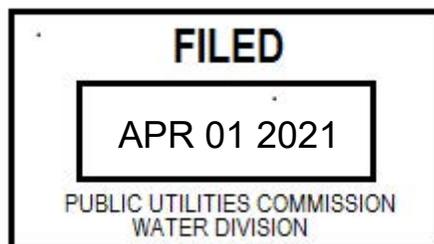




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April 01, 2021

ADVICE LETTER NO. 1333

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

California-American Water Company (California American Water) (U210W) hereby submits for review this advice letter.

Purpose:

As directed by California Public Utilities Commission (“Commission”) Resolution M-4849, California American Water is filing this advice letter to present a transition plan associated with discontinuance of the “Emergency Customer Protections” after June 30, 2021.

Background:

On March 4, 2020, Governor Newsom declared a State of Emergency to help the state prepare for the spread of the COVID-19. Following the Governor’s declaration, California American Water received a letter from the Commission’s Executive Director dated March 17, 2020. The Executive Director’s letter states that the Commission “expect[s] the utilities and service providers subject to D.19-07-015 and D.19-08-025 to extend the same applicable customer protections directed in D.19-07-015 and D.19-08-025 to customers in response to the declared state of emergency due to the spread of the COVID-19.”¹ The letter further states that the protections will apply retroactively beginning March 4, 2020.

On March 19, 2019, in compliance with the Executive Director’s March 17, 2020 letter, California American Water filed Advice Letter 1284 to confirm implementation of protections to customers across all service areas during the emergency. Advice Letter 1284 was approved by the Commission on March 24, 2020.

On April 16, 2020, the Commission issued Resolution M-4842 requiring utilities to file a Tier 2 Advice Letter confirming activation of its Catastrophic Event Memorandum Account and the implementation of the applicable emergency customer protections adopted in D.19-07-015.

On May 1, 2020, California American Water filed Advice Letter 1294 to confirm and describe compliance with the Executive Director’s Letter and Resolution M-4842. Advice Letter 1294 was approved by the Commission on September 22, 2020.

¹ In D.19-07-015, the Commission established a permanent set of minimum emergency disaster customer protection measures that the utilities are mandated to implement in the event of a declared emergency. D.19-08-025 does not apply to water utilities.

On February 11, 2021, the Commission issued Resolution M-4849 to extend the emergency customer protections through June 30, 2021. Resolution M-4849 directed Class A water utilities to file a Tier 1 Advice Letter to describe actions taken to extend the Emergency Customer Protections through June 30, 2021. In compliance, California American Water filed Advice Letter 1323 on February 19, 2021.

Transition Plan for the Expiration of Emergency Customer Protections:

In addition to the above, Resolution M-4849 also directed Class A water utilities to file a Tier 2 Advice Letter outlining their transition plans associated with discontinuance of the “Emergency Customer Protections” after June 30, 2021.

Section II. within the Discussion of Resolution M-4849 provides as follows:

After the customer protection period expires, the electric, gas, and water corporation subject to this Resolution will return to implementing programs and utility service as per the non-emergency state Commission decision directives.

To facilitate a smooth transition for customers when the Emergency Customer Protections are lifted, each electric, gas, and water corporation subject to this Resolution shall file a Tier 2 Advice Letter with its transition plan, or “Transition Plan Advice Letter,” by April 1, 2021. These IOUs shall design the transition plan to effectively ease customers through a transition off of the Emergency Customer Protections 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 transition plan shall include 1) the timeline of new activities and resumed activities, 2) a marketing, education, and outreach (ME&O) strategy, 3) an explanation of how the activities timeline and ME&O strategy account for compliance and safety, and 4) a progress tracking and reporting plan.

Resolution M-4849 directed California American Water to submit a draft transition plan to CPUC Staff by February 25, 2021. California American Water sent its draft transition plan to CPUC Staff on February 25. AL 1333 incorporates feedback on its draft transition plan from the Low-Income Oversight Board and Water Division.

California American Water outlines its Transition Plan in Workpaper 1-1, attached to this Advice Letter.

Tier Designation:

This advice letter is submitted with a Tier 2 designation.

Effective Date:

California American Water requests an effective date of May 01, 2021.

Service List:

In accordance with Section 4.3 of General Order 96-B, a copy of this advice letter is being provided to those entities listed in the attached "SERVICE LIST PURSUANT TO SECTION 4.3 OF G.O. NO. 96-B." Copies will also be served to R.18-03-011 and R.17-06-024 proceeding service lists. Per guidance from the California Public Utilities Commission's Water Division, during the Covid-19 pandemic advice letters will only be delivered electronically to the service list. Hardcopy advice letters will be mailed as soon as administrative staff are able to return to CAW offices. Copies of the detailed workpapers and the documents supporting this Advice Letter have also been furnished to the Commission.

