



Disconnection OIR

Presentation to the Low Income Oversight Board
May 22, 2014

Utility Rules

Rules governing utility payments and disconnections are in statute and utility tariffs.

The Commission enacted additional rules 2010-2013.

- ▶ Decision 10-12-051 adopted a settlement between Consumer Parties*, SDG&E and SoCalGas
- ▶ Decision 12-03-054 required PG&E and SCE to implement heightened protections.
- ▶ All 2010-2013 rules expired December 31, 2013 except for certain provisions applicable only to SCE and PG&E

The utilities and Consumer Parties** proposed a settlement for post-2013 credit and collection policies.

- ▶ Utilities voluntarily extended disconnection rules through March 17, 2014.
- ▶ Settling Parties filed Motion to Adopt Settlement April 1, 2014.

*Consumer Parties in 2010 settlement are ORA, TURN, Greenlining, Center for Accessible Technology, and National Consumer Law Center

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Settlement Provisions

All customers

- ▶ Series of Pay Plans pilots testing payment term lengths, customer risk factors, etc.
- ▶ Settling parties will track and discuss Pay Plan pilot outcomes.

CARE customers

- ▶ CARE customers offered option to enroll in CARE via live Customer Service Representative.
- ▶ No credit deposits for late payments.
- ▶ For credit deposits due to disconnection, option to amortize over 3-6 months.

Alternative language/communication customers

- ▶ Communication risk of disconnection
 - ▶ Certain requirements to provide notice in multiple languages
 - ▶ Certain requirements to provide notice in alternative communication formats such as large print, Braille, and accessibility of relay service

Vulnerable customers (Life Support, Medical Baseline, customer self-certifying they have a serious illness or condition that could become life threatening if service is disconnected.

- ▶ In-person field visits prior to disconnection. No fee for these visits. Opportunity to pay bill at the time of the visit.



Settlement Provisions

Term

- ▶ From approval through December 31, 2016

Tariffs

- ▶ Many provisions will be added to tariffs, although utility reserves right to file changes to tariffs upon expiration of the settlement.

Cost Recovery

- ▶ Utilities will track costs via memorandum accounts and will seek cost recovery, subject to reasonableness review, in appropriate forum.
- ▶ Future changes to credit and collections policies should occur in proceedings where cost issues can be decided concurrently, such as General Rate Cases or low-income program applications.

Reporting

- ▶ Utilities will report monthly disconnection data quarterly.
- ▶ Settling Parties will meet semi-annually to review and discuss progress.



Comparison of Disconnection Rates

Care vs. Non-Care Customers: 2007 - 2011

DISCONNECTIONS (All Occurrences, As % of Accounts)																	
	All Residential						CARE						All Residential Except CARE				
	4 IOUs	PGE	SCE	SDGE	SCG		4 IOUs	PGE	SCE	SDGE	SCG		4 IOUs	PGE	SCE	SDGE	SCG
2007	4.54%	4.00%	7.28%	2.13%	3.45%			5.69%			4.14%			3.52%			3.22%
2008	4.92%	4.40%	7.89%	2.10%	3.75%		6.67%	7.28%	9.19%	4.00%	4.65%		4.38%	3.64%	7.44%	1.68%	3.42%
2009	4.75%	5.15%	7.50%	1.92%	2.81%		6.94%	8.17%	9.96%	3.81%	4.15%		3.99%	4.24%	6.58%	1.46%	2.28%
2010	3.65%	3.39%	5.83%	1.70%	2.63%		5.52%	5.35%	8.08%	3.39%	4.02%		2.89%	2.65%	4.84%	1.23%	2.00%
2011	3.39%	3.56%	5.32%	1.65%	2.10%		5.32%	5.63%	8.18%	3.36%	3.23%		2.53%	2.71%	3.95%	1.13%	1.56%
2012	3.48%	4.41%	4.70%	1.73%	1.99%		4.32%	4.87%	5.24%	3.49%	3.19%		3.10%	4.22%	4.09%	1.19%	1.43%
2013		4.70%	7.05%	2.09%	1.87%			4.87%	6.59%	3.42%	3.25%			4.59%*	7.13%*	1.65%	1.28%*

*excludes FERA

Source: IOU Monthly Disconnection Reports