculation of Estimated MBL Monthly Discounts

	MBL program provides an additional 16.5 kilowatt-hours (kWh) of electricity per day. Provided at the baseline rate				
MBL Calculation	**Additional Daily Allowance (kWh)**	**SDG&E Baseline Rate**	**Days per Month**	**Monthly Cost of Use**	**Total Estimated Monthly Overage Amount**
Customer without MBL (Tier 2)	16.5 kWh	$ 0.570	30	$ 282.15	Difference between both
Customer with MBL (Tier 1)	16.5 kWh	$ 0.452	30	$ 223.74	**$ 58.41**

SDG&E's recertification backlog prevented its MBL customers from being able to recertify their program eligibility within the one or two-year period, as required by D.02-04-026, thereby violating Ordering Paragraph 22 of the MBL decision.

4. SDG&E prevented 19,215 CARE and 1,238 FERA customers from recertifying eligibility within the CARE and FERA mandated timeline in violation of D.21-06-015.

On June 7, 2021, the Commission adopted D.21-06-015, the CARE and FERA Program Application decision. This decision set forth the parameters, approved budgets for, and directed the IOUs' administration of, the CARE and FERA programs. This decision set the recertification timeline for the CARE and FERA programs to two years for a regular customer and four years for a fixed income customer.[40] SDG&E's failure to comply with the recertification period requirements set forth in D.21-06-015, and not allow 19,215 CARE and 1,238 FERA customers to recertify their eligibility into the program within the aforementioned period, is a violation of D.21-06-015.

[40] D.21-06-015, OPs 7 and 9 at 21-22.

B. SDG&E Violated D.21-06-015 By Utilizing CARE, FERA, and MBL Program Budgets to Fund Their IT Issues.

Over the course of SDG&E's remediation of its CARE, FERA and MBL recertification backlog issues, it utilized funds from its CARE, FERA and MBL administrative budgets to fund two different cost categories. SDG&E utilized $141,660 in CARE, FERA and MBL administrative budgets to fund a category labeled, "Additional Processing Team Labor," and an additional $4,473.59 for a category labeled, "Communications to Impacted Customers." A total of $146,403.59, about one third of the total funding utilized for the resolution of an IT issue, was funded by the CARE, FERA and MBL administrative budgets. Staff believes that these budgets are funded by the ratepayers for the sole purpose of administering these customer discount programs and are not intended to fund SFG&E's specific IT problem that arose out of its transition to its new CIS.

In D.21-06-015, the Commission approved specific SDG&E budgets for the implementation of the CARE and FERA program. The decision specifically denied SDG&E's request of $500,000 for CIS Enhancements.[41] The Commission stated that such CIS improvements constitute "post-go-live" and "post-implementation costs," and should not be requested through the CARE proceeding.

Although SDG&E also utilized $327,900 of its IT budget to resolve the recertification backlog issue, SDG&E's additional use of the $146,403.59 from the CARE, FERA, and MBL administrative budgets to fund corrections to a specific IT problem contravenes D.21-06-015.

Table 4: Cost for Correcting Backlog and Funding Source for Expenditures

[41] D.21-06-015 at 44.

Category (Budgets Used) *	Amounts
Additional Processing Team Labor	**$ 141,660.00**
Medical Baseline Program Budget	$ 99,162.00
Care Program Admin Budget	$ 38,248.20
FERA Program Admin Budget	$ 4,249.80
Communications to Impacted Customers	**$ 4,743.59**
Medical Baseline Program Budget	$ 3,070.19
Care Program Admin Budget	$ 64.94
FERA Program Admin Budget	$ 1,608.46
Information Technology	**$ 327,900.00**
IT Budget (IT)	$ 327,900.00
Total	**$ 474,303.59**
Medical Baseline Program Budget	$ 102,232.19
Care Program Admin Budget	$ 38,313.14
FERA Program Admin Budget	$ 5,858.26
IT Budget (IT)	$ 327,900.00

* Amount breakdowns provided by SDG&E in DR ELE-00211-01 on January 27, 2023

V. RECOMMENDATIONS

CPED recommends that the Commission investigate SDG&E to determine the full extent of violations and order appropriate penalties and/or remedies. SDG&E reported that it transitioned to its new CIS on April 5, 2021. The transition created IT recertification problems that resulted in recertification backlogs which prevented CARE, FERA, and MBL customers from recertifying their eligibility to remain in these bill discount programs. As a result, a total of 19,215 CARE, 1,238 FERA, and 18,645 MBL customers were disenrolled from their respective programs in violation of Resolutions M-4842 and M-4849, Public Utilities Code sections 451 and 532, and decisions D.02-04-026 and D.21-06-015.

SDG&E reported that it has now reinstated all disenrolled customers into their respective programs. However, customers whose disenrollments languished across billing cycles lost bill discounts and were overcharged. Due to SDG&E's inability to recertify their customers' eligibility for their respective programs, and their customers' resulting disenrollment, CARE customers experienced an increase in their

monthly bill of about 30-35%,[42] FERA customers experienced an 18% increase,[43] and MBL customers may have lost bill discounts of about $58.41 for each month of continued disenrollment.

SDG&E reported that 100 percent of affected CARE, FERA, and MBL customers reported on February 22, 2022 have now been reinstated into their respective programs.[44] In addition, SDG&E reported that 100 percent of the billing corrections have been completed for these reinstated customers.[45] No SDG&E customers impacted by the backlog and disenrollment incidents were disconnected as a result of losing their respective discount program benefits.[46] According to the customer reinstatement data provided by SDG&E to Staff, SDG&E took an average of 105 days, three and a half months, per customer, to reinstate them into their respective discount programs after disenrollment. Of the 39,098 customers that were reinstated into their respective discount programs, 37,241 customers have received full credit as of February 27, 2023, 162 customers had their bill adjusted for a net impact of $0.00,[47] and 1,695 customers were disenrolled and reinstated within the same billing cycle and therefore no credit adjustment was necessary.[48]

[42] https://www.cpuc.ca.gov/consumer-support/financial-assistance-savings-and-discounts/california-alternate-rates-for-energy.

[43] https://www.cpuc.ca.gov/consumer-support/financial-assistance-savings-and-discounts/family-electric-rate-assistance-program

[44] Attachment 14 - SDG&E Bi-Weekly CARE/FERA/MBL Backlog Process Updates to CPUC Energy Division, June 22, 2022 at 1.

[45] Attachment 9 - SDG&E Bi-Weekly CARE/FERA/MBL Backlog Process Updates to CPUC Energy Division, September 28, 2022 at 1.

[46] Attachment 15 - Email Response: "SDG&E Data Request ELE-00211-01 Follow Up," April 20, 2023.

[47] These customers owed more money than they paid. However, because more than three months elapsed between the SDG&E discovered the error and implemented the fix, SDG&E cannot rebill customers for those charges per Rule 18. In these cases, SDG&E did not adjust the customer's bill, so the actual net impact for those customers was $0.00.

[48] Attachment 13 - SDG&E February 3, 2023 Confidential Response (Updated March 20, 2023) to Questions 2 and 3 of CPED Data Request DR-ELE-00211-01.

For those customers that SDG&E caused to overpay the non-discounted rate during the Covid-19 pandemic, the negative financial impact and stress placed on them was unnecessary and unlawful. SDG&E's actions to remedy the situation by reinstating its customers and extending their recertification period does not go unnoticed. However, the fact of the matter is that SDG&E billed and collected non-discounted rates from its most vulnerable customers during a pandemic. Due to SDG&E's actions, Staff recommends the Commission open an OII based on CPED's findings and order SDG&E to show cause as to why it should not be ordered to pay penalties and/or other remedies for its:

1. Failure to enable its CARE, FERA and MBL customers to recertify their eligibility within the prescribed period, which resulted in their disenrollment from their respective bill discount programs, in violation of D.02-04-026 and D.21-06-015.
2. Failure to suspend all CARE and FERA program disenrollments and failure to discontinue generating recertification requests for CARE and FERA customers as required by Resolutions M-4842 and M-4849.
3. Failure to charge CARE, FERA and MBL customers the fair and reasonable discounted rates they were eligible for as required by Public Utilities Code sections 451 and 532.
4. Improper utilization of the CARE, FERA, and MBL administrative budget to fund an IT-specific expense attributable to the recertification issues, in violation of D.21-06-015.

LIST OF ATTACHMENTS

Attachment Number	Description
1	Energy Division's January 3, 2023 Referral from Leuwam Tesfai to Utility Enforcement Branch Regarding SDG&E CARE/FERA/MBL Enrollment Incidents.
2	SDG&E's March 2, 2022 Response to Energy Division's CARE/MBL Briefing Questions
3	SDG&E's March 17, 2022 Notification of Reinstatement of Customers and Request for Extension of Deadlines to Comply With CARE, FERA and MBL Recertification Requirements.
4	SDG&E's February 14, 2022 Email to the Energy Division Regarding SDG&E's Request for a Meeting on the CARE and MBL Issue.
5	SDG&E's April 13, 2022 Response to Energy Division's Follow Up Questions From March 30, 2022 Meeting.
6	SDG&E's February 22, 2022 Briefing to the Energy Division on the CARE/MBL Backlog Issue.
7	Executive Director, Rachel Petersen's May 13, 2022 Letter Approving SDG&E's Request for an Extension of Deadlines to Comply with CARE, FERA, and MBL Recertification Requirements.
8	SDG&E's Bi-Weekly CARE/FERA/MBL Backlog Process Updates to CPUC Energy Division on May 25, 2022.
9	SDG&E's Bi-Weekly CARE/FERA/MBL Backlog Process Updates to CPUC Energy Division on September 28, 2022.
10	SDG&E's January 27, 2023 Response to CPED's Data Request DR-ELE-00211-01.
11	SDG&E's March 25, 2022 Response to Energy Division's Follow Up Data Request Regarding CARE and MBL Baseline Issue.
12	SDG&E's Bi-Weekly CARE/FERA/MBL Backlog Process Updates to CPUC Energy Division on November 9, 2022.
13	SDG&E's February 3, 2023 Confidential Response (Updated on March 20, 2023) to Questions 2 and 3 of CPED Data Request DR-ELE-00211-01.
14	SDG&E's Bi-Weekly CARE/FERA/MBL Backlog Process Updates to CPUC Energy Division on June 22, 2022.
15	SDG&E's April 20, 2023 Email Response to CPED's Follow Up Questions Regarding SDG&E's Response to Data Request ELE-00211-01.

Attachment 1:

Energy Division's January 3, 2023 Referral from Leuwam Tesfai to Utility Enforcement Branch Regarding SDG&E CARE/FERA/MBL Enrollment Incidents

(Confidential Information has been redacted)

State of California

Memorandum

Date: January 3, 2023

To: [redacted], Utility Enforcement Branch

From: [redacted]
Deputy Executive Director for Energy and Climate Policy

Subject Energy Division Referral to Utility Enforcement Branch Regarding SDG&E CARE/FERA/MBL Enrollment Incidents

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Dear Ms. [redacted],

This memorandum provides Energy Division (ED) staff's official referral to the Utility Enforcement Branch (UEB) for San Diego Gas & Electric Company's (SDG&E) recent billing and enrollment issues with the California Alternate Rates for Energy (CARE), Family Electric Rate Assistance(FERA) and Medical Baseline (MBL) bill discount programs.

Issue Summary:
Per the requirements set out in the Commission's income-qualified programs decisions[1], CARE/FERA and MBL customers are required to recertify their eligibility to participate in these programs every 2–6 years. SDG&E handles recertifications for these programs through its Customer Information System (CIS). SDG&E transitioned to its new CIS on April 5, 2021 which resulted in IT recertification issues which in turn created recertification backlogs that prevented CARE/FERA/MBL customers from being able to recertify their eligibility and remain in these programs, thus losing access to bill discounts for which they were eligible.

Total Impacts and Cost of Incidents since April 2021:

- Total # of MBL customers unintentionally unenrolled: 17,686
- Total # of CARE/FERA customers unintentionally unenrolled: 20,469

Cost Category	Estimated Amounts
Additional Processing Team Labor1	$141,660
Communications to Impacted Customers2	$4,743
Information Technology (IT)3	$327,900
TOTAL COSTS[2]	***$474,303***

[1] CARE/FERA Decision 21-06-015; MBL Decision 02-04-026
[2] SDG&E estimates the following costs to remediate the backlog issue. SDG&E utilized existing operating budgets to fund these activities:

Issue Chronology:

Incident #1: On February 22, 2022, SDG&E informed ED that as of April 5, 2021, 17,168 customers were unintentionally unenrolled from the MBL program, 18,161 customers were unintentionally unenrolled from the CARE program and 1,168 customers were unintentionally unenrolled from the FERA program.

On March 17, 2022, SDG&E submitted a Request for Extension on CARE, FERA and MBL recertification process for these impacted customers while they sorted through the system errors. The Executive Director of the CPUC granted SDG&E's request on May 13, 2022, with additional requirements for reporting bi-weekly status updates on the incidents (provided below).

As of June 22, 2022, SDG&E reinstated 100 percent of CARE/FERA/MBL customers impacted by Incident #1 into their respective programs, and as of September 28, 2022, 100 percent of the billing corrections have been completed for these reinstated customers.

No customers impacted by the backlog and unenrollment incident received disconnection notices nor were disconnected. SDG&E has currently not resumed credit activities (also known as collection activities) for any residential customers. SDG&E will resume credit activities for these customers at the same time SDG&E resumes residential credit activities for all customers starting in 2023.

Incident #2: On October 19, 2022, SDG&E identified an additional 518 MBL customers who were removed from the program due to their failure to recertify. These customers were provided notice prior to SDG&E pausing the recertification process in February 2022 but then had their enrollment dates extended as part of the backlog remediation. As a result of system logic, because the customer received prior notice, the system was not triggered to send an additional notice regarding their new enrollment end dates, in accordance with SDG&E's revised notification procedures. Although these customers did receive notice, did not act, and were subsequently removed from the MBL program, out of an abundance of caution, and to ensure a fair approach for all customers, SDG&E is reinstating the impacted customers. Additionally, SDG&E will reissue recertification notices to allow the customers an additional opportunity to renew their eligibility. SDG&E identified the issue before the customers' next bill cycle; therefore, no bill correction is necessary, and the customers will remain enrolled in MBL.

SDG&E identified CARE and FERA customers impacted by Incident #2 as well. An additional 1,140 CARE/FERA customers were removed from the program due to their failure to recertify. As a courtesy, and to ensure fairness to all customers, SDG&E reinstated the impacted customers and will reissue recertification notices to allow customers an additional opportunity to renew their eligibility. Additionally, SDG&E plans to make outbound calls to the impacted customers to remind them of the importance of completing the recertification process. As of November 9, 2022, SDG&E has identified a total of 121 CARE/FERA accounts that will require a rebill. SDG&E is continuing to investigate the remaining sub metered accounts to ensure that no customers are missing from SDG&E's query, and if any additional rebills are required, they will be handled promptly.

This second incident is still ongoing and has not yet been resolved. No customers impacted by this incident received disconnection notices nor were disconnected. SDG&E has currently not resumed credit activities for any residential customers. SDG&E will resume credit activities for these customers at the same time SDG&E resumes residential credit activities for all customers starting in 2023.

Next Steps:
ED staff met with Utility Enforcement Branch (UEB) on Wednesday, June 29, 2022 to discuss this SDG&E incident (along with SCE and Southwest Gas related incidents) and the enforcement options available to ED staff. Based on the feedback received at that meeting, ED staff proposes to officially refer these two SDG&E incidents to UEB. ED staff believes that these impacted households (especially CARE customers) that saw an upwards of 30% increase in their bills for many months would be able to corroborate the harm caused by these incidents.

Additionally, the email correspondence history between ED and SDG&E (including the Bi-Weekly Status Updates on these incidents from SDG&E) are provided below as embedded attachments for your review and convenience.

Please contact [redacted]) if you would like to schedule a follow-up meeting to discuss this referral further or whether you have any questions.