Protests and Responses:

Anyone may respond to or protest this advice letter. When submitting a response or protest, **please include the utility name and advice letter number in the subject line.**

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 grounds² 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 errors 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 shall provide citations or proofs where available to allow staff to properly consider the protest.

A response or protest must be made in writing or by electronic mail and must be received by the Water Division within 20 days of the date this advice letter is filed. The address for mailing or delivering a protest is:

Tariff Unit, Water Division, 3rd floor
California Public Utilities Commission,
505 Van Ness Avenue, San Francisco, CA 94102

water_division@cpuc.ca.gov

On the same date the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy to California American Water, addressed to:

Email Address:

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vera.kostikova@amwater.com

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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.

If you have not received a reply to your protest within 10 business days, contact Vera Kostikova at (916) 568-4246.

CALIFORNIA-AMERICAN WATER COMPANY

/s/ Vera Kostikova

Vera Kostikova
Financial Analyst - Rates & Regulatory

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ADVICE LETTER 1333

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CALIFORNIA-AMERICAN WATER COMPANY
ADVICE LETTER 1333
SUPPORTING DOCUMENTATION FOR STAFF

All Districts –
Transition Plan for Discontinuance of Covid-19 Customer Protections

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Resolution M-4849**California-American Water Company Transition Plan****I. TRANSITION PLAN INTRODUCTION**

California-American Water Company (“California American Water”) appreciates the Public Utilities Commission’s (“Commission”) continued interest both in protecting customer access to safe and reliable drinking water and in the financial stability of the water utilities it regulates during this time. Under the emergency customer protections adopted by the Commission, customers have access to safe, clean, reliable water. The corresponding post-moratorium impact to all customers as a result of higher bills and possible higher bad debt expense must, however, be taken seriously. California American Water’s Transition Plan is an important step towards addressing that post-moratorium impact on customers.

A. California American Water’s Implementation of Emergency Customer Protections

On March 4, 2020, Governor Newsom declared a State of Emergency to help the state prepare for the spread of the COVID-19. Following the Governor’s declaration, the Commission’s Executive Director issued a letter dated March 17, 2020 stating that the Commission “expect[s] the utilities and service providers subject to D.19-07-015 and D.19-08-025 to extend the same applicable customer protections directed in D.19-07-015 and D.19-08-025 to customers in response to the declared state of emergency due to the spread of the COVID-19.”

On March 19, 2020, in compliance with the Executive Director’s March 17, 2020 letter, California American Water filed Advice Letter 1284 to confirm implementation of protections to customers across all service areas during the emergency. Advice Letter 1284 was approved by the Commission on March 24, 2020.

On April 2, 2020, Governor Newsom issued Executive Order N-42-20 prohibiting residential service disconnections and disconnections to “any business in the critical infrastructure sectors designated by the State Public Health Officer as critical to protect the health and well-being of all Californians that qualifies as a small business... .”

On April 16, 2020, the Commission issued Resolution M-4842 requiring utilities to file a Tier 2 Advice Letter confirming activation of its Catastrophic Event Memorandum Account (“CEMA”) and the implementation of the customer protections adopted in D.19-07-015. On May 1, 2020, California American Water filed Advice Letter 1294 again confirming implementation of

California-American Water Company Transition Plan

emergency customer protections in compliance with M-4842. Advice Letter 1294 was approved by the Commission on September 22, 2020.

As stated in Advice Letter 1284 and 1294, California American Water implemented the following customer protections adopted in D.19-07-015 and as required by Governor Newsom's Executive Order N-42-20:

- Dunning locks to place a moratorium on discontinuing service shutoffs for non-payment
- Cease late payment fees
- Offer customer payment options for up to one year
- Restoration of service to previously shut-off customers
- Waive reconnection or facilities fees for affected customers and suspend deposits for affected customers who must reconnect to the system

In addition to the above protections, California American Water also restored service to any active account (where the company could safely do so) that had been disconnected for non-payment prior to March 19, 2020.

California American Water communicated these protections to customers through email, bill text message, press release, social media, office signage in English, Spanish and Chinese and on our website in English and Spanish. California American Water has also provided information to customers in all languages commonly spoken in California by mail.

