

**CALIFORNIA PUBLIC UTILITIES COMMISSION  
DIVISION OF WATER AND AUDITS**

**Advice Letter Cover Sheet**

**Utility Name:** Bakman Water Company (“BWC”)

**Date Mailed to Service List:** 4/1/2021

**CPUC Utility #:** WTB-219

**Protest Deadline (20<sup>th</sup> Day):** 4/20/2021

**Advice Letter #:** AL 10X (DRAFT)

**Review Deadline (30<sup>th</sup> Day):** 4/30/2021

**Tier**     1     2     3     Compliance

**Requested Effective Date:** TBD

**Authorization**    Resolution M-4849

**Rate Impact:** N/A

**Description:** Emergency Customer Protections – Transition Plan.

The protest or response deadline for this advice letter is 20 days from the date that this advice letter was mailed to the service list. Please see the “Response or Protest” section in the advice letter for more information.

**Utility Contact:** Richard Shaymus Bakman

**Utility Contact:** Richard Tim Bakman

**Phone:** (559) 255-0324

**Phone:** (559) 255-0324

**Email:** Shay@bakmanwater.com

**Email:** Tim@bakmanwater.com

**DWA Contact:** Tariff Unit

**Phone:** (415) 703-1133

**Email:** [Water.Division@cpuc.ca.gov](mailto:Water.Division@cpuc.ca.gov)

**DWA USE ONLY**

DATE

STAFF

COMMENTS

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APPROVED

WITHDRAWN

REJECTED

**Signature:** \_\_\_\_\_

**Comments:** \_\_\_\_\_

**Date:** \_\_\_\_\_

\_\_\_\_\_



April 1, 2021

Public Utilities Commission  
Of The State of California  
505 Van Ness Avenue  
San Francisco, California 94102

RE: Bakman Water Company (WTB-219) Advice Letter No. 10X

## **TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

### **PURPOSE**

Bakman Water Company (“BWC”) hereby transmits this advice letter to inform the California Public Utilities Commission (“Commission”) of its Post-Emergency Customer Protections Transition Plans, pursuant to Commission Resolution (Res.) M-4849, dated February 11, 2021.

### **BACKGROUND**

The Commission issued Res. M-4849 on its own motion in response to Governor Gavin Newsom’s declaration of a State of Emergency and issuance of executive orders due to the COVID-19 pandemic. In Res. M-4849, the Commission extended the emergency customer protections for residential and small business customers through June 30, 2021. On February 22, 2021, BWC filed Advice Letter No. 100, in compliance with Res. M-4849, to demonstrate compliance with the Commission’s orders to extend the Emergency Customer Protection measures through June 30, 2021. Further, Res. M-4849 ordered electric, gas, communications, and water corporations to submit a draft Tier 2 Advice Letter (AL), outlining their transition plans associated with the expiration of the Emergency Customer Protections.

### **COMPLIANCE**

BWC submits this Tier 2 Advice Letter in compliance with Res. M-4849. In particular, this Advice Letter complies with Res. M-4849’s directive to submit a Transition Plan for the expiration of Emergency Customer Protections and a return to normal operation at the end of the current pandemic State of Emergency.

Attached hereto as Exhibit A is BWC’s Res. M-4849 Transition Plan. The Transition Plan incorporates all of the elements of a transition plan required by Res. M-4849. If further or different information is required of BWC in order to comply with Res. M-4849, BWC respectfully requests that it be provided with guidance so that such information may be provided.

This filing is made under the provisions of General Order No. 96-B and as directed by Res. M-4849.

This filing will not cause withdrawal of service nor conflict with any other schedule or rule.

## **TIER DESIGNATION AND EFFECTIVE DATE**

This AL is submitted with a Tier 2 designation pursuant to Ordering Paragraph No. 5 of Res. M-4849. This is a Tier 2 compliance filing pursuant to General Order 96-B and Water Industry Rule 7.3.2 and is subject to approval by the Commission's Water Division.

## **NOTICE**

A copy of this Advice Letter is being served to all parties listed on BWC's service list as well as the service lists for R.17-06-024 and R.18-03-011.

## **RESPONSE OR PROTEST**

Anyone may respond to or protest this advice letter. A response supports the filing and may contain information that proves useful to the Commission in evaluating the advice letter. A protest objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. These grounds are:

1. The utility did not properly serve or give notice of the advice letter;
2. The relief requested in the advice letter would violate statute or Commission order, or is not authorized by statute or Commission order on which the utility relies;
3. The analysis, calculations, or data in the advice letter contain material error or omissions;
4. The relief requested in the advice letter is pending before the Commission in a formal proceeding; or
5. The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or
6. The relief requested in the advice letter is unjust, unreasonable, or discriminatory, provided that such a protest may not be made where it would require relitigating a prior order of the Commission.