Sincerely,

[redacted]
Deputy Executive Director for Energy and Climate Policy

CC:
[redacted]

Email Correspondence History and Bi-Weekly Updates

1) February 14, 2022: SDG&E Initial Notification to ED that they wanted to discuss CARE/FERA/MBL back-log incident



FW_ _EXTERNAL_
SDG&E CARE and M

2) February 22, 2022: SDG&E initial presentation summarizing incident



EXTERNAL SDG&E
and Energy Division

3) March 2, 2022: SDG&E follow-up responses to ED's questions at first meeting



EXTERNAL RE_
SDG&E and Energy

4) March 17, 2022: SDG&E Extension Request related to CARE/FERA/MBL recertifications impacted by back-log incident



EXTERNAL SDG&E
Extension Request R

5) March 25, 2022: SDG&E's responses to follow-up questions from ED



EXTERNAL SDG&E
and Energy Division

6) April 13, 2022: SDG&E responses to follow-up meeting with ED that occurred on March 30, 2022



EXTERNAL RE_
SDG&E and Energy

7) May 13, 2022: SDG&E Extension Request granted Regarding CARE/FERA/MBL Recertification Process



SDG&E Extension Request Regarding

8) November 7, 2022: SDG&E description for incident #2 described above



EXTERNAL SDG&E responses to follow

9) November 10, 2022: SDG&E description of how bi-weekly updates will contain information on Incident #2 as well as Incident #1



EXTERNAL RE_ SDG&E Bi-Weekly U|

10) April 27, 2022 to November 9, 2022 (and ongoing): SDG&E Bi-weekly update Backlog Incident and Reenrollments



SDG&E Bi-weekly update Backlog Incident and Reenrollments.zip

Attachment 2:

SDG&E's March 2, 2022 Response to Energy Division's CARE/MBL Briefing Questions

SDG&E's Response to Energy Division's CARE/MBL Briefing Questions

March 2, 2022

1. **What is SDG&E's planned outreach to impacted customers?**

   SDG&E will send a targeted notification by email or mail to customers who have been impacted and customers who are pending processing. SDG&E will also include a message on its program web pages noting an increase in wait time. Additionally, SDG&E will provide talking points, and notate accounts of impacted customers, to assist SDG&E's call center representatives should they receive customer inquiries.

2. **Is there a way to coordinate recertification dates for a customer on both CARE/FERA and MBL?**

   If a customer enrolls in CARE or FERA and MBL at the same time, then the recertification date for each program should fall around the same time. If a customer enrolls in two different programs on separate dates, then there is no way to systematically coordinate the dates as processing typically occurs in the order in which the requests are received. Additionally, modifying the recertification date could, in certain cases, reduce the enrollment period for a customer.

3. **What are the recertification and notification timelines for CARE, FERA and MBL?**

   a. **For CARE**: the recertification timeline is 2 years for a regular customer and 4 years for a fixed income customer. Customers receive 2 notices by mail or email and 1 final notice on their bill. The first notice is sent 90 days before the enrollment end date, a second notice is sent 30 days after, and a final notice is printed on the final bill where the discount is applied.
   b. **For FERA:** the recertification timeline is 2 years. Customers receive 2 notices by mail or email and 1 final notice on their bill. The first notice is sent 90 days before the enrollment end date, a second notice is sent 30 days after, and a final notice is printed on the final bill where the discount is applied.
   c. **For Medical Baseline:** the recertification timeline is 1 year for a customer with a non-permanent medical condition and 2 years for a customer with a permanent medical condition. Customers receive 2 notices by mail or email or a combination thereof, the first notice is sent 90 days before the enrollment end date and a final notice is sent 30 days thereafter.

4. **When does SDG&E plan to start the credit cycle for residential customers**?

   SDG&E does not have a specific date when it will resume residential collections at this time but will likely begin collection activity during Q2 2022.

5. **Are impacted customers being auto enrolled into other assistance programs related to the Disconnections Rulemaking?**

As a general matter, eligible residential customers were auto enrolled in 24-month payment plans in September 2021. Eligible customers also recently received CAPP fund assistance in early February 2022. Customers have also had the opportunity to apply with their local housing jurisdictions for financial assistance with unpaid COVID debt. Once approved, those funds are forwarded to SDG&E for posting to customer accounts. Other programs, such as AMP, are available but customers do need to apply; enrollment is not automatic.

6. **How does SDG&E intend to protect impacted customers from potential disconnection during summer of 2022 or sooner? Are impacted customers receiving disconnection and/or arrearage notifications?**

   SDG&E will evaluate the feasibility of applying a credit hold to customer accounts impacted by the backlog to prevent credit activity while SDG&E processes program requests. Once collection action resumes, customers at risk of potential disconnection will receive late notices and disconnection noticing. As customers reach out to us for assistance, they will be eligible for payment plan options and SDG&E will offer all eligible program options, along with a 60 day hold on credit activity to allow for customers to review their options and seek enrollment.

Attachment 3:

SDG&E's March 17, 2022 Notification of Reinstatement of Customers and Request for Extension of Deadlines to Comply With CARE, FERA and MBL Recertification Requirements

(Confidential Information has been redacted)

March 17, 2022

Rachel Peterson, Executive Director
California Public Utilities Commission
505 Van Ness Ave, Room 4004
San Francisco, CA 94102

Re: NOTIFICATION OF REINSTATEMENT OF CUSTOMERS AND REQUEST FOR EXTENSION OF DEADLINES TO COMPLY WITH CALIFORNIA ALTERNATE RATES FOR ENERGY (CARE), FAMILY ELECTRIC RATE ASSISTANCE (FERA), AND MEDICAL BASELINE (MBL) RECERTIFICATION REQUIREMENTS

Dear Ms. Peterson:

Pursuant to Rule 16.6 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure, San Diego Gas & Electric Company (SDG&E) respectfully requests an extension of recertification deadlines[1] for 90 days to up to 2 years for customers impacted by issues arising under the California Alternate Rates for Energy program (CARE), the Family Electric Rate Assistance program (FERA), and the Medical Baseline program (MBL). As described in more detail below, some CARE, FERA, and MBL customers have fallen off their respective customer assistance program(s) as a result of a backlog in application and recertification processing (Backlog) and other issues stemming from SDG&E's recent Customer Information System (CIS) conversion. Accordingly, the purpose of this letter is to inform you of the Backlog and other CIS-related recertification issues, discuss SDG&E's related mitigation plans, including the upcoming reinstatement, and request an extension of CARE, FERA, and MBL recertification deadlines until SDG&E is able to resolve the Backlog and appropriately address the CARE, FERA, and MBL program status of impacted utility customers.

Background

Pursuant to requirements set out in the Commission's low-income decisions, CARE customers are required to recertify their eligibility every 2–6 years.[2] FERA customers are required to recertify their eligibility every 2 years.[3] MBL customers are required to recertify their eligibility every 1-2 years.[4] SDG&E handles recertifications for these programs through its CIS.

SDG&E transitioned to its new CIS on April 5, 2021. As part of this transition, several events occurred: (1) some automatic processing of CARE recertifications was no longer available; (2) certain reports used by SDG&E to manage incoming CARE, FERA, and MBL customer requests were retired; (3) MBL recertification requests became more time intensive to process, and (4) some CARE, FERA, and MBL recertification statuses were incorrectly coded into the system. For instance, some MBL customers ended up with a recertification status not applicable to their enrollment status, resulting in

[1] For clarity, the "recertification deadline" is based on the customer's anniversary date. Thus, to the extent a customer's recertification deadline has been modified, their anniversary date is modified.

[2] *See* D.21-06-015 at 21-22 and Ordering Paragraphs 7 and 9.

[3] D.04-02-057 at Ordering Paragraph 2.

[4] D.02-04-026 at Ordering Paragraph 22.

a breakdown of system logic, causing these customers to receive no notice or incomplete notice of their deadline, leading to them not requesting recertification and eventually falling off MBL.

Letter 3729-E/2967-G with the Commission on April 1, 2021, detailing its Transition Plan for the expiration of COVID-19 Emergency Customer Protections for Residential and Small Business Customers, pursuant to Ordering Paragraph (OP) 5 of Resolution M-4849, approved on February 11, 2021 (Transition Plan). The Transition Plan included plans to relaunch the recertification process for CARE, FERA, and MBL customers on July 1, 2021 as required, but extended customer recertification deadlines so that any customer with a deadline falling within the first three months after protections were lifted would have their deadlines extended for three months to allow these customers to receive appropriate notice of their upcoming deadline. Unfortunately, the extension caused the number of customers whose deadlines fell within the following timeframe to double. This event, coupled with the retirement of the reports, the aforementioned loss of certain automated processing, and the increase in MBL processing time, likely led to the development of the Backlog.

In mid-January 2022, as new reporting became available, SDG&E became aware of the Backlog. SDG&E immediately escalated the issue and began mitigating the Backlog by doubling the number of staff processing requests, hiring contractors, prioritizing recertifications and replacing scanning hardware and software.

On February 22, 2022, SDG&E met with Commission Staff to inform them of the Backlog and related customer impacts as known at that time. During that meeting, SDG&E committed to providing further insight into the issue and a formal request for additional time for CARE, FERA, and MBL recertification activities via a letter to the Executive Director as well as updating Commission staff periodically while resolving the Backlog and taking corrective action.

Discussion

SDG&E has approximately 22,000 pending CARE, FERA, and MBL recertification requests in the Backlog, as well as other customary incoming requests such as applications, move transfers, and other items.[5] Further, electronic and mail requests continue to come in as we work through the Backlog.

In total, about 20,000 customers have fallen off MBL and 20,000 customers have fallen off CARE or FERA as of April 5, 2021. We believe approximately 10,000 of those customers fell off their respective programs because they received no notice or incomplete notice of recertification or because their recertification status was incorrectly classified in the new CIS. It is likely that many of the remaining customers that have not yet been reinstated comprise the Backlog.[6]

At least 9,000 of these customers have already been reinstated through Backlog processing, and more than 12,000 total Backlog requests have been processed.

[5] SDG&E notes that there are an additional 7,000 (approximate) MBL applications in the queue, in addition to the 22,000 recertification requests; however, some of these may be recertifications incorrectly submitted as applications. Importantly, these numbers are approximate and changing as applications and recertifications continue to be processed.

[6] SDG&E expects a smaller number of customers likely fell off their respective program for legitimate reasons.

Corrective Actions Being Taken

SDG&E's highest priority is reinstating any customer who has fallen off a program arising from the CIS transition or the Backlog and preventing additional customers from falling off a program. To ensure this, we are taking the following steps:

- SDG&E has extended recertification deadlines for 90 days for customers on CARE, FERA, and MBL who had not yet been notified of their recertification deadline.
- SDG&E is also extending recertification deadlines for 180 days for customers on CARE, FERA and MBL who had already been notified of their recertification deadline, to prevent those customers from falling off their program.
- SDG&E plans to reinstate all customers who have fallen off CARE, FERA, or MBL since April 5, 2021 who have not already been reinstated through processing. SDG&E is currently developing and testing a program to reinstate these customers. Once these customers are reinstated, SDG&E will need to extend their recertification deadlines from 90 days to up to 2 years to avoid future issues. Once reinstated, SDG&E will audit these customers' CARE, FERA, and/or MBL eligibility.
- SDG&E will adjust all customer bills to account for any eligible discounts back to the date the customer was dropped from the program.

In addition to the immediate corrective actions described above, SDG&E will be conducting an extensive review of its CARE, FERA, and MBL recertification and notice procedures. SDG&E intends to develop a comprehensive action plan to manage these issues moving forward.

Please note that SDG&E believes all new CARE and FERA applications have been processed within the required 30-day timeframe per D.89-07-062.[7]

In summary, SDG&E respectfully informs the Commission of the steps it has taken to reinstate CARE, FERA, and MBL customers that may have fallen off their respective programs due to CIS transition issues, including the Backlog, and requests permission to extend customers' recertification deadlines from 90 days to up to 2 years.

Sincerely,

/[redacted]

[redacted]
Director – Regulatory Affairs

[7] Ordering Paragraph 4 states "The utilities which employ self-certification should require no more than one billing cycle from receipt of a ratepayer's request for the program service to place the customer on the program schedule."

Cc: Dan Skopec, SVP State Governmental Affairs & Chief Regulatory Officer
Administrative Law Judge Stephanie Wang
Administrative Law Judge Ava N. Tran
Pete Skala, Interim Deputy Executive Director for Energy & Climate Policy- Energy Division
Simon Baker, Director Office of Distributed Energy Res., Natural Gas & Retail Energy Rates
Jennifer Kalafut, Energy Efficiency & Transportation Electrification Branch Program Manager
Alison LaBonte, EE Procurement & Portfolio Management Section Supervisor
Dan Buch, Electric Rates, Customer Generation & Demand Response Program Manager
Paul Philips, Electric Rate Section Supervisor
Service List R.18-07-005
Service List A.19-11-003

Attachment 4:

SDG&E's February 14, 2022 Email to the Energy Division Regarding SDG&E's Request for a Meeting on the CARE and MBL Issue

(Confidential Information has been redacted)

Banuelos, Victor F.

From: [redacted]
Sent: Tuesday, February 15, 2022 7:28 AM
To: [redacted]
Cc:
Subject: FW: [EXTERNAL] SDG&E CARE and MBL Issue- Request for Meeting

[redacted]

Please see the below. Are you interested in joining us for a meeting on this and, if so, are you available on the dates and times proposed?

[redacted]

From: [redacted]
Sent: Monday, February 14, 2022 12:03 PM
To: [redacted]
Subject: [EXTERNAL] SDG&E CARE and MBL Issue- Request for Meeting

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi [redacted],

We would like to request a meeting with you both (and any others from your team who made need to be involved) to discuss a backlog of medical baseline and CARE applications and recertifications SDG&E is currently working to address.

With the recent transition to SDG&E's new Customer Information System (CIS) system, some of the reporting previously used by the Customer Assistance processing team to track incoming applications was retired. Upon investigation in late December and early January, it was revealed that the new reports being used by the processing team did not show the entire amount of pending applications and a backlog had developed. Prior to this time, SDG&E was unaware a backlog existed. Since the issue was discovered, SDG&E's Customer Services team has been working with the Digital team to accurately define the issue and its implications, as well as potential ways to mitigate the backlog while a long-term fix is being worked on.

Currently, there are about 15,000 outstanding customer service requests and a high number of mailed requests being reviewed. We are working on various solutions to resolve the backlog and plan to discuss those with you.

SDG&E is informing Energy Division of this compliance issue for purposes of transparency and to seek guidance on SDG&E's proposed next steps. Accordingly, SDG&E is requesting a meeting to discuss the issue in more detail, including a discussion of the steps SDG&E is taking to mitigate the backlog. The following dates and times are available for the relevant SDG&E team (this is likely at least a 45 minute meeting):

February 17, 10:30am

February 22, 11:30am
February 25, 10:30am

Please let us know if other dates and times are more convenient and we will do our best to accommodate. SDG&E seeks to convey a sense of urgency in resolving this backlog and appreciates your feedback on our efforts.

Thanks,
[redacted]

[redacted]
Regulatory Affairs, San Francisco
SDG&E and SoCalGas
601 Van Ness Ave, Suite 2090
San Francisco, California 94102
[redacted]

Attachment 5:

SDG&E's April 13, 2022 Response to Energy Division's Follow Up Questions From March 30, 2022 Meeting

(Confidential Information has been redacted)

SDG&E RESPONSE TO:

[redacted], ENERGY DIVISION DATA REQUEST

CARE AND MEDICAL BASELINE ISSUE

FOLLOW UP QUESTIONS FROM MARCH 30, 2022 MEETING

DATED MARCH 30, 2022

Submitted: April 13, 2022

REQUEST

SDG&E met with [redacted], Energy Division staff, on March 30, 2022 to discuss SDG&E's responses to the data request submitted to Energy Division staff on March 25, 2022 regarding the CARE, FERA, and Medical Baseline issue. Below are the follow up questions from the Energy Division resulting from the March 30, 2022 meeting.

QUESTION

1. Please provide a clear timeline on
    a. Reinstatement of all impacted MBL customers;

RESPONSE

SDG&E has developed the following timeline for the reinstatement of the impacted MBL customers.

- **March 14th – April 10th**: Design, build, test, and deploy the new reinstatement process in SDG&E's Customer Information System (CIS).
- **April 11th – April 17th:** Execute the process to reinstate all identified MBL customers.
- **April 18th – April 30th**: Perform quality assurance on reinstated accounts and address any exceptions or special handling.

QUESTION

b. Reinstatement of all impacted CARE/FERA customers;

RESPONSE

SDG&E has developed the following timeline for the reinstatement of the impacted CARE/FERA customers.

- **April 4th – April 24th:** Design, build, test, and deploy the new reinstatement process in SDG&E's Customer Information System (CIS).
- **April 25th – May 1st:** Execute the process to reinstate all identified CARE/FERA customers.
- **May 2nd – May 31st:** Perform quality assurance on reinstated accounts and address any exceptions or special handling.

QUESTION

c. Bill corrections for impacted MBL customers; and,

RESPONSE

The bill correction process for the MBL customers being reinstated through the MBL reinstatement program will begin shortly after the accounts are reinstated. We expect that the majority of these will be completed by May 31st. However, we do expect there may be a handful of cases that may take additional time to correct.