California American Water also launched additional communication efforts to inform residential customers about the availability of our Customer Assistance Program for those suffering from financial hardship.

California American Water additionally held several webinars to walk customers through its customer assistance programs. Customers can access the recording on California American Water's customer assistance program webpage at:
<https://www.amwater.com/caaw/Customer-Service-Billing/customer-assistance-programs>.

B. California American Water's Transition Plan Objectives & Principles

On February 11, 2021, the Commission issued Resolution M-4849 requiring electric, gas and water corporations to file an Advice Letter with a Transition Plan for the expiration of

California-American Water Company Transition Plan

“Emergency Customer Protections.” Pursuant to Resolution M-4849, the Transition Plan must include:

- a timeline of activities associated with programs that assist customers in bill management,
- a marketing, education, and outreach plan to engage and enroll customers in new bill management program and any changes to existing emergency customer protections,
- how the Transition Plan maintains alignment with program enrollment targets, program eligibility requirements, and additional customer protections, and
- a plan for reporting progress on activities in the timeline and metrics to track and report the goal of effectively easing customers through the transition.

In compliance with Resolution M-4849, California American Water submits the following Transition Plan. California American Water used the objectives and guiding principles identified below to inform its Transition Plan.

A. Transition Plan Objectives

- Reduce customers’ anxiety about protections ending
- Effectively ease customers through a transition from COVID emergency 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 the emergency 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

Resolution M-4849 provides that “The IOUs’ transition plans shall map out a timeline of activities associated with programs or initiatives that assist customers in bill management.”

California-American Water Company Transition Plan

The following includes both (1) a timeline for the resumption of standard activities that California American Water had suspended due to the Emergency Customer Protections in place and (2) a timeline for new activities that California American Water will implement to provide a smooth transition for customers.

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

- **February 11, 2021** – Resolution M-4849 adopted by the Commission.
- **February 22, 2021** – California American Water files Tier 1 Advice Letter demonstrating compliance with the extension of Emergency Customer Protections to June 30, 2021.
- **February 25, 2021** – California American Water 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** – California American Water 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

As noted above, separate from the existing Emergency 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, the timing of when the Executive Order N-42-20 moratorium may be lifted (“EO Moratorium Lifting Date”) is uncertain 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” (i.e. a future date to be determined by each individual water utility) occurring the earliest of July 1, 2021 or the date Executive Order N-42-20 is lifted.

- **Notice of Disconnection Policy Resumption Date** – California American Water will begin sending out notices to customers informing them that California American Water will resume applying standard disconnection procedures under its tariffs on a Disconnection Policy Resumption Date. The disconnection notice procedures are based on the timeline and requirements established by the Legislature under Senate Bill (“SB”) 998 (2018 Water Shutoff Protection Act).

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- **Disconnection Policy Resumption Date** – California American Water 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. California American Water will reach out to customers that have 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 determined by California American Water 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** – California American Water 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, California American Water will provide advance noticing required by SB 998 as set forth 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, California American Water 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, California American Water will provide 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, California American Water will send

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written notice of termination pursuant to Health & Safety Code § 116916(f)(1) at least 7 calendar days prior to any possible disconnection.

C. Certification of Eligibility for Customer Assistance Program (CAP)

- **Prior to Disconnection Policy Resumption Date** – California American Water will launch a CAP enrollment campaign to encourage all of its eligible (but not yet participating) customers to enroll in the program. The CAP eligibility verification and recertification requirements remain unchanged and allow customers to conveniently enroll without required income verification.

D. Late Payment, Reconnection, or Other Customer Fees

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

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California American Water has developed a ME&O campaign strategy that supports the goals of the Transition Plan. The strategy includes expanded outreach to targeted and general audiences about programs and services available to customers prior to the lifting of the moratorium as well as targeted communications to customers identified as target audiences before and after the moratorium is lifted, but prior to the resumption of actual disconnections for non-payment. Attachment A to this Transition Plan is a timeline of California American Water's proposed customer outreach.

The goal of the Transition Plan is to limit the number of disconnections by providing resources necessary to support customers. At this time it is estimated that this may result in \$125,000 in additional costs to California American Water, which will be recorded and recovered through its CEMA account. This estimate is based on continual, targeted communication tactics delivered to California American Water's arrears-affected customers, as well as consistent, statewide communications promoting our different customer assistance plans.

