

**CLASS B: RESOLUTION M-4849
EAST PASADENA WATER COMPANY TRANSITION PLAN OUTLINE**

I. TRANSITION PLAN INTRODUCTION

East Pasadena Water Company (EPWC or the water utility) has been asked to develop a Transition Plan for transitioning from the current Emergency Customer Protections Plan and Governor Newsom’s declared State of Emergency on March 4, 2020 as the result of the COVID-19 pandemic. The Governor imposed a moratorium on water service disconnections for non-payment and this plan provides a guide for customers to pay past due amounts that have been accumulated and avoid service disconnections for nonpayment of their water bill. Throughout the COVID-19 pandemic, EPWC has worked cooperatively with its customers to resolve unpaid bills by arranging for full or partial payments or to make arrangements for payment plans that are tailored directly to the customer’s needs. EPWC plans to continue this cooperative effort during this transition.

A. Transition Plan Objectives

- Implement measures to attempt to 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

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

- **February 11, 2021** – Resolution M-4849 adopted by the Commission
- **February 21, 2021** – EPWC filed Tier 1 Advice Letter demonstrating compliance with the extension of Emergency Customer Protections to June 30, 2021
- **March 1, 2021** – EPWC will submitted draft Transition Plan Advice Letter to the Commission

- **March 11, 2021** – LIOB discusses EPWC draft Transition Plans during its quarterly meeting
- **April 1, 2021** –EPWC will submit final Transition Plan Advice Letter that incorporate feedback from LIOB and the Commission’s Water Division staff. EPWC begins implementing the ME&O Strategy activities outlined in Section III below

B. Resumption of Disconnections for Non-Payment

- Separately from the existing customer protections mandated by the Commission, water utilities are also subject to an on-going moratorium on water service disconnections for non-payment imposed under Executive Order N-42-20. However, it is uncertain when the end-date for the moratorium will be issued and it is unclear how much notice water utilities may receive in advance of such a date. Therefore, the timeline for resumption of disconnections for non-payment set forth below is set around a “Disconnection Policy Resumption Date” on a future date to be determined by each individual water utility, occurring at the soonest on the latter of July 1, 2021 or the EO Moratorium Lifting Date.
- **60 days prior to Disconnection Policy Resumption Date** – The water utility will begin sending out notices to customers informing them that the water utility 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** – The water utility 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. The water utility 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 the water utility 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** – The water utility 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, the water utility 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, the water utility 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** – For residential occupants of individually metered multi-unit complexes who are not the customer of record, the water utility 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** – For detached single-family dwelling, the water utility will send written notice of termination pursuant to Health & Safety Code § 116916(f)(1) at least 7 calendar days prior to any possible disconnection.

If the Disconnection Policy Resumption Date is July 1, 2021, at the earliest, EPWC will use the following dates for applying standard late charges but will be flexible to use any date based on the ordered date ending the Disconnection Moratorium.

- **June 1, 2021** – The water utility 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** – Water utility may resume applying standard late payment, reconnection, or other customer fees to customer accounts.

III. MARKETING, EDUCATION, AND OUTREACH STRATEGY

Resolution M-4849 provides that “The IOUs shall include a coordinated, effective, and efficient strategy for their marketing, education, and outreach plan to engage and enroll customers in new bill management programs, to inform customers already enrolled in programs about changes due to the Emergency Customer Protections being no longer in effect after June 30, 2021 (and, in the case of water IOUs, the future expiration of the disconnect moratorium in the Governor’s Executive Order N-42-20), and to inform customers of the extension of the customer protections, where necessary.”

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.

While Resolution M-4849 describes some ME&O activities that relate specifically to 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. 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 past-due balances on their accounts
 - Customers that may qualify for disconnection preventions due to medical needs pursuant to SB 998

B. ME&O Activities for All Customers

- EPWC 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 for implementation statewide, across all regulated water utilities, include bill insert and/or message, customer service talking points and training, phone message prompt (i.e. during welcome/on-hold messages), and office signage (when reopened to the public).

C. Targeted Outreach

- In addition, EPWC will undertake proactive outreach to targeted customers. Tools may include the following, as appropriate:
 - Phone calls (automated or manual) 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

- **Partnership Activities By Individual Water Utilities** – EPWC 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

- Resolution M-4849 provides that “If an IOU estimates that it cannot both comply with this Resolution and maintain compliance with existing Decision mandates leveraging only existing authorized budgets, it shall note in its Advice Letter the cost estimate, with details of the incremental new activity, and use the memorandum account to record and track incremental costs associated with transition plan implementation.”
- To the extent that EPWC is required to perform additional customer outreach, EPWC will submit a cost estimate and details of the new incremental activities. At this time, EPWC does not have an estimate for costs of this Transition Plan.

IV. 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

- On March 27, 2020, EPWC notified then-Commission Executive Director Alice Stebbins, in writing, that EPWC had activated its CEMA, and applicable provisions of the Emergency Customer Protections required by the Commission. On February 21, 2021, EPWC filed Advice Letter 113 in compliance with Resolution M-4849, extending the Emergency Customer Protections through June 30, 2021. With these filings, EPWC has complied with Commission Decision directives pertaining to pandemic emergency customer protections.
- EPWC has complied with the moratorium on water service disconnections for nonpayment ordered by Executive Order N-42-20 as well. There have been no water service disconnections for nonpayment by EPWC since before the declaration of the pandemic State of Emergency.
- Based on data through February 2021, single-family residential customers with past due balances on their accounts of 90 days or more facing water service disconnections- EPWC estimates that between 90 and 120 days the percentage of customers is less than 1% (4 out of 2,750 customers) and over 120 days the percentage of customers is 2.5% (69 out of 2,750 customers)

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

- EPWC has complied and adhered to all State and local health orders to ensure the safety of our employees and customers.

V. 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 enrolling customers in programs to manage their utility bills and informing applicable 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

- EPWC 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, water utilities 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

- EPWC 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.

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