QUESTION

d. Bill corrections for impacted CARE/FERA customers.

RESPONSE

The bill correction process for the CARE/FERA customers being reinstated through the CARE/FERA reinstatement program will begin shortly after the accounts are reinstated. We expect that the majority of these will be completed by May 31st. However, we do expect there may be a handful of cases that may take additional time to correct.

QUESTION

2. Please provide the last date a customer fell off MBL or CARE/FERA due to this situation.

RESPONSE

a. For MBL, SDG&E extended recertification dates so that customers would stop dropping from the program due to this issue on 3/12/2022.
b. For CARE and FERA, SDG&E extended recertification dates so that customers would stop dropping from the program due to this issue on 3/18/2022.

These efforts were completed to stop customers whose recertification deadlines were approaching from dropping off their respective program(s) because of the backlog. There may be a very limited number of customers who fell off MBL, CARE or FERA after 3/12/2022 and 3/18/2022, due to individual account updates post-extension.

QUESTION

3. Please provide the last date a request for recertification communication went out to a customer prior to SDG&E pausing this process.

RESPONSE

a. SDG&E paused its recertification notice processes for CARE, FERA and MBL on 2/9/2022. There are a very limited number of customers who may have received system-generated recertification notices after 2/9/2022 due to individual account updates.

QUESTION

4. On average, how long is it currently taking to process a New MBL Application?

RESPONSE

As of April 11, the processing team is processing new paper MBL applications within 30 days.

QUESTION

5. In SDG&E's Letter to the Executive Director, SDG&E states "*SDG&E plans to reinstate all customers who have fallen off CARE, FERA, or MBL since April 5, 2021 who have not already been reinstated through processing. SDG&E is currently developing and testing a program to reinstate these customers. Once these customers are reinstated, SDG&E will need to extend their recertification deadlines from 90 days to up to 2 years to avoid future issues. Once reinstated, SDG&E will audit these customers' CARE, FERA, and/or MBL eligibility*." Please describe the audit process SDG&E is contemplating in this statement.

RESPONSE

For CARE and FERA, SDG&E plans to incorporate reinstated customers into the total population of its post-enrollment verification process and issue PEV requests for 3% - 6% of the entire population annually as directed in D.12-08-044.[1] Additionally, SDG&E will do basic quality assurance testing to ensure that customer reinstatement was performed accurately and completely and does not include an income verification element, which will be addressed as part of the standard PEV process as described above.

For Medical Baseline, SDG&E plans to allow reinstated customers to follow the normal program recertification process based on the customer's applicable eligibility period, subject to the additional extensions described in response to Question 7 below.

QUESTION

6. Please reconsider any impacts customers may experience from programs inside or outside of SDG&E (i.e., water utility programs) because of being removed from CARE/FERA/MBL?

RESPONSE

a. Data Sharing – Currently, SDG&E is revising its data sharing agreement with [redacted], with whom SDG&E shares its CARE customer data per D.21-07-029. SDG&E shared its last CARE data in September 2021. SDG&E plans to share CARE customer data with [redacted] once the reinstatement effort is complete in June 2022, which should include a limited number of customers not previously captured due to the backlog issue.
b. MBL - If a PSPS event is called before MBL reinstatement occurs, SDG&E will include all MBL customers who may have been removed from the program due to the backlog and any customer pending to be enrolled in the MBL program in its PSPS notification list to ensure all such customers are notified accordingly. Additionally, SDG&E plans to adopt this process moving forward to include any customer pending enrollment in MBL in future PSPS notification lists.
c. AMP – In an event a CARE or FERA customer would like to enroll in AMP, but they were removed from CARE or FERA due to the backlog, SDG&E can reinstate the customer during the AMP enrollment process. SDG&E intends to reinstate all CARE/FERA customers by May 1st as mentioned in response to Question 1b. Additionally, SDG&E plans to launch a targeted marketing campaign to promote AMP to customers who were removed from CARE and FERA during the backlog period.

[1] Section 4.4.5 of D.12-08-044 ordered that the utilities maintain verification levels at no more than 200% of their 2011 PEV rates, which for SDG&E was 3%.

d. PIPP – As noted on our March 25 response, there is no anticipated impact to the PIPP pilot. The activities to reinstate enrollment will occur ahead of the anticipated launch of the PIPP pilot, which will be no earlier than July 1, 2022. Additionally, SDG&E Advice Letter 3941-E/3058-G was suspended by the Energy Division for 120 days beginning March 7, 2022, for staff review, which may extend the launch date.
e. ESA – As noted in our March 25 response, there is no anticipated impact on ESA program participation. Customer leads are primarily generated through CARE new enrollments; however, a smaller number of leads are generated through CARE recertification efforts when customers have not previously participated in the ESA Program. Customers are primarily targeted during the initial enrollment of the CARE program through marketing campaigns based on household PRIZM and zip codes. SDG&E's primary Outreach and Enrollment contractor works directly with SDG&E's marketing team to generate targeted campaigns to support areas targeted for enrollment through canvassing efforts.

QUESTION

7. Please provide an update on the modeling and proposal to stagger future recertification dates for impacted customers after reinstatement, when available.

RESPONSE

Once the CARE, FERA, and MBL populations are whole via reinstatement, SDG&E will adjust and/or re-extend enrollment end dates to evenly distribute future recertifications for impacted customers. This will allow customers to remain on the program and properly recertify without creating future backlogs. This model is contingent on SDG&E's processing capabilities and staffing levels, as such capacity determines the amount of recertifications SDG&E can process monthly. SDG&E plans to validate this effort by May 1st and will share details in subsequent communications.

QUESTION

8. Please send final draft of all customer communications and call center talking points on the issue.

RESPONSE

SDG&E has attached the customer communications and the call center talking points in Attachment A and B, respectively.

QUESTION

9. Please send a proposal for future Energy Division updates.

RESPONSE

Please refer to Attachment C for a proposed draft of the first update and format for future Energy Division bi-weekly updates.

Attachment 6:

SDG&E's February 22, 2022 Briefing to the Energy Division on the CARE/MBL Backlog Issue

Briefing on CARE/MBL Backlog

Energy Division, CPUC

February 22, 2022



Topics

1. Overview
2. Focus on the Customer
3. Mitigation Steps and Status
4. Next Steps
5. Questions

Overview

SDG&E has identified a large backlog of CARE, FERA and Medical Baseline (MBL) applications and recertifications

Discovery

- Reporting used by SDG&E to manage CARE, FERA and MBL requests was retired thru SDG&E's transition to its new CIS system (Envision).
- SDG&E discovered the backlog in mid-January 2022 as new reporting became available.
- SDG&E immediately escalated the issue and began mitigating the backlog.

Status of Backlog

- About 16,000 customer service requests are pending
- About 15,000 mail items are pending.
- We know at least 3,100 customers fell off CARE, FERA or MBL, of which 1,600 have been reinstated.

Focus on the Customer

Over 8,100 recertifications and applications have been processed and resolved since January 18.

SDG&E's highest priority is processing recertifications for customers who have fallen off a program.

SDG&E has extended about 30,000 upcoming CARE, FERA and MBL recertifications. SDG&E can extend customers further if necessary.

Customer bills will be adjusted for any delayed discounts arising from the backlog.

Mitigation Actions – Resolution is Our Top Priority

1. **Increase Temporary Staffing:** SDG&E has more than doubled our usual processing workforce from 8 to 18 and is offering overtime for nights and weekends until the backlog is fully resolved.

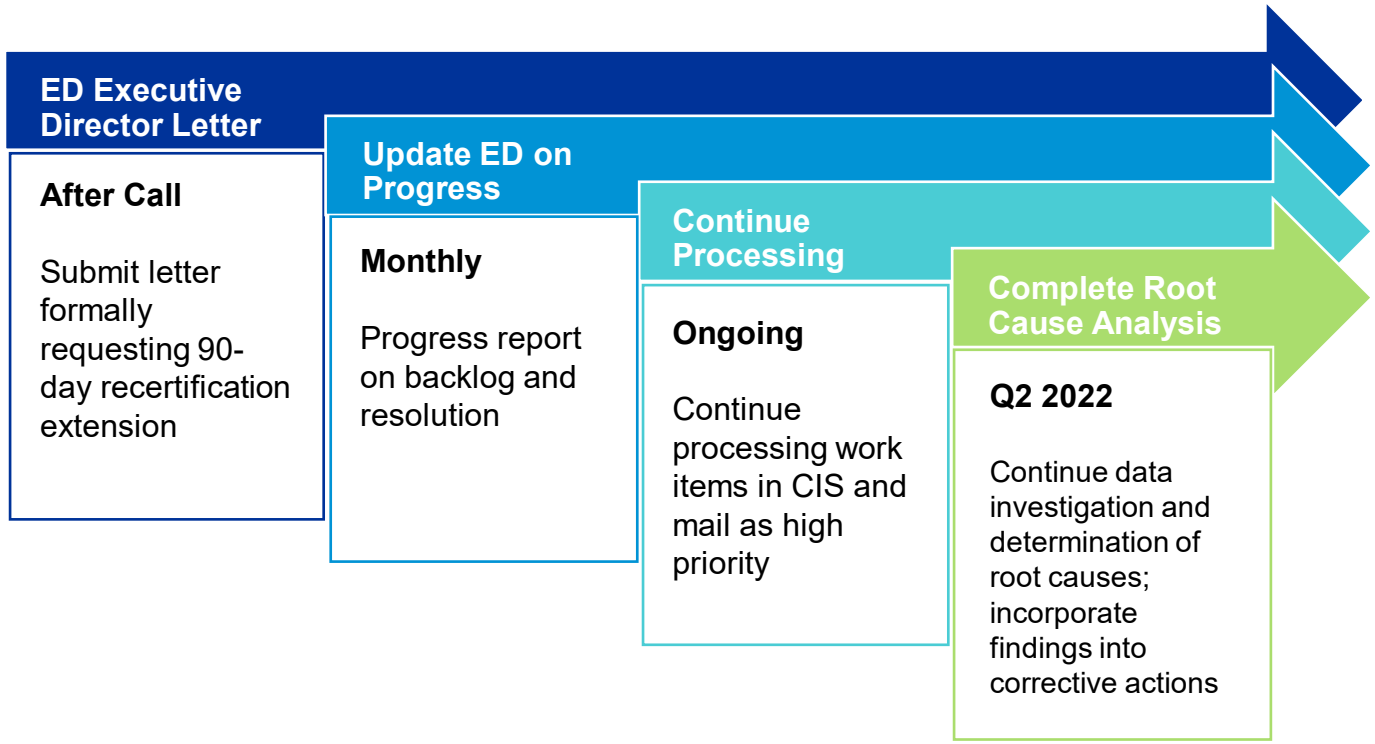
2. **Launch Digital Enhancements**: We are prioritizing digital automation and tools to accelerate backlog processing; target deployment end of March.

3. **Fix Mailroom Hardware and Software Issues**: We are upgrading scanning hardware to process incoming mail faster, new software licenses, and streamlining 3rd party helpdesk escalation procedures.

4. **Conduct Root Cause Analysis and Deploy Dashboard**: We will continue to analyze impacts of CIS legacy system conversion and implement additional procedures/controls to prevent similar occurrences, including new exception reports, manual intervention, and create a new dashboard for operational visibility.

Next Steps

SDG&E plans to keep Energy Division apprised of its progress monthly.
June 2022 target for backlog resolution, then resume processing new requests within normal timeframes.



June 2022
resolution

Questions and Feedback

Attachment 7:

Executive Director, Rachel Petersen's May 13, 2022 Letter Approving SDG&E's Request for an Extension of Deadlines to Comply with CARE, FERA, and MBL Recertification Requirements

(Confidential Information has been redacted)

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

May 13, 2022

File Nos.: A.19-11-003
A.14-11-007
R.01-05-047

[redacted]
Director, Regulatory Affairs
San Diego Gas & Electric Company
8330 Century Park Court, CP32F
San Diego, CA 92123-1548
[redacted]

RE: Request for an Extension of Deadlines to Comply with California Alternate Rates for Energy, Family Electric Rate Assistance, and Medical Baseline Recertification Requirements

Dear [redacted]:

Pursuant to Rule 16.6 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure, San Diego Gas & Electric Company (SDG&E) requested an extension on March 17, 2022 of recertification deadlines for 90 days to up to 2 years for customers impacted by issues arising under the California Alternate Rates for Energy program (CARE), the Family Electric Rate Assistance program (FERA), and the Medical Baseline program (MBL).

Background

Per the requirements set out in the Commission's low-income decisions, CARE customers are required to recertify their eligibility every 2–6 years.[1] FERA customers are required to recertify their eligibility every 2 years.[2] MBL customers are required to recertify their eligibility every 1-2 years.[3] SDG&E handles recertifications for these programs through its Customer Information System (CIS).

SDG&E transitioned to its new CIS on April 5, 2021. As part of this transition, several events occurred: (1) some automatic processing of CARE recertifications was no longer available; (2) certain reports used by SDG&E to manage incoming CARE, FERA, and MBL customer requests were retired; (3) MBL recertification requests became more time intensive to process, and (4) some CARE, FERA, and MBL recertification statuses were incorrectly coded into the system.[4] In mid-January 2022, as new reporting became available, SDG&E became aware of the backlog and began mitigating the backlog by doubling the number of staff processing requests, hiring contractors, prioritizing recertifications and replacing scanning hardware and software.

[1] D.21-06-015 at 21-22 and Ordering Paragraphs 7 and 9.
[2] D.04-02-057 at Ordering Paragraph 2.
[3] D.02-04-026 at Ordering Paragraph 22.
[4] SDG&E Request for Extension Letter submitted March 17, 2022.

The impact of these events during the transition to the new CIS is that SDG&E has approximately 22,000 pending CARE, FERA, and MBL recertification requests in a backlog, as well as other customary incoming requests such as applications, change of residence, and other items. As of April 5, 2021, this backlog has caused about 20,000 customers to fall off MBL and 20,000 customers to fall off CARE or FERA. SDG&E believes approximately 10,000 of those customers fell off their respective programs because they received no notice or incomplete notice of recertification or because their recertification status was incorrectly classified in the new CIS. It is likely that the backlog includes many of the remaining customers that have not yet been reinstated.

SDG&E plans to reinstate all customers who have fallen off CARE, FERA, or MBL since April 5, 2021 who have not already been reinstated through processing. SDG&E is currently developing and testing a software solution to efficiently and comprehensively reinstate these customers. Once these customers are reinstated, SDG&E will need to extend their recertification deadlines from 90 days to up to 2 years to avoid future issues. Once reinstated, SDG&E will audit these customers' CARE, FERA, and/or MBL eligibility. It is for this extension of the recertification deadlines from 90 days to up to 2 years that SDG&E seeks approval.

Discussion

The request of SDG&E for an extension of recertification deadlines for 90 days to up to 2 years for customers impacted by issues arising under the CARE/FERA/MBL program is granted. Additional requirements that accompany the granting of request include:

- Reinstate impacted MBL customers by May 16, 2022
- Reinstate impacted CARE and FERA customers by May 16, 2022
- Correct back-billing corrections for MBL, CARE and FERA customers by May 31, 2022[5]
- SDG&E to propose special mitigation/accommodation plan to Energy Division by May 20, 2022 for any customers impacted by backlog who may receive a disconnection notice in 2022
- SDG&E to provide bi-weekly reports (until 100% reinstatement and back-billing complete and Energy Division staff confirms reports no longer required) to Energy Division containing:
    - Status of backlog that shows Total Pending and Total Reinstated by program type (MBL, CARE and FERA)
    - Status of CARE/FERA/MBL extension notifications sent and counts of customers notified
    - Status of back-billing corrections that shows Total Pending Back-Billing Corrections and Total Completed Back-Billing Corrections by program type (MBL, CARE and FERA)
    - Status of the new reinstatement process in SDG&E's CIS

[5] While there may be a handful of cases that may take additional time to correct, we expect the majority of back-billing issues to be resolved by this time.

- Status of modelling how updated recertification deadlines from 90 days to up to 2 years will be staggered for customers impacted by backlog
- Status of SDG&E's strategy for auditing customers via post-enrollment verification process, including number of backlogged CARE and FERA customers audited
- Total cost to-date for correcting backlog and source of funding for these expenditures

Pursuant to Rule 16.6 of the Commission's Rules of Practice and Procedure, SDG&E must promptly inform all parties on the service list of Application (A.) 19-11-003, A.14-11-007 and Rulemaking 01-05-047 that this extension request has been granted.