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 on assistance programs
 - Customers who are difficult to reach with typical utility communications, as recommended by the Low Income Oversight Board (LIOB)

B. ME&O Activities for All Customers

- California American Water will leverage ongoing communications channels to educate and engage customers of the June 30, 2021 expiration of Emergency Customer Protections enacted during the COVID-19 pandemic; programs available to help customers maintain service; eligibility for disconnection preventions due to medical needs pursuant to SB 998 and California American Water Tariff Rule 11; 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.

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- Tools for implementation statewide, across all regulated water utilities, include bill inserts, 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, California American Water 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
- Targeted outreach will convey the following information, as appropriate:
 - Senate Bill (SB) Information about pending changes to a customer's service or program enrollment status
 - Needed customer actions, including re-certifications, to remain eligible for programs
 - Payment plans and options available to help customers maintain service or manage arrearages
 - Bill assistance programs
 - 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. Additional ME&O Activities and Tools by Class A Companies

- Additional channels for customer communication and targeted outreach that may be undertaken by California American Water, as resources allow, include:
 - Company web site
 - Social media
 - News releases to local media
 - Virtual community meeting
 - Direct contact at customer residence (i.e., door tags)
 - Materials in multiple languages (according to customer demographics)
 - Advertising (print, social media, or other)

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- Provide program information to local government service providers, offices of elected officials who perform constituent casework and community-based organizations that support underserved communities and customers as recommended by the LIOB.

E. Partnerships

- **Partnership Activities By Individual Water Utilities** – Regulated water utilities 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.
- **Industry-wide Partnership Activities** – The California Water Association may also help to coordinate the following additional potential avenues and partnerships:
 - The California Special Districts Association (CSDA) and their local service providers to promote programs offered by local regulated water utilities.
 - California American Water will increase the frequency of its Customer Assistance Program (CAP) data exchanges with energy utilities with one additional data match bringing the total to three in 2021 and increasing that frequency to quarterly in 2022 as recommended by the LIOB.
 - Seeking partnerships with diverse suppliers to assist regulated water utilities in implementing customer ME&O activities and tools.

F. 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.”
- California American Water does not have approved dollars to implement its proposed ME&O activities using the existing Commission authorized revenue

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requirement. Therefore, California American Water proposes to record the expenses to the CEMA for potential future recovery.

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

- As set forth above, California American Water filed Advice Letters 1284 and 1294 implementing applicable emergency customer protections identified D.19-07-015 in response to the Executive Director’s March 17, 2020 letter and Resolution M-4842. Specifically, California American Water implemented the following Emergency Customer Protections identified in D.19-07-015¹ and will continue to implement them through June 30, 2021 as directed by Resolution M-4849:
 - a. CEMA Activation. On March 19, 2020, California American Water filed Advice Letter 1284, which announced activation of California American Water’s CEMA account for the COVID-19 emergency, effective March 4, 2020. In compliance with its CEMA tariff rules, on April 3, 2020, California American Water provided further information to the Executive Director, including a description of the effects of the emergency on our facilities as well as information on the estimated costs we expect to incur and track in CEMA.
 - b. Insurance Claims. California American Water put its insurer on notice of the COVID-19 pandemic. At this time, California

¹ In Advice Letter 1294, which was approved by the Commission on September 22, 2020, California American Water requested an exemption from implementing two disaster relief protections in D.19-07-015: (1) waive bills for victims who lost their homes or if their homes are rendered uninhabitable, and (2) authorize a pro rata waiver of any fixed element of a water bill for the time that the home is uninhabitable, even if the reason for it being uninhabitable is not loss of water service.

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American Water is not aware of any losses that are covered by its insurance.

- c. **Work Cooperatively with Affected Customers.** California American Water has worked cooperatively with its customers to resolve unpaid bills. As stated above in Section I.A., California American Water has communicated the emergency customer protections to its customers through email, bill text messages, social media, office signage in English, Spanish and Chinese and on our website in English and Spanish. California American Water has also provided information to customers in all languages commonly spoken in California by mail. In addition, California American Water has mailed reminders to customers who are past due on their bills that they may contact California American Water customer service to arrange for full or partial payments or to make arrangements for payment plans that are tailored directly to the customer needs. There have been no disconnections for nonpayment during the COVID-19 pandemic emergency.
 - d. **Waiver of Reconnection or Facilities Fees.** California American Water has not charged customers reconnection or facilities fees and suspended collection of deposits for customers that must reconnect to the system.
 - e. **Provide Reasonable Payment Options.** California American Water has provided a menu of payment options to customers, including payment plans.
- California American Water also implemented the following emergency customer protections in addition to those mandated by Resolution M-4842:
 - As stated above, Executive Order N-42-20 implements a moratorium on residential and small business water service disconnections for non-payment. That moratorium and the other customer protections therein will continue to be in place even when the Commission's Emergency Customer Protections are lifted. In compliance with N-42-20, California

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American Water has not disconnected any customers for nonpayment since March 4, 2020.