A protest may not rely on policy objections to an advice letter where the relief requested in the advice letter follows rules or directions established by statute or Commission order applicable to the utility. A protest shall provide citations or proofs where available to allow staff to properly consider the protest. The Water Division must receive a response or protest via email (**or** postal mail) within 20 days of the date the advice letter is filed.

The address for mailing or delivering a response or protest is:

**Email Address:**

Water\_Division@cpuc.ca.gov

**Mailing Address:**

Tariff Unit, Water Division, 3<sup>rd</sup> Floor  
California Public Utilities Commission  
505 Van Ness Avenue, San Francisco, CA 94102

On the same day the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy of the protest to BWC at:

**Email Address:**

Shay@bakmanwater.com

**Mailing Address:**

Shaymus Bakman, Vice President  
Bakman Water Company  
5105 East Belmont Avenue, Fresno, CA 93727  
Fax: (559) 255-3291

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Water Division, within the 20-day protest period, so that a late filed protest can be entertained. The informing document should include an estimate of the date the proposed protest might be voted on.

**REPLIES**

The utility shall reply to each protest and may reply to any response. Any reply must be received by the Water Division within five business days after the end of the protest period and shall be served on the same day on each person who filed the protest or response to the advice letter.

Should there be any questions or concerns, please contact BWC's office at (559) 255-0324.

Best Regards,  
BAKMAN WATER COMPANY

*/s/ Richard Shaymus Bakman*

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By: R. Shaymus Bakman  
Its: Vice President

DRAFT

## **I. TRANSITION PLAN INTRODUCTION**

Bakman Water Company (“BWC”) recognizes that COVID-19 has impacted customers in different ways, and some have faced significant financial challenges as a result of the pandemic’s impact on the economy.

In March 2020, Bakman Water Company implemented an action plan to proactively protect the health of our customers and employees. The action plan included the temporary closure of our customer service office and extended the temporary moratorium on residential service disconnections for nonpayment outlined in SB 998, while encouraging customers experiencing financial hardship due to the pandemic emergency to contact our office to discuss payment plan arrangements in order to keep their account status in good standing.

Bakman Water Company filed an Advice Letter to activate its Emergency Disaster Relief Program on March 23, 2021, providing additional protections for residential and small business customers impacted by the public health emergency. The timing of this filing was aligned with the California Governor’s declared State of Emergency. The Emergency Disaster Relief Program establishes the below protections during a declared State of Emergency:

- To work cooperatively with affected customers to resolve unpaid bills and minimize disconnections for nonpayment;
- To waive reconnection or facilities fees for affected customers and suspend deposits for affected customers who must reconnect to the system; and
- Provide reasonable payment options to affected customers.

To meet compliance with Commission Resolution M-4842, Resolution M-4849, and SB 998, Bakman Water Company has developed this transition plan to outline our intended notifications to customers regarding the extension of Emergency Customer Protections through June 30, 2021, and work closely with customers with active arrears to mitigate any impact on customers experiencing financial hardships directly related to the COVID-19 pandemic.

### **A. Transition Plan Objectives**

- Reduce customers’ anxiety about protections ending
- Effectively ease customers through a transition from COVID protections by implementing programs or initiatives, and enrolling customers in these programs/initiatives, to continue to assist them in bill management
- Proactively communicate with customers to inform them of changes in protections and help enroll them in programs to manage their bills

### **B. Transition Plan Guiding Principles**

- Easy and effortless customer experience
- Easy to operationalize
- Focus on affordability
- Engage stakeholders and customers

## II. ACTIVITIES TIMELINE

Below is a timeline of activities Bakman Water Company is proposing for activities associated with programs or initiatives that assist customers in bill management.

### A. Summary of General Steps Mandated under Resolution M-4849

- **February 11, 2021** – Resolution M-4849 adopted by the Commission.
- **February 21, 2021** – Water utility files Tier 1 Advice Letter demonstrating compliance with the extension of Emergency Customer Protections to June 30, 2021.
- **February 25, 2021** – The water utility submits draft Transition Plan Advice Letter to the Commission.
- **March 11, 2021** – LIOB discusses water utility draft Transition Plans during its quarterly meeting.
- **April 1, 2021** – The water utility submits final Transition Plan Advice Letter that incorporate feedback from LIOB and the Commission’s Water Division staff. The water utility begins implementing the ME&O Strategy activities outlined in Section III below.