Sincerely,

Rachel Peterson

Rachel Peterson
Executive Director

cc: [redacted]

Attachment 8:

SDG&E's Bi-Weekly CARE, FERA, and MBL Backlog Process Updates to the CPUC's Energy Division on May 25, 2022

Bi-Weekly CARE/FERA/MBL Backlog Progress Updates to CPUC Energy Division

May 25, 2022

SDG&E submits the update below pursuant to the additional requirements ordered by the Executive Director in granting the Request for an Extension of Deadlines to Comply with California Alternate Rates for Energy, Family Electric Rate Assistance, and Medical Baseline Recertification Requirements submitted by SDG&E on March 17, 2022. SDG&E's request was granted on May 13, 2022, with additional requirements as incorporated below.

1. **Reinstate impacted MBL customers by May 16, 2022**

   SDG&E reinstated impacted MBL customers by May 16, 2022.

2. **Reinstate impacted CARE and FERA customers by May 16, 2022**

   SDG&E reinstated impacted CARE and FERA customers by May 16, 2022.

3. **Correct back-billing corrections for MBL, CARE and FERA customers by May 31, 2022**

   This effort is in-progress. SDG&E is on-track to complete a majority of the billing corrections for reinstated customers, as needed, by May 31, 2022. As noted in the Commission's approval of SDG&E's Request, a small number of more complex billing transactions may require additional time to correct.

4. **SDG&E to propose special mitigation/accommodation plan to Energy Division by May 20, 2022 for any customers impacted by backlog who may receive a disconnection notice in 2022**

   A response was provided to the CPUC on May 20, 2022. Since then, SDG&E still proposes a credit activity special accommodation for those CARE, FERA and MBL customers inadvertently dropped from their respective programs as a result of the issues impacting SDG&E's backlog, though with a slight change to SDG&E's internal methodology on how to do so. In lieu of a dunning lock, which now appears to be unviable for this special accommodation, SDG&E is exploring other system solutions such as postponement of turning on credit strategies for customers impacted by the backlog. The chosen solution will be applied prior to the resumption of residential credit activities by SDG&E in July 2022 through September 30, 2022. SDG&E will resume its credit activities on October 1, 2022 for these customers. This special accommodation will extend the current, temporary suspension of both credit noticing and credit activity through the summer and early fall, when customers typically experience higher bills.

5. **Status of backlog that shows Total Pending and Total Reinstated by program type (MBL, CARE and FERA)**

Program Type	Total Pending	Total Reinstated
MBL	0	~18,600
CARE	0	~18,400
FERA	0	~1,200

6. **Status of CARE/FERA/MBL extension notifications sent and counts of customers notified**

From April 19 – 22, 2022, SDG&E sent 15,477 emails and 1,435 direct mailers to customers reinstated in MBL. From May 3 – 6, 2022, SDG&E sent 13,618 emails and 3,455 direct mailers to customers reinstated in CARE. SDG&E sent 1,060 emails and 87 direct mailers to customers reinstated in FERA.

7. **Status of back-billing corrections that shows Total Pending Back-Billing Corrections and Total Completed Back-Billing Corrections by program type (MBL, CARE and FERA)**

Program Type	Total Pending	Total Completed
MBL	5,207	10,868
CARE	6,550	11,858
FERA	443	728

8. **Status of the new reinstatement process in SDG&E's CIS**

SDG&E interprets this to mean its new process to stagger recertification deadlines for MBL, CARE, and FERA participants to aid in capacity planning and mitigate the risk of future backlogs. Please refer to SDG&E's response to #9 for a status update.

9. **Status of modelling how updated recertification deadlines from 90 days to up to 2 years will be staggered for customers impacted by backlog**

SDG&E is in the process of determining the number of CARE, FERA and MBL recertifications per month that will be staggered over a 2-year period to support processing capacity and automation efforts. Also, to further aid in capacity planning, SDG&E will send recertification notices at 120 and 60 days, a change from 90 and 60 days respectively, from the customer's enrollment end date to allow for additional time for customers to recertify and for SDG&E processing of recertification requests.

10. **Status of SDG&E's strategy for auditing customers via post-enrollment verification process, including number of backlogged CARE and FERA customers audited**

    SDG&E will increase its Post Enrollment Verification (PEV) processing through 2022, to meet the requirements described in D.21-06-015. SDG&E will leverage its new CIS to generate a randomized sample of program participants for PEV. SDG&E intends to conduct PEVs each month throughout the remainder of 2022. SDG&E is not singling out backlog-impacted CARE and FERA among its PEV population, though presumably, at least some of the impacted customers would be among the sample PEV pool.

11. **Total cost to-date for correcting backlog and source of funding for these expenditures**

    SDG&E is in the process of compiling the requested expenditure data and plans to submit it in the next bi-weekly update, planned for June 8, 2022.

Attachment 9:

SDG&E's Bi-Weekly CARE, FERA, and MBL Backlog Process Updates to the CPUC's Energy Division on September 28, 2022

Bi-Weekly CARE/FERA/MBL Backlog Progress Updates to CPUC Energy Division

September 28, 2022

SDG&E submits the update below, pursuant to the additional requirements ordered by the Executive Director in granting the Request for an Extension of Deadlines to Comply with California Alternate Rates for Energy (CARE), Family Electric Rate Assistance (FERA), and Medical Baseline (MBL) Recertification Requirements submitted by SDG&E on March 17, 2022. SDG&E's request was granted on May 13, 2022, with additional requirements as incorporated below.

1. **Reinstate impacted MBL customers by May 16, 2022**

   No change from the May 25 update. SDG&E reinstated impacted MBL customers by May 16, 2022, as required by the CPUC Executive Director extension request approval letter.

2. **Reinstate impacted CARE and FERA customers by May 16, 2022**

   No change from the May 25 update. SDG&E reinstated impacted CARE and FERA customers by May 16, 2022, as required by the CPUC Executive Director extension request approval letter.

3. **Correct customer billing for MBL, CARE and FERA customers by May 31, 2022**[1]

   SDG&E has completed the billing corrections for reinstated customers. As noted in the Commission's approval of SDG&E's Request, a small number of more complex billing transactions required additional time to correct but now are corrected.

4. **SDG&E to propose special mitigation/accommodation plan to Energy Division by May 20, 2022 for any customers impacted by backlog who may receive a disconnection notice in 2022**

   No change from the May 25 update. A response was provided to the CPUC on May 20, 2022. Since then, SDG&E still proposes a credit activity special accommodation for those CARE, FERA and MBL customers inadvertently dropped from their respective programs as a result of the issues impacting SDG&E's backlog, though with a slight change to SDG&E's internal methodology on how to do so. In lieu of a dunning lock, which now appears to be unviable for this special accommodation, SDG&E is exploring other system solutions such as postponement of turning on credit strategies for categories of customers that would include those impacted by the backlog. The chosen solution will

[1] SDG&E notes that footnote 5 in the CPUC Executive Director extension request approval letter states the following: While there may be a handful of cases that may take additional time to correct, we expect the majority of back-billing issues to be resolved by this time.

be applied prior to the resumption of any residential credit activities. SDG&E will resume credit activities for these customers at the same time SDG&E resumes residential credit activities generally.

5. **Status of backlog that shows Total Pending and Total Reinstated by program type (MBL, CARE and FERA)**
   No change from the May 25 update.

Program Type	Total Pending	Total Reinstated
MBL	0	~18,600
CARE	0	~18,400
FERA	0	~1,200

6. **Status of CARE/FERA/MBL extension notifications sent and counts of customers notified**

   No change from the May 25 update. From April 19 – 22, 2022, SDG&E sent 15,477 emails and 1,435 direct mailers to customers reinstated in MBL. From May 3 – 6, 2022, SDG&E sent 13,618 emails and 3,455 direct mailers to customers reinstated in CARE. SDG&E sent 1,060 emails and 87 direct mailers to customers reinstated in FERA.

7. **Status of back-billing corrections that shows Total Pending Back-Billing Corrections and Total Completed Back-Billing Corrections by program type (MBL, CARE and FERA)**

Program Type	Total Pending	Total Completed
MBL	0[2]	17,168
CARE	0	18,161
FERA	0	1,168

[2] Upon review of the 3,427 Total Pending MBL corrections reported in the August 31, 2022 update, SDG&E subsequently identified that 1,345 accounts of the 3,427 no longer require correction.

8. **Status of the new reinstatement process in SDG&E's CIS**

   No change from the May 25 update. SDG&E interprets this to mean its new process to stagger recertification deadlines for MBL, CARE, and FERA participants to aid in capacity planning and mitigate the risk of future backlogs. Please refer to SDG&E's response to #9 for a status update.

9. **Status of modelling how updated recertification deadlines from 90 days to up to 2 years will be staggered for customers impacted by backlog**

   No change from the June 22 update. SDG&E is in the process of determining the number of CARE, FERA and MBL recertifications per month that will be staggered over a 2-year period to support processing capacity and automation efforts. Also, to further aid in capacity planning, SDG&E will send recertification notices at 120 and 60 days, a change from 90 and 60 days respectively, from the customer's enrollment end date to allow for additional time for customers to recertify and for SDG&E processing of recertification requests.

   Around 3,300 MBL customers will receive a secondary recertification due to a technical status correction. This will result in an additional 1 or 2 years before their next recertification is due. The additional time added will be dependent on their permanent (2 years) or non-permanent (1 year) condition.

10. **Status of SDG&E's strategy for auditing customers via post-enrollment verification process, including number of backlogged CARE and FERA customers audited**

    No change from the June 22 update. SDG&E has increased its Post Enrollment Verification (PEV) processing to current Commission authorized levels. SDG&E will leverage its new CIS to generate a randomized sample of program participants for PEV. SDG&E intends to conduct PEVs each month throughout the remainder of 2022. SDG&E is not singling out backlog-impacted CARE and FERA among its PEV population, though presumably, some of the impacted customers would be among the sample PEV pool post reinstatement.

11. **Total cost to-date for correcting backlog and source of funding for these expenditures**

No change from the June 22 update. SDG&E estimated the following costs to remediate the backlog issue. SDG&E utilized existing operating budgets to fund these activities.

Category	**Estimated Amounts**
Additional Processing Team Labor[3]	$141,660
Communications to Impacted Customers[4]	$5,366
Information Technology (IT)[5]	$327,900
TOTAL	*$474,926*

[3] Includes additional temporary labor, as well as overtime for full-time employees.
[4] Includes the costs to send direct mail and email to impacted customers.
[5] Includes labor and non-labor, such as contractors, to complete system-intensive program reinstatements, bill corrections, and extensions of recertification dates while the remediation efforts were underway.

Attachment 10:

SDG&E's January 27, 2023 Response to CPED's Data Request DR-ELE-00211-01

SDG&E Response
CPUC - Consumer Protection and Enforcement Division (CPED) Data Request
ELE-00211-01
DATE RECEIVED: January 16, 2023
DATE RESPONDED: January 27, 2023

Data Request:

Please provide the following information for Data Request DR-ELE-00211-01

1. On May 13, 2022, the CPUC's Executive Director approved SDG&E's request for an extension of deadlines to Comply with California Alternate Rates for Energy (CARE), Family Electric Rate Assistance (FERA), and Medical Baseline (MBL) recertification requirements. Among one of the requirements in the extension approval was SDG&E's bi-weekly reporting requirement to the Energy Division (ED). Please provide all reports submitted by SDG&E to the ED in compliance with this requirement.
   Response Format: Adobe File
   Due Date: January 27, 2023

2. Please provide a complete list of SDG&E customers who were disenrolled from the CARE, FERA, and MBL bill discount programs between April 5, 2021 to January 12, 2023, which arose from SDG&E's transitioning to its new Customer Information System (CIS) and thus preventing these customers from being able to recertify their eligibility.
   Response Format: Excel Spreadsheet or Excel Compatible
   Due Date: January 27, 2023

3. Based on the list of customers provided in response #2 above, please also include the following:
   a. Account number
   b. Discount Program(s) affected
   c. Date disenrolled from discount program(s)
   d. Date reenrolled into discount program(s)
   e. Amount credited due to disenrollment from discount program(s)
   f. Date of credit due to disenrollment from discount program(s)

   Response Format: Excel Spreadsheet or Excel Compatible
   Due Date: January 27, 2023

4. In update item #11 of SDG&E's December 7, 2022 Bi-Weekly CARE/FERA/MBL Backlog Progress Updates to CPUC Energy Division, SDG&E provided a table on the cost to-date for correcting backlog and source of funding for these expenditures. Please describe the specific budget(s) and amount(s) from each budget used to fund the categories noted in the table.
   Response Format: Word Document or MS Word Compatible
   Due Date: January 27, 2023

5. Were any of these budget(s) and amount(s) noted in response #4 above funded by ratepayers? If so, please describe budget and amount for each budget.
   Response Format: Word Document or MS Word Compatible
   Due Date: January 27, 2023

6. Did the series of events resulting from transitioning to SDG&E's new CIS impact the CARE/FERA/MBL program funding for the years 2021 and/or 2022? If so, please describe how each of the program funds were affected.
   Response Format: Word Document or MS Word Compatible
   Due Date: January 27, 2023

7. Have any additional SDG&E customers experienced any disenrollment from their respective discount program(s) after SDG&E's latest December 7, 2022 update to CPUC's Energy Division?
   Response Format: Word Document or MS Word Compatible
   Due Date: January 27, 2023

8. Has SDG&E resolved all of its CARE/FERA/MBL recertification and notice procedures within its Customer Information System which created the Backlog? If so, please explain the procedure and the date in which the issue(s) were fully resolved within SDG&E's CIS.
   Response Format: Word Document or MS Word Compatible
   Due Date: January 27, 2023

9. In update item #4 of SDG&E's December 7, 2022 Bi-Weekly CARE/FERA/MBL Backlog Progress Updates to CPUC Energy Division, SDG&E stated that it had not resumed credit activities for any residential customers impacted by the Backlog who received a disconnection notice in 2022 and that SDG&E would resume credit activities for these customers at the same time SDG&E resumes residential credit activities for all customers starting in 2023. Has SDG&E currently resumed credit activities for its customers? If so, when did the credit activity resume? If not, when does SDG&E expect to resume its credit activities for these customers?
   Response Format: Word Document or MS Word Compatible
   Due Date: January 27, 2023

END OF REQUEST

SDG&E Response
CPUC - Consumer Protection and Enforcement Division (CPED) Data Request
ELE-00211-01
DATE RECEIVED: January 16, 2023
DATE RESPONDED: January 27, 2023

SDG&E Response:

1. On May 13, 2022, the CPUC's Executive Director approved SDG&E's request for an extension of deadlines to comply with California Alternate Rates for Energy (CARE), Family Electric Rate Assistance (FERA), and Medical Baseline (MBL) recertification requirements. Among one of the requirements in the extension approval was SDG&E's bi-weekly reporting requirement to the Energy Division (ED). Please provide all reports submitted by SDG&E to the ED in compliance with this requirement.
   Response Format: Adobe File
   Due Date: January 27, 2023

   Response:
   Please refer to the attached files for SDG&E's bi-weekly reports listed below
   1. Bi-weekly ED Backlog Update (4-27-22).pdf
   2. Bi-weekly ED Backlog Update (5-11-22).pdf
   3. Bi-weekly ED Backlog Update (5-25-22).pdf
   4. Bi-weekly ED Backlog Update (6-7-22).pdf
   5. Bi-weekly ED Backlog Update (6-22-22).pdf
   6. Bi-weekly ED Backlog Update (7-6-22).pdf
   7. Bi-weekly ED Backlog Update (7-20-22).pdf
   8. Bi-weekly ED Backlog Update (8-03-22).pdf
   9. Bi-weekly ED Backlog Update (8-17-22).pdf
   10. Bi-weekly ED Backlog Update (8-31-22).pdf
   11. Bi-weekly ED Backlog Update (9-14-22).pdf
   12. Bi-weekly ED Backlog Update (9-28-22).pdf
   13. SDGE Bi-Weekly Update re CARE FERA and MBL Backlog Information - October 12 2022
   14. Bi-weekly ED Backlog Update (10-26-22) Final.pdf
   15. Bi-weekly ED Backlog Update (11-9-22).pdf
   16. Bi-weekly ED Backlog Update (11-22-22).pdf
   17. Bi-weekly ED Backlog Update (12-7-22).pdf

SDG&E Response
CPUC - Consumer Protection and Enforcement Division (CPED) Data Request
ELE-00211-01
DATE RECEIVED: January 16, 2023
DATE RESPONDED: January 27, 2023

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2. Please provide a complete list of SDG&E customers who were disenrolled from the CARE, FERA, and MBL bill discount programs between April 5, 2021 to January 12, 2023, which arose from SDG&E's transitioning to its new Customer Information System (CIS) and thus preventing these customers from being able to recertify their eligibility.
   Response Format: Excel Spreadsheet or Excel Compatible
   Due Date: February 3, 2023

   Response:

   SDG&E sought an extension for this question on January 25, 2023, which was subsequently approved on January 26, 2023. Pursuant to that extension, SDG&E will respond to this question by February 3, 2023.