- On February 1, 2020 the Water Shut-off Protection Act (SB 998) went into effect. SB 998 mandates certain requirements and procedures with respect to disconnections even when the Commission's Emergency Customer Protections are lifted. On December 20, 2019, California American Water submitted Advice Letter 1276 requesting revisions to its tariffs to incorporate the new provisions of SB 998 into its Tariffs. California American Water submitted a supplemental filing, Advice Letter 1276-A on January 21, 2020, to clarify an issue related to its fee for service reconnections. On July 28, 2020, the Commission approved Advice Letter 1276-A.

The timeline for the resumption of disconnections for non-payment stated above in Section II meets the requirements of SB 998 and the water utility's tariffs because it provides for (1) disconnections for non-payment to resume 60 days after the Disconnection Policy Resumption Date, and (2) provision of required notices before any disconnection.

- California American Water cannot project future disconnections, however as provided in California American Water's February 16, 2021, *Monthly Reporting in Response to Requests for COVID-19 Data*, submitted in R.17-06-024, there are approximately 25,700 customers or 13.8% of customers delinquent on their bills.²

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

- At California American Water, the health and safety of our customers, communities and employees is our top priority. California American Water implemented its business continuity plan for pandemic in January 2020. Numerous actions were taken to protect employees and customers through COVID-19 safety protocols across its

² Estimate is based off the three-month average number of customers past due for November and December 2020 and January 2021. All potential disconnections are subject the SB 998 requirements and California American Water tariffs approved in Advice Letter 1276-A.

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operations including, for example, social distancing practices, face covering requirements, daily health screening procedures, sanitizing practices, employee communications, and mandatory trainings. California American Water also communicates its safety protocols and practices to customers as appropriate during routine and emergency work in the field. County level COVID restrictions are tracked and applied. California American Water's Director of Health and Safety holds regular meetings of operations staff representing all districts to discuss latest developments statewide and in California American Water's multiple districts. Additionally, California American Water has extended its work from home directive, for those who are able, through the end of July 2021. California American Water will continue to assess this date and adapt as the situation develops.

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 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."

A. Background and Protocols for Progress Tracking and Reporting

- California American Water has been and will continue providing monthly data reports regarding customers arrearages as part of the water low-income rate assistance rulemaking proceeding R.17-06-024.
- California American Water will continue to track and report the following metrics as part of R.17-06-024 and submit copies to Water Division until directed otherwise in that proceeding:
 - a. Number of customers requesting bill assistance
 - b. Number of newly enrolled customers to your low-income rate assistance program

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- c. Number of overall enrolled customer in your low-income rate assistance program
 - d. Number of customers late or behind on their bill
 - e. Average arrearage amount
 - f. Median arrearage amount
 - g. Range of arrearage amount
 - h. Overall arrearage amount
 - i. Number of customers making partial payments
- Additionally, California American Water will track and report the following metrics outlined below as part of the monthly data reports submitted in rulemaking proceeding R.17-06-024. California American Water 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, California American Water will report each metric on a monthly basis going back to February 2020 before the Emergency Customer Protections were implemented.
 - For the purpose of these metrics, enrollment in the respective CAP programs should be defined as customers being billed pursuant to the respective utility CAP tariffs.

B. Metrics to Track Continued Enrollment in CAP

- California American Water will provide the following metrics to track that customers that enrolled in a bill assistance program when Emergency Customer Protections were in place are successful in sustaining their enrollment in the program if they still meet eligibility criteria.
 - Number and percent of newly enrolled customers that are able to stay on the water utility CAP program post June 30, 2021.
 - Number and percent of customers required to take actions to remain on California American Water's CAP program (e.g., recertification, post enrollment verification) that successfully complete those actions.

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

- California American Water will provide the following metrics to track enrollments of impacted customers in new payment programs.
 - Number 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).

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- Dollar amount of payments made pursuant to a payment plan and remaining balance for unique customers enrolled in payment plans.
- Number of unique customers more than 90 days in arrears by ZIP code and as a percentage of all unique accounts in the ZIP code.
- As requested by Water Division, and subject to technical feasibility, California American Water will report the number and amount of Housing and Community Development (HCD) payments applied to customer bills.