### B. Resumption of Disconnections for Non-Payment

- Bakman Water Company has set a timeline for resumption of disconnections for non-payment around a “Disconnection Policy Resumption Date” anticipated to be no sooner than the latter of July 1, 2021 or when the Executive Order N-42-20 moratorium is lifted.
- **60 days prior to Disconnection Policy Resumption Date** – Bakman Water Company will begin sending out notices to customers informing them that Bakman Water Company will resume applying standard disconnection procedures under its tariffs on a Disconnection Policy Resumption Date. The standard disconnection procedures are based on the timeline and requirements established by the Legislature under Senate Bill (“SB”) 998 (2018 Water Shutoff Protection Act).
- **Disconnection Policy Resumption Date** – Bakman Water Company will resume standard disconnection procedures under the timeline established under SB 998 and will begin counting the 60-day period prohibiting disconnections mandated under Health & Safety Code § 116908(a)(1)(A) for bills that are delinquent (past the due date) as of the Disconnection Policy Resumption Date. Bakman Water Company will individually reach out to each customer that has a delinquent bill as of the Disconnection Policy Resumption Date and will offer an opportunity to participate in an amortization agreement, alternative payment schedule, or a plan for deferred or reduced payment (the choice of which will be appropriate determined by Bakman Water Company based upon the specific circumstances of the individual customer). If a customer is engaged in one of those types of payment assistance plans and is making timely payments under that plan, they will not be disconnected.
- **60 days after Disconnection Policy Resumption Date** – Bakman Water Company may begin disconnecting customers for non-payment pursuant to the rules and procedures set forth under SB 998 and the applicable tariff rules. Prior to any disconnection for non-payment, Bakman Water Company will provide advance noticing required by SB 998 as follows below. In addition, each notice provided will mention the alternative payment arrangements made available as part of the transition plan.

- **At Least 7 Business Days Before Disconnection** – No less than seven business days before discontinuation of residential service for nonpayment, Bakman Water Company shall contact the customer named on the account by telephone or written notice pursuant to Health & Safety Code § 116908(a)(1)(A).
- **At Least 10 Calendar Days Before Disconnection (If Applicable)** – For residential occupants of individually metered multi-unit complexes who are not the customer of record, Bakman Water Company will send written notice pursuant to Health & Safety Code § 116916(b) at least 10 calendar days prior to any possible disconnection.
- **At Least 7 Calendar Days Before Disconnection (If Applicable)** – For detached single-family dwelling, Bakman Water Company will send written notice of termination pursuant to Health & Safety Code § 116916(f)(1) at least 7 calendar days prior to any possible disconnection.

### **C. Late Payment, Reconnection, or Other Customer Fees**

- **June 1, 2021** – Bakman Water Company will begin sending out written notices to all customers informing them that the water utility may resume applying the standard late payment, reconnection or other customer fee procedures under its tariffs on July 1, 2021.
- **July 1, 2021** – Bakman Water Company may resume applying standard late payment, reconnection, or other customer fees to customer accounts.

## **II. MARKETING, EDUCATION, AND OUTREACH STRATEGY**

The following Marketing, Education, and Outreach (“ME&O”) Strategy supports the Transition Plan in effectively easing customers through a transition off of the Emergency Customer Protections (and the future expiration of the disconnection moratorium in the Governor’s Executive Order N-42-20) by proactively communicating with customers to enroll them in programs to manage their utility bills and informing them of the changes to programs in which they are already enrolled. The Strategy was developed with a customer-impact lens and is part of a coordinated and effective marketing, education and outreach program.

### **A. Target Audiences**

- The ME&O Strategy is intended to reach customers at large, with specifically targeted categories of customers as follows:
  - Customers enrolled in bill management programs
  - Customers with arrears
  - Customers that may qualify for disconnection preventions due to medical needs pursuant to SB 998

### **B. ME&O Activities for All Customers**

- Bakman Water Company will leverage ongoing communications channels to educate and engage customers about the June 30, 2021 expiration of Emergency Customer Protections enacted during the COVID-19 crisis; programs available to help customers maintain service; water efficiency and rebate programs that can help customers use less water, and therefore reduce their water bill; and where necessary, information about the extension of customer protections.

- Tools Bakman Water Company will use for implementation include bill inserts and/or messages, customer service talking points and training, and office signage (when reopened to the public).

### **C. Targeted Outreach**

- In addition, Bakman Water Company will undertake proactive outreach to targeted customers. Tools may include the following, as appropriate:
  - Phone calls targeted at specific audiences
  - Emails or direct mail targeted at specific audiences
  - Direct contact at customer residence (i.e. door tags)
  - Materials in multiple languages (according to customer demographics)
- Targeted outreach will convey the following information, as appropriate:
  - Payment plans and options available to help customers maintain service or manage arrearages
  - Application of late-payment, reconnection, and other fees to a customer
  - Noticing of risk of disconnection
  - Information about qualifying for disconnection preventions due to medical needs pursuant to SB 998

### **D. Partnerships**

- Bakman Water Company will seek to identify and partner with community-based and other organizations that regularly interact with targeted audiences to expand our outreach program. This includes, as directed in Resolution M-4849, seeking to partner with the California Department of Community Services and Development and their local service providers to leverage their customer interactions for expanding outreach efforts on bill management programs.