3. Based on the list of customers provided in response #2 above, please also include the following:
    a. Account number
    b. Discount Program(s) affected
    c. Date disenrolled from discount program(s)
    d. Date reenrolled into discount program(s)
    e. Amount credited due to disenrollment from discount program(s)
    f. Date of credit due to disenrollment from discount program(s)

    Response Format: Excel Spreadsheet or Excel Compatible
    Due Date: February 3, 2023

    Response:

    SDG&E sought an extension for this question on January 25, 2023, which was subsequently approved on January 26, 2023. Pursuant to that extension, SDG&E will respond to this question by February 3, 2023.

4. In update item #11 of SDG&E's December 7, 2022 Bi-Weekly CARE/FERA/MBL Backlog Progress Updates to CPUC Energy Division, SDG&E provided a table on the cost to-date for correcting backlog and source of funding for these expenditures. Please describe the specific budget(s) and amount(s) from each budget used to fund the categories noted in the table.
Response Format: Word Document or MS Word Compatible
Due Date: January 27, 2023

Response:

SDG&E used the following budgets and amounts from each budget to fund the three categories noted in the table reported on SDG&E's December 7, 2022 Bi-Weekly CARE/FERA/MBL Backlog Progress Updates to the Energy Division. Below, SDG&E provides a breakdown of the budgets used under each category.

For the category named Additional Processing Labor, $99,162 was funded by the Medical Baseline Program administrative budget, $38,248.20 was funded by the CARE Program Administrative budget, and $4,249.80 was funded by the FERA administrative budget for a total of $141,660.

For the category named Communications to Impacted Customers, $3,070.19 was funded by the CARE Program administrative budget, $64.94 was funded by the FERA Program administrative budget, and $1,608.46 was funded by the Medical Baseline Program administrative budget for a total of $4,743.59.

For the category named Information Technology (IT), $327,900 was funded under the current IT budget.

5. Were any of these budget(s) and amount(s) noted in response #4 above funded by ratepayers? If so, please describe budget and amount for each budget.
   Response Format: Word Document or MS Word Compatible
   Due Date: January 27, 2023

   Response: Yes, all the budget amounts noted in SDG&E's Response to Question 4 above were funded by ratepayers. Please refer to SDG&E's Response to Question 4 above for specific descriptions of each budget and amount.

6. Did the series of events resulting from transitioning to SDG&E's new CIS impact the CARE/FERA/MBL program funding for the years 2021 and/or 2022? If so, please describe how each of the program funds were affected.
Response Format: Word Document or MS Word Compatible
Due Date: January 27, 2023

Response:

SDG&E interprets the "series of events" in this request as the reported backlog incident in the extension request dated May 13, 2022, granted by the Executive Director Letter, and SDG&E responds accordingly below. SDG&E interprets the term "impact" in this request to mean any changes to CARE/FERA/MBL program funding that otherwise would not have occurred had a backlog incident not occurred and responds accordingly below.

The series of events did not impact the CARE, FERA, and Medical Baseline funding for program years 2021 and 2022. As noted in response to question 4 above, SDG&E used 2022 CARE, FERA, and Medical Baseline administrative budget funding to remediate the backlog issue, including adding additional labor for processing applications and sending direct mail and email to impacted customers while staying within the authorized programs' budgets. SDG&E continued to administrate the programs effectively during 2022, while remediating the reported backlog incident. As stated in the response to question 4, costs for system enhancements made necessary because of the transition to SDG&E's new CIS were not funded by the CARE, FERA or Medical Baseline budgets. Please see SDG&E's Response to Question 4 above for a breakdown of the specific program budgets and amounts.

SDG&E Response
CPUC - Consumer Protection and Enforcement Division (CPED) Data Request
ELE-00211-01
DATE RECEIVED: January 16, 2023
DATE RESPONDED: January 27, 2023

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7. Have any additional SDG&E customers experienced any disenrollment from their respective discount program(s) after SDG&E's latest December 7, 2022 update to CPUC's Energy Division?
   Response Format: Word Document or MS Word Compatible
   Due Date: January 27, 2023

   Response:

   Since SDG&E's last Report on December 7, 2022, SDG&E has found no additional customers that have been disenrolled from their respective programs as a result of the backlog. SDG&E continues to monitor customer records.

8. Has SDG&E resolved all of its CARE/FERA/MBL recertification and notice procedures within its Customer Information System which created the Backlog? If so, please explain the procedure and the date in which the issue(s) were fully resolved within SDG&E's CIS.
Response Format: Word Document or MS Word Compatible
Due Date: January 27, 2023

Response:

Yes, once SDG&E discovered the backlog, system enhancements and upgrades to SDG&E's Customer Information System (CIS) were identified and implemented as part of the customer impact solution. These changes were prioritized for development, tested, and deployed, and the final system change was completed on September 13, 2022. As part of SDG&E's ongoing efforts, SDG&E will continue to monitor and develop system automation to further improve processing efficiency.

9. In update item #4 of SDG&E's December 7, 2022 Bi-Weekly CARE/FERA/MBL Backlog Progress Updates to CPUC Energy Division, SDG&E stated that it had not resumed credit activities for any residential customers impacted by the Backlog who received a disconnection notice in 2022 and that SDG&E would resume credit activities for these customers at the same time SDG&E resumes residential credit activities for all customers starting in 2023. Has SDG&E currently resumed credit activities for its customers? If so, when did the credit activity resume? If not, when does SDG&E expect to resume its credit activities for these customers?
Response Format: Word Document or MS Word Compatible
Due Date: January 27, 2023

Response:

No, SDG&E has not yet resumed credit activity for residential customers. SDG&E expects to resume credit activity for its CARE/FERA and MBL customers in Q4 2023.

END OF RESPONSE

Attachment 11:

SDG&E's March 25, 2022 Response to Energy Division's Follow Up Data Request Regarding CARE and MBL Baseline Issue

(Confidential Information has been redacted)

SDG&E RESPONSE TO:

[redacted], ENERGY DIVISION DATA REQUEST

CARE AND MEDICAL BASELINE ISSUE (FOLLOW UP QUESTIONS AND UPDATE)

DATED MARCH 15, 2022

Submitted: March 25, 2022

REQUEST

As SDG&E prepares their Request for Extension letter[1] on this issue, staff wanted to communicate some of the questions that we hope will be addressed in this letter. While we do not want to answer these questions to delay the preparation and submittal of this Request for Extension, the more clarity that can be provided around these questions in this letter (or via email directly to staff) the faster this letter can be processed.

QUESTION:

1. How did this backlog occur? What action is SDG&E taking to prevent this problem from happening again?

SDG&E RESPONSE:

SDG&E believes the backlog occurred for a multitude of reasons. First, SDG&E transitioned to its new Customer Information System (CIS) on April 5, 2021, and as part of this transition, several events occurred: 1) some automatic processing of CARE recertifications was no longer available, making these CARE recertifications more time intensive; 2) certain reports used by SDG&E to manage incoming CARE, FERA, and MBL customer requests were retired, and thus SDG&E did not have access to its regular reports on such requests; and 3) MBL recertification requests became more time intensive to process. Further, on July 1, 2021, pursuant to the lifting of the COVID moratorium, SDG&E relaunched its low-income program recertification process. Initially, any customer with a deadline falling within the first three months after protections were lifted would have their deadlines extended for three months to allow these customers to receive appropriate notice of their upcoming deadline. Unfortunately, the extension caused the number of customers whose deadlines fell within the October 2021 to December 2021 timeframe to double. This event, coupled with the retirement of certain reports, the loss of certain automated processing, and the increase in MBL processing time, likely led to the development of the backlog. SDG&E immediately escalated the issue and began mitigating the backlog by increasing the number of staff processing requests, hiring contractors, prioritizing recertifications and replacing scanning hardware and software.

SDG&E has extended customer recertification deadlines for over 45,000 customers to stop customers from falling off the program who were about to start the recertification process or were in the process of recertifying. Since April 5, 2021, approximately 20,000 customers fell off CARE and FERA and 20,000 customers fell off MBL due to the backlog and CIS issues. SDG&E plans to reinstate all customers who have fallen off CARE, FERA, or MBL who have not already been

[1] SDG&E submitted NOTIFICATION OF REINSTATEMENT OF CUSTOMERS AND REQUEST FOR EXTENSION OF DEADLINES TO COMPLY WITH CALIFORNIA ALTERNATE RATES FOR ENERGY (CARE), FAMILY ELECTRIC RATE ASSISTANCE (FERA), AND MEDICAL BASELINE (MBL) RECERTIFICATION REQUIREMENTS addressed to Executive Director Rachel Peterson on March 17, 2022.

managed or reinstated through processing. SDG&E is currently developing and testing a program to reinstate the remaining customers. Once these customers are reinstated, SDG&E will need to extend these customers' recertification deadlines from 90 days to up to 2 years to prevent this from happening again.

SDG&E will also be conducting an extensive review of its CARE, FERA, and MBL recertification and notice procedures and will be implementing additional processing automation in coordination with our digital team.

QUESTION:

2. We understand SDG&E will request an extension to suspend re-certifications for up to 90 days (maybe longer). How will the delay impact disconnections, customer bills, customers' ability to participate in other low-income, payment assistance, or summer reliability programs?

    a. California Alternate Rates for Energy (CARE)

SDG&E RESPONSE:

SDG&E does not anticipate any impact to disconnections, customer bills, ability to participate in other low-income programs, payment assistance, or summer reliability programs to customers impacted by the extension of recertifications. The extension will allow customers to remain in the CARE program for additional time. Additionally, SDG&E has placed a lock on all disconnection activity for all Expanded CARE customers on a commercial account, to ensure they are not subject to disconnection notices. SDG&E has not yet resumed disconnection activity for residential customers.

    b. Family Electric Rates Assistance (FERA)

SDG&E RESPONSE:

SDG&E does not anticipate any impact to disconnections, customer bills, ability to participate in other low-income programs, payment assistance, or summer reliability programs. The extension of recertifications will allow customers to remain in the FERA program for additional time.

    c. Energy Savings Assistance (ESA). How will the backlog affect new eligibility requirements effective 7/1/22?

SDG&E RESPONSE:

SDG&E does not anticipate that the backlog will have a significant impact on the new eligibility requirements for the ESA Program. The ESA Program leverages CARE/FERA marketing

campaigns that are targeting potential new program enrollees. This extension is specific to CARE and FERA customers recertifying their eligibility.

d. Percentage of Income Payment Plan (PIPP). How will SDG&E handle enrollments for those targeted but not yet enrolled in PIPP?

SDG&E RESPONSE:

SDG&E does not anticipate an impact to the implementation of the pilot including enrollments or targeting of potential customers. SDG&E expects restoration of CARE status before PIPP Pilot ME&O will begin. Extensions to CARE, FERA and MBL recertification deadlines should not impact PIPP pilot enrollment or targeting in any way.

e. Medical Baseline (MBL)

SDG&E RESPONSE:

SDG&E does not anticipate any impact to disconnections, customer bills, ability to participate in other low-income programs, payment assistance, or summer reliability programs. The extension of recertifications will allow customers to remain in the MBL program for additional time.

QUESTION:

3. How will the delay affect program goals and implementation of the programs above?

SDG&E RESPONSE:

CARE: SDG&E does not anticipate the delay in processing recertifications will affect the implementation of the CARE Program or program goals. As of February 2022, SDG&E's CARE program penetration rate is [redacted].

FERA: SDG&E does not anticipate the delay in processing recertifications will affect the implementation of the FERA Program or program goals. As of February 2022, SDG&E's FERA program penetration rate is [redacted] and per D.21-06-015, SDG&E's goal is to reach 50% penetration by 2023.[2]

[2] Ordering Paragraph 24 and Table 3 in Attachment 1 of D.21-06-015 establishes 50% participant/enrollment goal.

ESA: SDG&E does not anticipate the delay in processing recertifications will cause any delay in the implementation of the ESA Program or realizing program goals.

PIPP Pilot: SDG&E does not anticipate an impact to the implementation of the pilot contingent on the restoration of CARE status before the approval of Advice Letter3941-E/3058-G.

MBL: As of February 2022, the number of customers enrolled in MBL is 46,903 and per Resolution E-5169,[3] SDG&E has an enrollment goal of 58,877 for program year 2022. In an effort to meet its program enrollment goal for 2022, SDG&E plans to launch targeted marketing campaigns and partner with medical facilities and CBOs.

QUESTION:

4. What is SDG&E's mitigation plan for those customers missing opportunities to participate in other low-income programs?

SDG&E RESPONSE:

SDG&E does not anticipate that customers will miss opportunities to participate in other low-income programs. Further, SDG&E intends to conduct a marketing campaign targeting CARE and FERA recertified customers for participation in the ESA program.

QUESTION:

5. SDG&E communicated to Energy Division that it will adjust customer bills for any delayed discounts arising from the backlog. How and when will SDG&E implement the bill adjustments?

SDG&E RESPONSE:

SDG&E has developed an IT program that is currently being used to automatically correct any customer bills that did not receive discounts or additional medical allowances due to the rising backlog. The IT program is run once a customer has been reinstated on MBL, CARE, or FERA and corrects (rebills) any bills where the discount or additional medical baseline allowances were not applied. SDG&E is processing these corrections in

[3] Ordering Paragraph 2 of Resolution E-5169 approves enrollment goal to increase Medical Baseline enrollment relative to 2018 levels by 7 percent in 2021, 8 percent above 2018 levels in 2022, and 9 percent above 2018 levels in 2023.

compliance with SDG&E's Rule 18. SDG&E plans to continue to use this program to correct any impacted customer bills after a customer has been reinstated on MBL, CARE, or FERA.

QUESTION:

6. What type of communications will SDG&E provide to customers impacted by the backlog, community-based organizations, and contractors?

SDG&E RESPONSE:

SDG&E will send a targeted notification by email or mail to customers who have been impacted. SDG&E has included a message on its program web pages noting the increase in wait time for recertifications. Additionally, SDG&E will provide talking points to CBOs, contractors, and SDG&E's Customer Care Center representatives, should they receive customer inquiries.

QUESTION:

7. Are there any other issues that the Energy Division should be aware of due to application processing delays and suspending re-certifications?

SDG&E RESPONSE:

Not currently. For awareness, SDG&E met with the Low-Income Oversight Board (LIOB) on Thursday, March 24, 2022, to walk them through this situation. SDG&E also intends to meet regularly with Energy Division staff to continue this dialogue beginning with a meeting already calendared for Wednesday, March 30, 2022.

Attachment 12:

SDG&E's Bi-Weekly CARE, FERA, and MBL Backlog Process Updates to the CPUC's Energy Division on November 9, 2022

Bi-Weekly CARE/FERA/MBL Backlog Progress Updates to CPUC Energy Division
November 9, 2022

SDG&E submits the update below, pursuant to the additional requirements ordered by the Executive Director in granting the Request for an Extension of Deadlines to Comply with California Alternate Rates for Energy (CARE), Family Electric Rate Assistance (FERA), and Medical Baseline (MBL) Recertification Requirements submitted by SDG&E on March 17, 2022. SDG&E's request was granted on May 13, 2022, with additional requirements as incorporated below.

1. **Reinstate impacted MBL customers by May 16, 2022**

   No change from the May 25 update. SDG&E reinstated impacted MBL customers by May 16, 2022, as required by the CPUC Executive Director extension request approval letter.

   MBL Customers/Recertification Notice

   On October 19, 2022, SDG&E identified 518 MBL customers who were removed from the program due to their failure to recertify. These customers were provided notice prior to SDG&E pausing the recertification process in February but then had their enrollment dates extended as part of the backlog remediation. As a result of system logic, because the customer received prior notice, the system was not triggered to send an additional notice regarding their new enrollment end dates, in accordance with SDG&E's revised notification procedures. Although these customers did receive notice, did not act, and were subsequently removed from the MBL program, out of an abundance of caution, and to ensure a fair approach for all customers, SDG&E is reinstating the impacted customers.

   Additionally, SDG&E will reissue recertification notices to allow the customers an additional opportunity to renew their eligibility.