Date of Issuance
February 12, 2021

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Executive Division

Date: February 11, 2021
Resolution M-4849

R E S O L U T I O N

**AUTHORIZATION AND ORDER DIRECTING UTILITIES TO
EXTEND EMERGENCY CUSTOMER PROTECTIONS TO
SUPPORT CALIFORNIA CUSTOMERS THROUGH JUNE 30, 2021,
AND TO FILE TRANSITION PLANS FOR THE EXPIRATION OF
THE EMERGENCY CUSTOMER PROTECTIONS**

SUMMARY

The Commission issues this Resolution 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 novel coronavirus (COVID-19) pandemic. On April 17, 2020, the Commission issued Resolution M-4842, which ratified directions provided by the Commission's Executive Director on March 17, 2020¹ to energy, water, and communications corporations to retroactively apply customer protection measures from March 4, 2020 onward during the pendency of the COVID-19 pandemic, for up to one year with an option to extend.²

This Resolution extends the Emergency Customer Protections for residential and small business customers through June 30, 2021, and the Commission reserves an option to extend further. Additionally, electric, gas, communications, and water corporations shall file a Tier 1 Advice Letter describing all reasonable and necessary actions to extend the Emergency Customer Protections contained in this Resolution to support California customers through June 30, 2021, and the electric, gas, and water corporations shall extend the memorandum accounts established pursuant to Resolution M-4842 to track incremental costs associated with complying with this Resolution.

¹ March 17, 2020 [Executive Director Letter to Energy Companies Regarding COVID-19](https://www.cpuc.ca.gov/covid/); [Executive Director Letter to Water Companies Regarding COVID-19](https://www.cpuc.ca.gov/covid/); [Executive Director Letter to Communications Companies Regarding COVID-19](https://www.cpuc.ca.gov/covid/) all available at <https://www.cpuc.ca.gov/covid/>

²https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/News_Room/NewsUpdates/2020/Final%20Resolution%20M-4842.pdf

In addition, electric, gas, and water corporations in California shall file a Tier 2 Advice Letter containing their transition plans associated with discontinuance of the Emergency Customer Protections after June 30, 2021. The goal of the transition plan is to effectively ease customers through a transition off of the Emergency Customer Protections 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. As described more fully below, these transition plans shall include 1) a timeline of new and resumed activities, 2) a marketing, education, and outreach (ME&O) strategy, 3) an explanation of how the activities timeline and ME&O strategy account for compliance and safety, and 4) a progress tracking and reporting plan.

BACKGROUND

On March 4, 2020, when Governor Newsom declared a State of Emergency related to COVID-19, there were 53 known cases of COVID-19 in California.³ As of February 3, 2021, there were 3,294,447 cases of COVID-19 in California, and 42,466 deaths.⁴

On March 19, 2020, Governor Newsom ordered Californians to shelter in place except to meet essential needs.⁵ On August 22, 2020, the State released the Blueprint for a Safer Economy⁶ to permit gradual reopening of certain businesses and activities, but due to increases in California's COVID-19 caseload many business remained closed or were open with limited capacity. Restrictions were modified over the ensuing months in response to changes in California's COVID-19 caseload and intensive care unit utilization, and the most recent regional stay at home order and overnight curfew were lifted on January 25, 2021.⁷

It is uncontroverted that as of February 4, 2021, 54 counties, representing 99.9 percent of California's population, were still in the most restrictive tier of California's reopening roadmap.⁸

³ <https://www.gov.ca.gov/2020/03/04/governor-newsom-declares-state-of-emergency-to-help-state-prepare-for-broader-spread-of-covid-19/>

⁴ <https://covid19.ca.gov/>

⁵ Executive Order N-33-20, available at <https://www.gov.ca.gov/2020/03/19/governor-gavin-newsom-issues-stay-at-home-order/>. On April 2, 2020, the Governor also issued Executive Order N-42-20 to prohibit water utilities from disconnecting water service:

<https://www.gov.ca.gov/2020/04/02/governor-newsom-issues-executive-order-protecting-homes-small-businesses-from-water-shutoffs/>

⁶ <https://covid19.ca.gov/safer-economy/>

⁷ <https://covid19.ca.gov/stay-home-except-for-essential-needs/#stay-home-order>

⁸ <https://covid19.ca.gov/safer-economy/>

In April and May 2020, California's unemployment rate hit 16.4 percent due to COVID-19 pandemic-related job loss. Although the unemployment rate fell to 9.0 percent in December 2020, California's unemployment rate in March 2020 was only 5.5 percent, and California has only recovered 44 percent of the nonfarm jobs lost due to the COVID-19 pandemic during March and April 2020.⁹ With 99.9 percent of California's population in the most restrictive reopening tier, California's economy is still months away from recovery.