### **E. Incremental ME&O Costs**

- The proposed ME&O strategy was designed to utilize existing communication resources to limit any need to recover additional costs through rates. As the incremental costs associated with the proposed plan is not significant, Bakman Water Company does not request an additional budget at this time to fund the proposed ME&O strategy. Bakman Water Company reserves the right to request incremental ME&O costs to be included in its Catastrophic Event Memorandum Account should the ME&O strategy be adjusted to include additional activities.

## **III. COMPLIANCE AND SAFETY**

Resolution M-4849 provides that “Each IOU must explain in their Transition Plan Advice Letter how the transition plan maintains alignment with program enrollment targets, program eligibility requirements, and customer protections in effect outside Emergency Customer Protections (e.g., bans on requirements that energy customers pay a deposit to enroll in 12-month payment plan) established by Commission Decisions for relevant programs as outlined in Section 1, Activities Timeline.”



#### **A. Alignment with Program Enrollment Targets and Requirements**

- Effective March 4, 2020, Bakman Water Company implemented its Emergency Customer Protection measures, which comprised of working cooperatively with affected customers to resolve unpaid bills, waive reconnection or facilities fees for customers, suspend customer deposits, and provide reasonable payment options to its customers.
- Pursuant to Executive Order N-42-20, Bakman Water Company implemented a moratorium on all water service disconnections on residential and small businesses for nonpayment. Bakman Water Company will continue to not disconnect residential and small business customers for nonpayment until Executive Order N-42-20 is lifted.
- Bakman Water Company will comply with the direction provided in Resolution M-4849 and extend all the applicable Emergency Customer Protections approved in Resolution M-4842 through June 30, 2021.
- Bakman Water Company will utilize several methods to educate customers of available assistance. Further, Bakman Water Company will adhere to SB 998 criteria concerning alternative payment options being offered to customers and the noticing requirements of SB 998 prior to any possible residential disconnection in the event a customer chooses not to enter or comply with an alternative payment plan.
- As mandated in Resolution M-4849, based on Bakman Water Company's current aging receivables report with a focus on customer's in arrears greater than 90 days, we project that approximately 10% of total accounts may be facing disconnection after June 30, 2021. However, this number does not take into consideration future payment plan arrangements nor the fact that throughout the pandemic many customers have still been making late payments in the greater than 120 days category. Also, we anticipate that upon receiving disconnection notification, many of these customers will provide prompt payment or request payment plan arrangements.

#### **B. Ensuring that Activities are Safe and Consistent with All Appropriate State and Local Health Orders**

- Bakman Water Company continually follows all State (California Department of Public Health) and Fresno and Madera County health orders. Since the beginning of the pandemic, Bakman Water Company has implemented safety precautions that protect both customers and employees by closing the office to the public and limiting customer and employee interactions to the extent feasible. Bakman Water Company will continue to follow all State and local health orders to ensure the health and safety of our employees and customers during this transition.

### **IV. PROGRESS TRACKING AND REPORTING**

Resolution M-4849 provides that "IOUs must include a plan for reporting progress on activities in the timeline, and present metrics they will track and report to monitor success in achieving the goal of effectively easing customers through a transition off of Emergency Customer Protections (and, in the case of water IOUs, the future expiration of the disconnect moratorium in the Governor's Executive Order N-42-20) by proactively enrolling customers in programs to manage their utility bills and informing relevant customers of the changes to programs in which they are already enrolled. Reporting frequency shall be monthly and the first report shall include baseline data associated with progress metrics."

While Resolution M-4849 provides examples of progress tracking and reporting metrics aimed at measuring trends in the number of customers enrolled in income-qualified customer assistance programs (including such programs implemented by the Class A water utilities), none of the Class B water utilities are currently authorized to implement such customer assistance programs under their current tariffs. Therefore, those examples provided in Resolution M-4849 are not applicable to Class B water utilities and accordingly will not be included in their draft transition plan advice letters.

**A. Background and Protocols for Progress Tracking and Reporting**

- Bakman Water Company will track and report such information on a monthly basis for 12 months following the end of the Commission-mandated Emergency Customer Protections (i.e., through June 30, 2022). To the extent feasible and available, Bakman Water Company will report to the Water Division each metric on a monthly basis going back to February 2020 before the Emergency Customer Protections were implemented.

**B. Metrics to Track Enrollments of Impacted Customers in New Payment Programs**

- Bakman Water Company will provide the following metrics to track enrollments of impacted customers in new payment programs:
  - Number and percentage of customers enrolled in alternative payment arrangements (defined as enrollment in an amortization agreement, alternative payment schedule, or a plan for deferred or reduced payment).
  - Number and percentage of customers that are disconnected.
  - Change in arrearage amounts.
  - Number of water utility customer call center complaints concerning alternative payment arrangements.