   SDG&E identified the issue before the customers' next bill cycle; therefore, no bill correction is necessary, and the customers will remain enrolled in MBL. SDG&E is revising its system logic to ensure that all extended customers receive notifications within 120 and 60 days of the new enrollment end date, independent of prior notice, and will continue to monitor this issue.

2. **Reinstate impacted CARE and FERA customers by May 16, 2022**

   No change from the May 25 update. SDG&E reinstated impacted CARE and FERA customers by May 16, 2022, as required by the CPUC Executive Director extension request approval letter.

   CARE/FERA Customers/Recertification Notice

   SDG&E identified the same recertification notice circumstance for CARE and FERA customers as mentioned above with respect to MBL customers. A total of 1,140 CARE/FERA customers were removed from

the program due to their failure to recertify. As a courtesy, and to ensure fairness to all customers, SDG&E reinstated the impacted customers and will reissue recertification notices to allow customers an additional opportunity to renew their eligibility. Additionally, SDG&E plans to make outbound calls to the impacted customers to remind them of the importance of completing the recertification process.

As of November 9, 2022, SDG&E has identified a total of 121 CARE/FERA accounts that will require a rebill. SDG&E is continuing to investigate the remaining sub metered accounts to ensure that no customers are missing from SDG&E's query, and if any additional rebills are required, they will be handled promptly.

3. **Correct customer billing for MBL, CARE and FERA customers by May 31, 2022**

SDG&E has completed the billing corrections for reinstated customers. As noted in the Commission's approval of SDG&E's Request, a small number of more complex billing transactions required additional time to correct, but now are corrected.

4. **SDG&E to propose special mitigation/accommodation plan to Energy Division by May 20, 2022 for any customers impacted by backlog who may receive a disconnection notice in 2022**

A response was provided to the CPUC on May 20, 2022. SDG&E has currently not resumed credit activities for any residential customers. SDG&E will resume credit activities for these customers at the same time SDG&E resumes residential credit activities for all customers starting in 2023.

5. **Status of backlog that shows Total Pending and Total Reinstated by program type (MBL, CARE and FERA)**

No change from the May 25 update.

Program Type	Total Pending	Total Reinstated
MBL	0	~18,600
CARE	0	~18,400
FERA	0	~1,200

6. **Status of CARE/FERA/MBL extension notifications sent and counts of customers notified**

No change from the May 25 update. From April 19 – 22, 2022, SDG&E sent 15,477 emails and 1,435 direct mailers to customers reinstated in MBL. From May 3 – 6, 2022, SDG&E sent 13,618 emails and 3,455 direct mailers to customers reinstated in CARE. SDG&E sent 1,060 emails and 87 direct mailers to customers reinstated in FERA.

Bi-Weekly CARE/FERA/MBL Backlog Progress Updates to CPUC Energy Division
November 9, 2022

7. **Status of back-billing corrections that shows Total Pending Back-Billing Corrections and Total Completed Back-Billing Corrections by program type (MBL, CARE and FERA)**

Program Type	Total Pending	Total Completed
MBL	0	17,168
CARE	0	18,161
FERA	0	1,168

8. **Status of the new reinstatement process in SDG&E's CIS**

No change from the May 25 update. SDG&E interprets this to mean its new process to stagger recertification deadlines for MBL, CARE, and FERA participants to aid in capacity planning and mitigate the risk of future backlogs. Please refer to SDG&E's response to #9 for a status update.

9. **Status of modelling how updated recertification deadlines from 90 days to up to 2 years will be staggered for customers impacted by backlog**

SDG&E has resumed sending recertification notices to MBL customers as their enrollment end date approaches. The volume for CARE and FERA recertifications will remain at a reduced (50% per month) level until additional automation efforts are implemented to support processing capacity in 2023. To further aid in capacity planning, SDG&E will send recertification notices at 120 and 60 days, a change from 90 and 60 days respectively, from the customer's enrollment end date to allow for additional time for customers to recertify and for SDG&E processing of recertification requests.

10. **Status of SDG&E's strategy for auditing customers via post-enrollment verification process, including number of backlogged CARE and FERA customers audited**

No change from the June 22 update. SDG&E has increased its Post Enrollment Verification (PEV) processing to current Commission authorized levels. SDG&E will leverage its new CIS to generate a randomized sample of program participants for PEV. SDG&E intends to conduct PEVs each month throughout the remainder of 2022.

SDG&E is not singling out backlog-impacted CARE and FERA among its PEV population, though presumably, some of the impacted customers would be among the sample PEV pool post reinstatement.

11. Total cost to-date for correcting backlog and source of funding for these expenditures

No change from the October 26 update. SDG&E estimated the following costs to remediate the backlog issue. SDG&E utilized existing operating budgets to fund these activities.

Category	Estimated Amounts
Additional Processing Team Labor[1]	$141,660
Communications to Impacted Customers[2]	$4,743
Information Technology (IT)[3]	$327,900
TOTAL	***$474,303***

[1] Includes additional temporary labor, as well as overtime for full-time employees.
[2] Includes the costs to send direct mail and email to impacted customers.
[3] Includes labor and non-labor, such as contractors, to complete system-intensive program reinstatements, bill corrections, and extensions of recertification dates while the remediation efforts were underway.

Attachment 13:

SDG&E's February 3, 2023 Confidential Response (Updated on March 20, 2023) to Questions 2 and 3 of CPED Data Request DR-ELE-00211-01

SDG&E Response
CPUC - Consumer Protection and Enforcement Division (CPED) Data Request
ELE-00211-01 Questions 2 and 3 (*only*)
DATE RECEIVED: January 16, 2023
DATE RESPONDED: February 3, 2023

Data Request:

Please provide the following information for Data Request DR-ELE-00211-01

1. On May 13, 2022, the CPUC's Executive Director approved SDG&E's request for an extension of deadlines to Comply with California Alternate Rates for Energy (CARE), Family Electric Rate Assistance (FERA), and Medical Baseline (MBL) recertification requirements. Among one of the requirements in the extension approval was SDG&E's bi-weekly reporting requirement to the Energy Division (ED). Please provide all reports submitted by SDG&E to the ED in compliance with this requirement.
   Response Format: Adobe File
   Due Date: January 27, 2023

2. Please provide a complete list of SDG&E customers who were disenrolled from the CARE, FERA, and MBL bill discount programs between April 5, 2021 to January 12, 2023, which arose from SDG&E's transitioning to its new Customer Information System (CIS) and thus preventing these customers from being able to recertify their eligibility.
   Response Format: Excel Spreadsheet or Excel Compatible
   Due Date: January 27, 2023

3. Based on the list of customers provided in response #2 above, please also include the following:
   a. Account number
   b. Discount Program(s) affected
   c. Date disenrolled from discount program(s)
   d. Date reenrolled into discount program(s)
   e. Amount credited due to disenrollment from discount program(s)
   f. Date of credit due to disenrollment from discount program(s)

   Response Format: Excel Spreadsheet or Excel Compatible
   Due Date: January 27, 2023

4. In update item #11 of SDG&E's December 7, 2022 Bi-Weekly CARE/FERA/MBL Backlog Progress Updates to CPUC Energy Division, SDG&E provided a table on the cost to-date for correcting backlog and source of funding for these expenditures. Please describe the specific budget(s) and amount(s) from each budget used to fund the categories noted in the table.
   Response Format: Word Document or MS Word Compatible
   Due Date: January 27, 2023

5. Were any of these budget(s) and amount(s) noted in response #4 above funded by ratepayers? If so, please describe budget and amount for each budget.
   Response Format: Word Document or MS Word Compatible
   Due Date: January 27, 2023

6. Did the series of events resulting from transitioning to SDG&E's new CIS impact the CARE/FERA/MBL program funding for the years 2021 and/or 2022? If so, please describe how each of the program funds were affected.
   Response Format: Word Document or MS Word Compatible
   Due Date: January 27, 2023

7. Have any additional SDG&E customers experienced any disenrollment from their respective discount program(s) after SDG&E's latest December 7, 2022 update to CPUC's Energy Division?
   Response Format: Word Document or MS Word Compatible
   Due Date: January 27, 2023

8. Has SDG&E resolved all of its CARE/FERA/MBL recertification and notice procedures within its Customer Information System which created the Backlog? If so, please explain the procedure and the date in which the issue(s) were fully resolved within SDG&E's CIS.
   Response Format: Word Document or MS Word Compatible
   Due Date: January 27, 2023

9. In update item #4 of SDG&E's December 7, 2022 Bi-Weekly CARE/FERA/MBL Backlog Progress Updates to CPUC Energy Division, SDG&E stated that it had not resumed credit activities for any residential customers impacted by the Backlog who received a disconnection notice in 2022 and that SDG&E would resume credit activities for these customers at the same time SDG&E resumes residential credit activities for all customers starting in 2023. Has SDG&E currently resumed credit activities for its customers? If so, when did the credit activity resume? If not, when does SDG&E expect to resume its credit activities for these customers?
   Response Format: Word Document or MS Word Compatible
   Due Date: January 27, 2023

END OF REQUEST

SDG&E Response
CPUC - Consumer Protection and Enforcement Division (CPED) Data Request
ELE-00211-01 Questions 2 and 3 (*only*)
DATE RECEIVED: January 16, 2023
DATE RESPONDED: February 3, 2023

SDG&E Response:

2. Please provide a complete list of SDG&E customers who were disenrolled from the CARE, FERA, and MBL bill discount programs between April 5, 2021 to January 12, 2023, which arose from SDG&E's transitioning to its new Customer Information System (CIS) and thus preventing these customers from being able to recertify their eligibility.
Response Format: Excel Spreadsheet or Excel Compatible
Due Date: February 3, 2023

Response:

San Diego Gas & Electric Company (SDG&E) sought an extension for this question on January 25, 2023, which was subsequently approved on January 26, 2023. Pursuant to that extension, SDG&E provides the following response to this question.

The files listed below contains CONFIDENTIAL information – Pursuant to Public Utilities Code Section 583, General Order 66-D Revision 2, Decision 21-09-020. The detailed justification is provided in Attachment A of the accompanying Declaration.

SDG&E also notes that the total number of accounts listed in the files below will differ slightly from the total number of applications previously reported in SDG&E's bi-weekly CARE/FERA/MBL backlog progress update to the Energy Division. This is due to sub-meter accounts having more than one application and Medical Baseline (MBL) accounts having multiple patients under one account.

Please find attached list of SDG&E customers in "MBL_CARE_FERA_Reinstated_2022_Confidential.xlsx" and "MBL_CARE_FERA_Reinstated_NoNotice_2022_Confidential.xlsx" for San Diego Gas & Electric's (SDG&E) response.

Additionally, SDG&E notes that in its December 7, 2022 update to the Energy Division, it stated that 100% of California Alternate Rates for Energy (CARE), Family Electric Rate Assistance (FERA), and MBL reinstatements and associated billing corrections had occurred. However, upon further review, SDG&E identified approximately 2.3% of CARE/FERA customers (444) and 0.14% of Medical Baseline Customers (25) for whom a billing correction may still be needed. SDG&E intends to review these customer accounts as soon as possible and will send an update if any additional action is required.

3. Based on the list of customers provided in response #2 above, please also include the following:
    a. Account number
    b. Discount Program(s) affected
    c. Date disenrolled from discount program(s)
    d. Date reenrolled into discount program(s)
    e. Amount credited due to disenrollment from discount program(s)
    f. Date of credit due to disenrollment from discount program(s)

    Response Format: Excel Spreadsheet or Excel Compatible
    Due Date: February 3, 2023

    Response:

    SDG&E sought an extension for this question on January 25, 2023, which was subsequently approved on January 26, 2023. Pursuant to that extension, SDG&E provides the following response to this question.

    Please see SDG&E's response to Question 2 above.

Attachment 14:

SDG&E's Bi-Weekly CARE, FERA, and MBL Backlog Process Updates to the CPUC's Energy Division on June 22, 2022

Bi-Weekly CARE/FERA/MBL Backlog Progress Updates to CPUC Energy Division

June 22, 2022

SDG&E submits the update below, pursuant to the additional requirements ordered by the Executive Director in granting the Request for an Extension of Deadlines to Comply with California Alternate Rates for Energy, Family Electric Rate Assistance, and Medical Baseline Recertification Requirements submitted by SDG&E on March 17, 2022. SDG&E's request was granted on May 13, 2022, with additional requirements as incorporated below.

1. **Reinstate impacted MBL customers by May 16, 2022**

   No change from the May 25 update. SDG&E reinstated impacted MBL customers by May 16, 2022, as required by the CPUC Executive Director extension request approval letter.

2. **Reinstate impacted CARE and FERA customers by May 16, 2022**

   No change from the May 25 update. SDG&E reinstated impacted CARE and FERA customers by May 16, 2022, as required by the CPUC Executive Director extension request approval letter.

3. **Correct back-billing corrections for MBL, CARE and FERA customers by May 31, 2022**[1]

   SDG&E has completed approximately 93% of the billing corrections for reinstated customers. As noted in the Commission's approval of SDG&E's Request, a small number of more complex billing transactions require additional time to correct. The remaining bill corrections fall into this category, which are currently in progress.

4. **SDG&E to propose special mitigation/accommodation plan to Energy Division by May 20, 2022 for any customers impacted by backlog who may receive a disconnection notice in 2022**

   No change from the May 25 update. A response was provided to the CPUC on May 20, 2022. Since then, SDG&E still proposes a credit activity special accommodation for those CARE, FERA and MBL customers inadvertently dropped from their respective programs as a result of the issues impacting SDG&E's backlog, though with a slight change to SDG&E's internal methodology on how to do so. In lieu of a dunning lock, which now appears to be unviable for this special accommodation, SDG&E is exploring

[1] SDG&E notes that footnote 5 in the CPUC Executive Director extension request approval letter states the following: While there may be a handful of cases that may take additional time to correct, we expect the majority of back-billing issues to be resolved by this time.

other system solutions such as postponement of turning on credit strategies for categories of customers that would include those impacted by the backlog. The chosen solution will be applied prior to the resumption of residential credit activities by SDG&E through September 30, 2022. SDG&E will resume credit activities on October 1, 2022, for these customers, assuming residential credit activities have resumed generally. This special accommodation will extend the current, temporary suspension of both credit noticing and credit activity through the summer and early fall when customers typically experience higher bills.

5. **Status of backlog that shows Total Pending and Total Reinstated by program type (MBL, CARE and FERA)**

No change from the May 25 update.

Program Type	Total Pending	Total Reinstated
MBL	0	~18,600
CARE	0	~18,400
FERA	0	~1,200

6. **Status of CARE/FERA/MBL extension notifications sent and counts of customers notified**

No change from the May 25 update. From April 19 – 22, 2022, SDG&E sent 15,477 emails and 1,435 direct mailers to customers reinstated in MBL. From May 3 – 6, 2022, SDG&E sent 13,618 emails and 3,455 direct mailers to customers reinstated in CARE. SDG&E sent 1,060 emails and 87 direct mailers to customers reinstated in FERA.

7. **Status of back-billing corrections that shows Total Pending Back-Billing Corrections and Total Completed Back-Billing Corrections by program type (MBL, CARE and FERA)**

Program Type	Total Pending	Total Completed
MBL	1,063	15,003
CARE	1,436	16,757
FERA	94	1,075

8. **Status of the new reinstatement process in SDG&E's CIS**

No change from the May 25 update. SDG&E interprets this to mean its new process to stagger recertification deadlines for MBL, CARE, and FERA participants to aid in capacity planning and mitigate the risk of future backlogs. Please refer to SDG&E's response to #9 for a status update.

9. **Status of modelling how updated recertification deadlines from 90 days to up to 2 years will be staggered for customers impacted by backlog**

SDG&E is in the process of determining the number of CARE, FERA and MBL recertifications per month that will be staggered over a 2-year period to support processing capacity and automation efforts. Also, to further aid in capacity planning, SDG&E will send recertification notices at 120 and 60 days, a change from 90 and 60 days respectively, from the customer's enrollment end date to allow for additional time for customers to recertify and for SDG&E processing of recertification requests.

Around 3,300 MBL customers will receive a secondary recertification due to a technical status correction. This will result in an additional 1 or 2 years before their next recertification is due. The additional time added will be dependent on their permanent (2 years) or non-permanent (1 year) condition.

10. **Status of SDG&E's strategy for auditing customers via post-enrollment verification process, including number of backlogged CARE and FERA customers audited**

SDG&E has increased its Post Enrollment Verification (PEV) processing to current Commission authorized levels. SDG&E will leverage its new CIS to generate a randomized sample of program participants for PEV. SDG&E intends to conduct PEVs each month throughout the remainder of 2022. SDG&E is not singling out backlog-impacted CARE and FERA among its PEV population, though presumably, some of the impacted customers would be among the sample PEV pool post reinstatement.