While a new federal pandemic relief package was signed into law on December 27, 2020, the stimulus checks and federal unemployment benefit enhancement are half the amount provided in the prior CARES Act, and unemployment recipients may only receive 10 weeks of the federal benefit enhancement instead of 11.¹⁰ The scope and level of further federal and state support is uncertain.

Multiple COVID-19 vaccines have been approved or are in the approval pipeline, and the California Department of Public Health estimates that California will have enough supplies to vaccinate most Californians in all 58 counties by summer 2021.¹¹ Dr. Anthony Fauci, Director of the National Institute of Allergy and Infectious Diseases, predicts that widespread vaccinations could help the United States reach early herd immunity by late spring or summer 2021.¹²

The Commission takes specific action in this Resolution in response to the Governor's emergency proclamation and executive orders and to orders from the California Department of Public Health, and in response to the ongoing economic hardship caused by the COVID-19 pandemic, to ensure continued continuity and consistency between all utility actions resulting from the ongoing COVID-19 pandemic.

DISCUSSION

COVID-19 has been extremely disruptive to all Californians and has had severe economic impacts on many Californians. In response to reoccurring natural and manmade disasters prior to COVID-19, the Commission initiated a disaster relief Rulemaking, (R.) R.18-03-011, and adopted a series of requirements for utility companies (electric, gas, water) and communications providers, culminating in customer protection measures adopted in two Decisions, (D.) D.19-07-015 and D.19-08-025.

⁹ <https://edd.ca.gov/newsroom/unemployment-december-2020.htm>

¹⁰ <https://www.cnn.com/2020/12/20/politics/second-covid-stimulus-package-details/index.html>

¹¹ <https://covid19.ca.gov/vaccines/>

¹² <https://www.npr.org/sections/coronavirus-live-updates/2020/12/15/946714505/fauci-predicts-u-s-could-see-signs-of-herd-immunity-by-late-march-or-early-april>

The customer protection measures adopted in R.18-03-011 apply where a gubernatorial or presidential declared emergency relates to the disruption or degradation of service. 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 access or pay for utility service. Social distancing and shelter-in-place requirements have required the closure of non-essential businesses including bars, dine-in restaurants, and shops, and subsequent employee layoffs have impacted the ability of customers to stay current on utility payments at the same time that shelter in place orders have caused increased usage of utility services and resulted in higher utility bills.

Having access to essential utility services is critical to maintaining Californians' health and safety during the COVID-19 pandemic. Therefore, due to the continued economic harm from the COVID-19 pandemic, the Commission extends to California customers the Emergency Customer Protections from D.19-07-015 and D.19-08-025, as ordered by Resolution M-4842, through June 30, 2021, and the Commission reserves an option to extend. The Commission takes this action in response to extraordinary circumstances and the ongoing state of emergency to ensure continuity of essential services to customers during this health and safety crisis. This Resolution does not establish precedent for standard Commission ratemaking or customer protection processes.

All residential and small business customers in California are eligible for the Emergency Customer Protections set forth below in this Resolution by industry. As we stated in Resolution M-4842, these customer protections are a floor, not a ceiling; utilities may provide additional consumer services or protections.

We direct the electric and gas corporations subject to this Resolution to continue to use the COVID-19 Pandemic Protections Memorandum Accounts (CPPMA) established in Resolution M-4842 to record costs associated with extending the required customer protections in this Resolution and developing the Transition Plan. The purpose of the CPPMA account becomes to record and track incremental costs associated with COVID-19 pandemic as described in Resolution M-4842 and this Resolution collectively. The review of these costs for possible collection in rates will be conducted in a General Rate Case, a Biennial or Triennial (as applicable) Cost Allocation Proceeding, the Energy Resource Recovery Account, or another proceeding. This affords Commission staff an opportunity to review any incremental expense associated with this Resolution.

The electric, gas, communications, and water corporations subject to this Resolution, as specified in the following sections, are directed to ensure compliance with existing statutes, regulations, and ordinances and work in cooperation with all appropriate California, federal, and local government agencies.