11. **Total cost to-date for correcting backlog and source of funding for these expenditures**

SDG&E estimated the following costs to remediate the backlog issue. SDG&E utilized existing operating budgets to fund these activities.

Category	**Estimated Amounts**
Additional Processing Team Labor[2]	$141,660
Communications to Impacted Customers[3]	$5,366
Information Technology (IT)[4]	$327,900
TOTAL	*$474,926*

[2] Includes additional temporary labor, as well as overtime for full-time employees.
[3] Includes the costs to send direct mail and email to impacted customers.
[4] Includes labor and non-labor, such as contractors, to complete system-intensive program reinstatements, bill corrections, and extensions of recertification dates while the remediation efforts were underway.

Attachment 15:

SDG&E's April 20, 2023 Email Response to CPED's Follow Up Questions Regarding SDG&E's Response to Data Request ELE-00211-01

(Confidential Information has been redacted)

Banuelos, Victor F.

From: [redacted]
Sent: Thursday, April 20, 2023 12:48 PM
To: Banuelos, Victor F.
Cc: [redacted]
Subject: [EXTERNAL] RE: SDG&E Data Request ELE-00211-01 Follow Up

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good Afternoon Victor,
Please find the responses to your questions below –

1. Were any SDG&E CARE, FERA and MBL customers who were disenrolled from their respective programs due to the Backlog issue disconnected by SDG&E?
   None of the SDG&E CARE, FERA and MBL customers who were disenrolled from their respective programs due to the Backlog issue were disconnected for nonpayment.
   a. If so, how many CARE, FERA and MBL customers were disconnected? Please provide specific amounts for each discount program. N/A
2. If any SDG&E CARE, FERA, or MBL customers were disconnected due to the Backlog issue, have all of these disconnected customers been reconnected? N/A
   a. If so, how many have been reconnected? Please provide specific amounts for each discount program. N/A
   b. If not, please provide reason for disconnection for each customer and reason for not reconnecting them back with SDG&E. N/A

Thanks,
[redacted]
SDG&E Regulatory Business Manager
[redacted]

From: Banuelos, Victor F. <victor.banuelos@cpuc.ca.gov>
Sent: Tuesday, April 18, 2023 3:59 PM
To: [redacted]
Cc: [redacted]
Subject: [EXTERNAL] SDG&E Data Request ELE-00211-01 Follow Up

CAUTION! EXTERNAL SENDER STOP, ASSESS, AND VERIFY

Do you know this person? Were you expecting this email, any links or attachments? Does the content make sense? If suspicious, do not click links, open attachments, or provide credentials. Don't delete it. **Report it by using the REPORT SPAM option!**

Good afternoon [redacted],
I hope you are well. As I have been reviewing all the data and the responses you provided, I'm attempting to confirm and get some clarification on a couple of issues:

1. Were any SDG&E CARE, FERA and MBL customers who were disenrolled from their respective programs due to the Backlog issue disconnected by SDG&E?
   a. If so, how many CARE, FERA and MBL customers were disconnected? Please provide specific amounts for each discount program.
2. If any SDG&E CARE, FERA, or MBL customers were disconnected due to the Backlog issue, have all of these disconnected customers been reconnected?
   a. If so, how many have been reconnected? Please provide specific amounts for each discount program.

b. If not, please provide reason for disconnection for each customer and reason for not reconnecting them back with SDG&E.

This may be a quick response, if so, can you please respond by the end of this week, Friday April 20, 2023, or sooner if possible. If this requires a longer and more detailed response, I would request that the responses be provided by Friday April 28, 2023.

Please feel free to contact me at your earliest convenience should you have any questions or concerns.

Thanks in advance!!

Victor F. Bañuelos
Senior Investigator / Regulatory Analyst
Utilities Enforcement Branch
Consumer Protection and Enforcement Division
505 Van Ness Avenue, San Francisco, CA 94102
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This email originated outside of Sempra. Be cautious of attachments, web links, or requests for information.

ATTACHMENT B

ADMINISTRATIVE CONSENT ORDER
and
SETTLEMENT AGREEMENT

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

In the matter of: INVESTIGATION OF SAN DIEGO GAS & ELECTRIC COMPANY'S BILLING AND ENROLLMENT ISSUES WITH THE CALIFORNIA ALTERNATE RATES FOR ENERGY, FAMILY ELECTRIC RATE ASSISTANCE, AND MEDICAL BASELINE BILL DISCOUNT PROGRAMS.	[PROPOSED] ADMINISTRATIVE CONSENT ORDER AND AGREEMENT Issued pursuant to Commission Resolution M-4846 (adopting Commission Enforcement Policy)

[PROPOSED] ADMINISTRATIVE CONSENT ORDER AND AGREEMENT

Dated: September 18, 2024

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APPENDIX A-1

[PROPOSED] ADMINISTRATIVE CONSENT ORDER AND AGREEMENT

This Administrative Consent Order and Agreement (hereinafter "ACO" or Agreement") is entered into and agreed to by and between the Utilities Enforcement Branch ("UEB") of the Consumer Protection and Enforcement Division ("CPED") of the California Public Utilities Commission ("CPUC" or "Commission") and San Diego Gas & Electric Company ("SDG&E") (collectively, "Parties") pursuant to Resolution M-4846, dated November 5, 2020, titled *Resolution Adopting Commission Enforcement Policy*.

WHEREAS:

- The Commission has authorized CPED "to investigate, negotiate, and draft proposed Administrative Consent Orders, subject to review and consideration by the Commission" via resolution;[1]
- The Commission's Enforcement Policy requires that a "negotiated proposed settlement . . . be memorialized in a proposed Administrative Consent Order," which requires certain items as set forth in Section 2, below;[2]
- Consistent with Resolution M-4846, this ACO is a product of direct negotiations between the Parties to resolve and dispose of all claims, allegations, liabilities and defenses related to the investigation into SDG&E's alleged noncompliance with requirements for California Alternate Rates for Energy ("CARE"), Family Electric Rate Assistance ("FERA"), and Medical Baseline ("MBL") (collectively, "Bill Discount Programs") customers pursuant to Resolutions M-4842 and M-

[1] Resolution M-4846 at 15 (Findings and Conclusions No. 8).

[2] Resolution M-4846, Enforcement Policy at 10.

4849 and California Public Utilities Code sections 451 and 532.[3] ("CPED's Investigation of SDG&E's Alleged Bill Discount Programs Non-Compliance").

- This ACO is entered into as a compromise of disputed claims and defenses in order to minimize the time, expense, and uncertainty of an evidentiary hearing, any further enforcement proceedings, and/or any subsequent appeals, and with the Parties having taken into account the possibility that each of the Parties may or may not prevail on any given issue, and to expedite timely action on initiatives that benefit California consumers;
- The Parties agree to the following terms and conditions as a complete and final resolution of all claims which have been, or might have been, brought by CPED related to CPED's Investigation of SDG&E's Alleged Bill Discount Programs Non-Compliance, and all SDG&E's defenses thereto, based on the information available to the Parties, and without trial and adjudication of any issue of law or fact.

NOW, THEREFORE it is agreed that this ACO is made and entered into as of this September 18, 2024 as follows:

I. PARTIES

The parties to this ACO and Agreement are CPED and SDG&E. CPED is a Division of the Commission charged with enforcing compliance with the Public Utilities Code, other relevant utility laws, and the Commission's rules, regulations, orders, and decisions. SDG&E is a public utility, as defined by the California Public Utilities Code, and an investor-owned utility

[3] SDG&E maintains that Public Utilities Code sections 451 and 532 are inapplicable to the alleged non-compliance, and even if applicable, SDG&E maintains that it did not violate these statutes.

("IOU") organized under the laws of the State of California and regulated by the CPUC. SDG&E provides natural gas and electricity to San Diego County and Southern Orange County residents in Southwestern California. It serves approximately 1.6 million residential, commercial, and industrial consumers and offers the CARE, FERA, and MBL discount programs to its qualified customers.

II. ELEMENTS REQUIRED BY SECTION III.A.7 OF THE COMMISSION'S ENFORCEMENT POLICY FOR ADMINISTRATIVE CONSENT ORDERS

Except as explicitly stated herein, the Parties expressly agree and acknowledge that neither this ACO nor any act performed hereunder is, or may be deemed, an admission or evidence of the validity or invalidity of any allegations or claims of CPED, nor is the Agreement or any act performed hereunder to be construed as an admission or evidence of any wrongdoing, fault, omission, negligence, imprudence, or liability on the part of SDG&E. This is a negotiated settlement of disputed matters.

A. The law or Commission order, resolution, decision, or rule violated by the regulated entity

Part II of the Appendix to this ACO sets forth CPED's allegations of SDG&E's violations of Commission rules.

B. The facts that form the basis for each violation

Part I of the Appendix to this ACO contains relevant stipulated facts relating to CPED's Investigation of SDG&E's Alleged Bill Discount Programs Non-Compliance. Part II of the Appendix contains the facts that form the basis for CPED's alleged violations, and SDG&E responses thereto.

C. The number of violations including the dates on which violations occurred

Part II of the Appendix sets forth CPED's alleged violations, with corresponding dates.

D. Information related to the potential for additional or ongoing violations

The Parties intend this Agreement to be a complete and final resolution of all claims which have been, or might have been, brought by CPED related to CPED's Investigation of SDG&E's Alleged Bill Discount Programs Non-Compliance based on the information known, or that could have been known by the Parties.

E. An agreement by the regulated entity to correct each violation

SDG&E asserts and agrees that it has remediated any alleged continuing violations, and that it made several efforts to avoid a recurrence, including (1) SDG&E now tracks processing time on every application type, including recertifications; (2) SDG&E implemented work volume reporting to accurately track and forecast monthly recertification volumes for the next two plus years, enabling proactive planning and resource allocation; (3) SDG&E temporarily staggered monthly recertification volumes to ensure even workload distribution each month, minimizing the future risk of backlog accumulation; (4) SDG&E implemented Customer Information System (CIS) enhancements to reduce processing time per application; (5) SDG&E automated CARE and FERA paper recertifications using optical character recognition and machine learning to read customers' handwriting, meaning paper applications are processed up to five times faster and with fewer errors; (6) SDG&E automated MBL self-certification in April 2024; (7) SDG&E replaced its mail processing systems with newer machines with six times greater capacity; and (8) all MBL, CARE, and FERA applications have been processed within 30 days since May 2022.

F. An agreement by the regulated entity to pay any penalty by a date specified

1. Payment to the Neighbor-to-Neighbor Program

SDG&E shall pay a total of $1 million to SDG&E's Neighbor-to-Neighbor Program at shareholder's expense. SDG&E certifies that this amount is in addition to any amount SDG&E

would otherwise fund the Program in 2024 and going forward. The amount of $1 million will be paid to Neighbor-to-Neighbor within 30 days of final Commission Approval of this ACO. Neighbor-to-Neighbor is a shareholder-funded program administered by United Way of San Diego County on behalf of SDG&E to provide financial relief to residential customers struggling to pay their utility bills. There is no income qualification requirement to participate in Neighbor-to-Neighbor.

2. Penalty to the General Fund

SDG&E will pay $1.625 million to the General Fund at shareholder expense. This amount will be paid within 30 days of final Commission Approval of this ACO.

The terms of the ACO reflects the Parties' integrated agreement inclusive of the anticipated tax treatment of the ACO Amounts set forth in Section II. Having considered the potential tax treatment applicable to the ACO Amounts, the Parties expressly agree that the ACO Amounts are fair, just, and reasonable without any adjustment to account for any tax benefits or liabilities that may be realized by SDG&E or its shareholders.

III. ADDITIONAL TERMS

A. Confidentiality

The Parties agree to continue to abide by the confidentiality provisions and protections of Rule 12.6 of the Commission's Rules of Practice and Procedure, which governs the discussions, admissions, concessions, and offers to settle that preceded execution of this ACO and Agreement and that were exchanged in all efforts to support its approval. Those prior negotiations and communications shall remain confidential indefinitely, and the Parties shall not disclose them outside the negotiations without the consent of both Parties.

B. Future Proceedings

The Parties agree to avoid and abstain from making any collateral attacks on this ACO or taking positions in other venues that would undermine the effect or intent of the ACO.

CPED shall not assert or support any argument or assertions that any noncompliance or conduct underlying the alleged or identified noncompliance herein are or can be the basis for future disallowances, violations, or penalties.

CPED agrees to release and refrain from instituting, directing, or maintaining any noncompliance or enforcement proceedings against SDG&E related to the alleged noncompliance regarding disenrollment of customers addressed herein based on the information: (a) known, or that could have been known, to CPED at the time that CPED executes this ACO, or (b) substantially similar to the violations alleged against SDG&E related to the alleged disenrollment of customers referenced in this ACO.

Nothing in this ACO constitutes a waiver by CPED of its legal obligations, authority, or discretion to investigate and enforce applicable requirements (including, without limitation, Resolution M-4842 or Resolution M- 4849, and Public Utilities Code sections 451 and 532) as to other conduct by SDG&E unrelated to the alleged disenrollment of customers addressed herein that CPED may identify as the basis for any alleged violation(s). CPED shall retain such authority regardless of any factual or legal similarities that other SDG&E conduct, and any alleged violation(s), may have to SDG&E's alleged noncompliance related to the disenrollment of customers addressed herein. Accordingly, any such similarities shall not preclude CPED from using other conduct and alleged violation(s) as a basis for seeking future disallowances and/or penalties.

C. Regulatory Approval Process

Pursuant to Resolution M-4846, this ACO shall be submitted for public notice and comment. Upon approval or ratification of this ACO, the final resolution will "validate[] the order, which becomes an act of the Commission itself."[4]

By signing this ACO, the Parties acknowledge that they pledge support for Commission Approval and subsequent implementation of all the provisions of this ACO. The Parties shall use their best efforts to obtain Commission Approval of this ACO without modification and agree to use best efforts to actively oppose any modification thereto. Should any Alternate Draft Resolution seek a modification to this ACO, and should either of the Parties be unwilling to accept such modification, that Party shall so notify the other Party within five business days of issuance of the Alternate Draft Resolution. The Parties shall thereafter promptly discuss the modification and negotiate in good faith to achieve a resolution acceptable to the Parties and shall promptly seek approval of the resolution so achieved. Failure to resolve such modification to the satisfaction of either of the Parties, or to obtain approval of such resolution promptly thereafter, shall entitle any Party to terminate this Agreement through prompt notice to the other Party. (*See also* Section IV.D. below.)

If Commission Approval is not obtained, the Parties reserve all rights to take any position whatsoever regarding any fact or matter of law at issue in any future enforcement action or proceeding related to CPED's Investigation of SDG&E's Alleged Bill Discount Programs Non-Compliance.

[4] Resolution M-4846 at 8.

D. Admissibility

If this ACO is not adopted by the Commission, its terms are inadmissible for any evidentiary purpose unless their admission is agreed to by the Parties.

E. Due Process

SDG&E's waiver of its due process rights for the Commission to hear and adjudicate the alleged violations set forth in Part II of the Appendix to this ACO is conditioned on a final Commission resolution or order approving this ACO without modification, or with modifications agreeable to each of the Parties.

IV. GENERAL PROVISIONS

A. Full Resolution

Upon Commission Approval, this ACO fully and finally resolves any and all claims and disputes between CPED and SDG&E related to CPED's Investigation of SDG&E's Alleged Bill Discount Programs Non-Compliance and provides for consideration in full settlement and discharge of all disputes, rights, enforcement actions, notices of violations, citations, claims, and causes of action which have, or might have been, brought by CPED related to the CPED's Investigation of SDG&E's Alleged Bill Discount Programs Non-Compliance based on the information: (a) known, or that could have been known, to CPED at the time that CPED executes this ACO.

B. Non-Precedent

This ACO is not intended by the Parties to be precedent for any other proceeding, whether pending or instituted in the future. The Parties have assented to the terms of this ACO only for the purpose of arriving at the settlement embodied in this ACO. Each of the Parties expressly reserves its right to advocate, in other current and future proceedings, or in the event that the ACO is not adopted by the Commission, positions, principles, assumptions, arguments

and methodologies which may be different than those underlying this ACO. The Parties agree and intend that, consistent with Rule 12.5 of the Commission's Rules of Practice and Procedure, a final Commission resolution approving this ACO should not be construed as a precedent or statement of policy of any kind for or against either Party in any current or future proceeding with respect to any issue addressed in this ACO.

C. General Considerations for Settlement

Section III.B of the Commission's Enforcement Policy states that "the following general considerations should be evaluated as part of any proposed settlement to be submitted for Commission review: 1. Equitable Factors; 2. Mitigating circumstances; 3. Evidentiary issues; and 4. Other weaknesses in the enforcement action[.]"[5] The Parties explicitly considered these factors in their confidential settlement communications. Without waiving the protections of Rule 12.6 of the Commission's Rules of Practice and Procedure, the Parties represent that they took these factors into account, and each Party considered the risks and weaknesses of their positions. When taken as a whole, the Parties agree that the ACO Amounts set forth in Section II are within the range of reasonable outcomes had this matter proceeded to formal litigation.

D. Incorporation of Complete ACO

The Parties have bargained in good faith to reach the ACO terms set forth herein, including in the Appendix. The Parties intend the ACO to be interpreted as a unified, integrated order and agreement, so that, consistent with Section III.C. above, if the Commission rejects or modifies any portion of this ACO or modifies the obligations placed upon SDG&E or CPED from those that the ACO would impose, each of the Parties shall have a right to withdraw. This ACO is to be treated as a complete package and not as a collection of separate agreements on

[5] Resolution M-4846, Enforcement Policy at 15 (Section III.B.).

discrete issues. To accommodate the interests related to diverse issues, the Parties acknowledge that changes, concessions, or compromises by a Party in one section of this ACO resulted in changes, concessions, or compromises by the other Party in other sections. Consequently, consistent with Section III.C. above, the Parties agree to actively oppose any modification of this ACO, whether proposed by any Party or non-Party to the ACO or proposed by an Alternate Draft Resolution, unless both Parties jointly agree to support such modification.

E. Commission Approval

"Commission Approval" means a resolution or decision of the Commission that is (a) final and no longer subject to appeal, which approves this ACO in full; and (b) does not contain conditions or modifications unacceptable to either of the Parties.

F. Governing Law

This ACO shall be interpreted, governed, and construed under the laws of the State of California, including Commission decisions, orders and rulings, as if executed and to be performed wholly within the State of California.

G. Other

1. The representatives of the Parties signing this ACO are fully authorized to enter into this Agreement.

2. The Parties agree that no provision of this ACO shall be construed against either of the Parties because a particular party or its counsel drafted the provision.

3. This ACO constitutes the entire agreement between the Parties and, supersedes all prior or contemporaneous agreements, negotiations, representations, warranties, and understandings of the Parties with respect to the subject matter set forth herein.

4. The rights conferred and obligations imposed on either of the Parties by this ACO shall inure to the benefit of or be binding on that Party's successors in interest or assignees as if such successor or assignee was itself a party to this ACO.

5. Should any dispute arise between the Parties regarding the manner in which this ACO or any term shall be implemented, the Parties agree, prior to initiation of any other remedy, to work in good faith to resolve such differences in a manner consistent with both the express language and the intent of the Parties in entering into this ACO.

6. The Parties are prohibited from unilaterally filing a petition for modification or application for rehearing of the Commission resolution or decision approving this ACO with modification.

7. This ACO may be executed in counterparts.

8. Nothing in this ACO relieves SDG&E from any requirements imposed on it by the Bill Discount Programs or otherwise by law or Commission rules, orders, or decisions.

9. The provisions of Paragraph III.C. shall impose obligations on the Parties immediately upon the execution of this ACO.

V. DISCUSSION OF PENALTY ASSESSMENT METHODOLOGY FACTORS

The Penalty Assessment Methodology appended to the Commission's Enforcement Policy sets forth five factors that staff and the Commission must consider in determining the amount of a penalty for each violation: (1) severity or gravity of the offense; (2) conduct of the regulated entity; (3) financial resources of the regulated entity; (4) totality of the circumstances in furtherance of the public interest; and (5) the role of precedent.[6] This ACO and Agreement was the result of arms-length negotiation between CPED and SDG&E, which was guided by the factors set forth in the Penalty Assessment Methodology. As discussed below, consideration of those factors supports a Commission finding that the ACO and Agreement is reasonable and in the public interest. The Appendix to this ACO includes stipulated facts, as well as facts in dispute, which provide a record basis for the Commission's determination.

[6] Resolution M-4846 (Nov. 5, 2020), Enforcement Policy, Appendix I; *see* D.22-04-058 at 3–4 (affirming that consideration of the Penalty Assessment Methodology provides a basis for the Commission to determine that a negotiated settlement under the Commission's Enforcement Policy is reasonable and in the public interest).

Severity or Gravity of the Offense. The Commission has stated that the severity or gravity of the offense includes several considerations, including economic harm, physical harm, and harm to the regulatory process. Violations that caused actual physical harm to people or property are considered particularly severe.[7]

SDG&E's violations primarily resulted in potential financial harms related to emergency customer protections to support California customers during the COVID-19 pandemic. As explained in Resolutions M-4842 and M-4849, the response to COVID-19 has been extremely disruptive to all Californians and has impacted many Californians' ability to work. The COVID-19 pandemic represents a different type of emergency, one where the threat – in this case, a virus – necessitates a response which impacts Californians' ability to pay for utility service.

SDG&E erroneously disenrolled customers from the CARE, FERA, and MBL programs during and after the COVID-19 customer protection period provided by Resolutions M-4842 and M-4849.[8] Further, SDG&E failed to suspend all CARE and FERA program disenrollments and erroneously disenrolled CARE and MBL customers between April 1, 2021 to June 30, 2021, in violation of Resolutions M-4842 and M-4849.

SDG&E asserts that all affected customers were reinstated in their respective programs and received credits to offset the amount of the overcharge. The penalty assessed against SDG&E takes into account the severity of the threat to Californians' ability to pay for service

[7] D.20-05-019 at 20; Enforcement Policy at 16.

[8] CPED alleges that as a result, SDG&E provided inadequate, inefficient, unjust, and unreasonable service when it erroneously disenrolled CARE, FERA and MBL customers, and when it charged these customers undiscounted, unfair, and unreasonable rates, in contravention of Public Utilities Code sections 451 and 532. SDG&E maintains that Public Utilities Code sections 451 and 532 are inapplicable to the alleged non-compliance, and even if applicable, SDG&E maintains that it did not violate these statutes.

that arose from SDG&E's alleged violations during the COVID-19 protection period where the threat to Californians' ability to pay for service was heightened by the response to COVID-19.

The Conduct of the Utility. In evaluating the conduct of the utility, the Commission considers the utility's conduct in preventing the violation, detecting the violation, and disclosing and rectifying the violation.[9] Here, SDG&E took several steps to mitigate the Backlog,[10] including incorporating CIS enhancements to comply with system issues. In addition, SDG&E promptly reported compliance issues and explained that it made attempts to correct the disenrollments so that it would not adversely impact its customers. Of the customers who paid their bills, SDG&E reviewed the accounts and provided these accounts with credits to offset the amount of the overcharge. SDG&E was also responsive to UEB's requests for data and information during UEB's investigation.

Financial Resources of the Utility. The Commission has described this criterion as follows:

> Effective deterrence also requires that staff recognize the financial resources of the regulated entity in setting a penalty that balances the need for deterrence with the constitutional limitations on excessive penalties . . . If appropriate, penalty levels will be adjusted to achieve the objective of deterrence, without becoming excessive, based on each regulated entity's financial resources.[11]

Here, SDG&E is required to pay a total of $2.625 million. SDG&E shall pay $1.625 million of this amount to the State's General Fund. The remaining amount will be allocated directly to SDG&E's Neighbor-to-Neighbor Program, as detailed in Section II.F.1 of this ACO. The settlement amount is enough to emphasize the importance of compliance with the consumer

[9] Enforcement Policy at 17.

[10] See Appendix I.3.

[11] Enforcement Policy at 17.

protection requirements, provide relief to SDG&E customers, and is reasonable given SDG&E's financial resources.

Totality of Circumstances in Furtherance of Public Interest. The Commission has described this criterion as follows:

> Setting a penalty at a level that effectively deters further unlawful conduct by the regulated entity and others requires that staff specifically tailor the package of sanctions, including any penalty, to the unique facts of the case. Staff will review facts that tend to mitigate the degree of wrongdoing as well as any facts that exacerbate the wrongdoing. In all cases, the harm will be evaluated from the perspective of the public interest.[12]

The Commission must evaluate penalties in the totality of the circumstances, with an emphasis on protecting the public interest. The ACO Amounts described above were tailored to the unique facts of the case and are reasonable. As described above, the $2.625 million settlement is reasonable under the all the circumstances described above and is in the public's interest. Resolutions M-4842 and M-4849 went into detail about the importance of customer protections during the COVID-19 pandemic. This fine represents the importance the Commission placed on the COVID-19 customer protections before and after the pandemic. It also provides benefits to SDG&E's customers.

The Role of Precedent. The Commission has described this criterion as follows:

> Penalties are assessed in a wide range of cases. The penalties assessed in cases are not usually directly comparable. Nevertheless, when a case involves reasonably comparable factual circumstances to another case where penalties were assessed, the similarities and differences between the two cases should be considered in setting the penalty amount.[13]

While not binding precedent, prior settlements are useful for comparison, with the acknowledgement that settlements involve compromise positions.

[12] Enforcement Policy at 19.

[13] Enforcement Policy at 21.

This is the second enforcement action of the COVID- 19 customer protections since the Commission issued Resolutions M-4842 and M-4849. The Settlement reached herein is comparable to recent precedent, including Resolution UEB-011, wherein Southern California Edison Company agreed to pay $2.5 million to the Energy Assistance Fund and $500,000 to the General Fund for compliance issues related to the CARE and Level Payment Plan programs. Further, the Settlement is comparable to Resolution UEB-012 wherein Southern California Gas Company agreed to pay $2.7 million, including $213,725 to the Gas Assistance Fund and $400,000 to the General Fund. The Parties believe that the ACO results in a reasonable outcome considering these precedents and the criteria discussed in this section.

The Parties mutually believe that, based on the terms and conditions stated above, this ACO is reasonable, consistent with the law, and in the public interest.

IT IS HEREBY AGREED.

[Signatures immediately follow this page]

DATED: 9/18, 2024

By: Dana Golan
Vice President, Customer Services
San Diego Gas & Electric Company

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DATED: 9/18/2024



By:

S. Pat Tsen,
Deputy Executive Director/Designee
Consumer Policy, Transportation, and
Enforcement

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APPENDIX

I. STIPULATED FACTS RELATED CPED'S INVESTIGATION OF SDG&E'S ALLEGED BILL DISCOUNT PROGRAMS NON-COMPLIANCE

For purposes of this ACO, the Parties have stipulated to the facts set forth below.

1. On April 17, 2020, the Commission issued a set of guidelines in Resolution M-4842, directing the IOUs to implement consumer protections using the emergency disaster relief program guidelines set forth in D.19-07-015 during the COVID-19 pandemic, including prohibition of disenrolling CARE, FERA, and MBL customers from the corresponding programs during the protection period retroactively to March 4, 2020 – the date of Governor Gavin Newsom's declaration of a State of Emergency in response to the COVID-19 pandemic.[14]

2. On May 7, 2020, the Commission's Energy Division sent email correspondence to the IOUs requesting that the IOUs provide written confirmation that the IOUs are complying with the COVID-19 consumer protections.[15]

3. Resolution M-4849, which the Commission issued on February 21, 2021, extended the consumer protections adopted in Resolution M-4842 through June 30, 2021. During the extension, SDG&E transitioned to its new Customer Information System (CIS), which caused several problems related to noticing and tracking recertifications and program enrollments. To limit the number of customers who might fall off their programs, SDG&E informed the Commission that it planned to extend the period during which customers could recertify. This extension resulted in more recertification requests than expected during a time when SDG&E staffing was short due to COVID-19 impacts. Additionally, due to USPS delivery delays, many thousands of mailed recertification requests were delivered late. As a result, a significant backlog of recertification requests developed (Backlog).

4. The purpose of the Resolutions M-4842 and M-4849 requirement to prohibit disenrollment from the Bill Discount Programs was in response to the COVID-19 pandemic state of emergency.

5. Consistent with Resolutions M-4842 and M-4849, SDG&E initially implemented the COVID-19 protections consistent with both resolutions.

6. SDG&E discovered the Backlog in January 2022.

7. SDG&E reported the Backlog to the Commission in February 2022.

[14] Res. M-4842 at 5; *see also* Res. M-4849 at 6.

[15] Edward Randolph, email message to IOUs, May 7, 2020.

8. On March 17, 2022, SDG&E sent a letter to CPUC Executive Director, Rachel Peterson, describing the Backlog and requesting an extension of recertification deadlines for up to two years for impacted customers, which was approved on May 13, 2022.

9. On March 25, 2022, SDG&E reported to the Commission' Energy Division that as of April 5, 2021, approximately 20,000 CARE and FERA and 20,000 MBL customers were unintentionally disenrolled from their respective discount programs due to IT recertification issues.

10. SDG&E provided bi-weekly status updates regarding the Backlog to the Energy Division from approximately April 2022 through the beginning of 2023, when the Energy Division agreed such reports were no longer necessary.

11. SDG&E has reviewed customer accounts and the customers who were disenrolled from the Programs received a credit to their account that offset the amount of the overcharge.

II. CPED'S ALLEGED VIOLATIONS AND ALLEGED SUPPORTING FACTS

UEB alleges the below noncompliance resulting from its investigation into SDG&E's disenrollment of customers from its CARE, FERA, and MBL programs.

1. Beginning January 3, 2023, to evaluate SDG&E's compliance with the requirements under Resolutions M-4842 and M-4849, UEB performed reviews on data and information submitted by SDG&E in response to data requests. Based on its review, UEB concluded that SDG&E did not comply with provisions of Commission Resolutions M-4842 and M-4849 and Public Utilities Code sections 451 and 532. SDG&E maintains that Public Utilities Code sections 451 and 532 are inapplicable to the alleged non-compliance, and even if applicable, SDG&E maintains that it did not violate these statutes.

2. Based on its review, UEB determined that SDG&E erroneously disenrolled 38,666 (19,194 CARE, 18,640 MBL, and 1,238 FERA)[16] distinct customer accounts from their respective discount programs.

    a. For customers impacted by the Backlog (37,030), customer accounts were disenrolled from April 1, 2021 to May 2, 2022.

[16] Of the CARE, FERA and MBL distinct customer account totals, 406 customer accounts were dual enrolled in either CARE/MBL or FERA/MBL, making the impacted distinct customer account total 38,666.

b. For customers impacted by the No-Notice issue (1,694), customer accounts were disenrolled from February 7, 2022 to November 8, 2022.

c. 58 customer accounts were impacted and disenrolled by both the Backlog and No-Notice issue.

d. SDG&E failed to identify the recertification issue until January 2022, nearly ten months after the transition to their new CIS program on April 5, 2021.

e. SDG&E failed to suspend all CARE and FERA program disenrollments and erroneously disenrolled 205 distinct customer accounts (9 CARE, 195 MBL, and 1 dual enrolled MBL/CARE account), from April 1, 2021 to June 30, 2021, in violation of Resolutions M-4842 and M-4849.

f. SDG&E failed to comply with the operational plans adopted by the Commission for CARE, FERA and MBL customers in Advice Letter (AL) 3729-E-A/2967-G-A when it erroneously disenrolled 38,666 (19,194 CARE, 18,640 MBL, and 1,238 FERA)[17] distinct customers, from July 1, 2021 to November 8, 2022, resulting in lost access to bill discounts.

3. CPED's position is that SDG&E violated Public Utilities Code sections 451 and 532 each day it provided inadequate, inefficient, unjust, and unreasonable service when it erroneously disenrolled CARE, FERA and MBL customers, and when it charged these customers undiscounted, unfair, and unreasonable rates. SDG&E maintains that Public Utilities Code sections 451 and 532 are inapplicable to the alleged non-compliance, and even if applicable, SDG&E maintains that it did not violate these statutes.

    a. SDG&E's discount customers spent an average of 101 days erroneously disenrolled from their respective discount programs and customers whose bill required credit were refunded an average of $145.94 for the Backlog issue and $30.15 for the No-Notice issue.

    b. SDG&E overcharged CARE and FERA customers about 30-35% and 18%, respectively, for each month of erroneous disenrollment from the CARE and FERA programs.

4. The $146,403.59 in incremental labor and communication costs associated with correcting customer bills due to the erroneous disenrollment should be paid by SDG&E shareholders, not ratepayers.

[17] Of the CARE, FERA and MBL distinct customer account totals, 406 customer accounts were dual enrolled in either CARE/MBL or FERA/MBL, making the impacted distinct customer account total 38,666.