I. EXTENDING EMERGENCY CUSTOMER PROTECTIONS FOR RESIDENTIAL AND SMALL BUSINESS CUSTOMERS THROUGH JUNE 30, 2021

Emergency Customer Protections for Electric and Gas Utility Customers

The electric and gas utilities under this Commission's jurisdiction subject to this Resolution are the following: (1) Pacific Gas and Electric Company (PG&E); (2) Southern California Edison Company (SCE); (3) San Diego Gas & Electric Company (SDG&E); (4) Southern California Gas Company (SoCalGas); (5) PacifiCorp; (6) Liberty Utilities (CalPECO Electric) LLC; (7) Bear Valley Electric Service (a division of Golden State Water Company); (8) Southwest Gas Corporation; (9) Alpine Natural Gas, Inc.; (10) West Coast Gas Company, Inc.; and (11) Catalina Island Gas Services.

The electric and gas utilities subject to this Resolution shall each file a Tier 1 Advice Letter with the Commission's Energy Division no later than 10 days after the issuance of this Resolution demonstrating compliance with the extension of Emergency Customer Protections to June 30, 2021. Electric and gas corporations shall serve copies of the Advice Letters to R.18-03-011, A. 14-11-007, A.15-02-001, A.19-11-003, A.20-03-014, R.15-03-010, R.18-07-006, R.18-07-005, R.12-06-013, and A.19-09-014 proceeding service lists. Should any of the actions utilities are taking to implement Emergency Customer Protections need to be revised from the prior Resolution M-4842 Advice Letter compliance filings, or if certain customer protections were inapplicable during the pandemic and not already noted and accepted as such in prior filing, these revisions should be noted in the Tier 1 Advice Letter to this Resolution. The Emergency Customer Protections identified in Resolution M-4842 are as follows:¹³

- (1) waive deposit requirements for residential customers seeking to reestablish service for one year and expedite move in and move out service requests;
- (2) stop estimated usage for billing attributed to the time period when a home/unit was unoccupied as a result of the emergency;
- (3) identify the premises of affected customers whose utility service has been disrupted or degraded, and discontinue billing these premises without assessing a disconnection charge;
- (4) prorate any monthly access charge or minimum charges;
- (5) implement payment plan options for residential customers;

¹³ Decision 20-06-003, adopted on June 11, 2020, subsequently eliminated certain deposits and fees for residential customers.

- (6) suspend disconnection for nonpayment and associated fees, waive deposit and late fee requirements for residential customers;
- (7) support low-income residential customers by: (a) freezing all standard and high usage reviews for the California Alternate Rates for Energy (CARE) program eligibility for 12 months and potentially longer, as warranted; (b) contacting all community outreach contractors, the community based organizations who assist in enrolling hard to reach low income customers into CARE, to help better inform customers of these eligibility changes; (c) partnering with the program administrator of the customer funded emergency assistance program for low income customers and increase the assistance limit amount for the next 12 months; and (e) indicate how the energy savings assistance program can be deployed to assist customers;
- (8) suspend 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;
- (9) discontinue generating all recertification and verification requests that require customers to provide their current income information;
- (10) offer repair processing and timing assistance and timely access to utility customers pursuant to Section 8386(c)(18);
- (11) include these customer protections as part of their larger community outreach and public awareness plans under Section 8386(c)(16)(b);
- (12) meet and confer with the Community Choice Aggregators as early as possible to discuss their roles and responsibilities for each emergency customer protection.

Emergency Customer Protections for Water Customers

The water corporations under this Commission's jurisdiction subject to this Resolution are the following: all Class-A water utilities (California Water Service Company, California American Water Company, Golden State Water Company, Great Oaks Water Company, Liberty Utilities (Apple Valley Ranchos Water, and Park Water), San Jose Water Company, San Gabriel Valley Water Company, and Suburban Water Systems; and all Class-B water utilities (Bakman Water Company, Del Oro Water Company, East Pasadena Water Company, and Alco Water Service).

The water corporations subject to this Resolution shall file a Tier 1 Advice Letter with the Commission's Water Division no later than 10 days after the issuance of this Resolution demonstrating compliance with the extension of Emergency Customer Protections to June 30, 2021. Water corporations shall serve copies of the Advice Letters to R.18-03-011 and R.17-06-024 proceeding service lists. Should any of the actions utilities are taking to extend the Emergency Customer Protections need to be revised from the Resolution M-4842 Advice Letter compliance filings, or if certain customer protections were inapplicable during the pandemic and not already noted and accepted as such in prior filings, these revisions should be noted in the Tier 1 Advice Letter to this Resolution. The Emergency Customer Protections identified in Resolution M-4842 are as follows:

- (1) activation of their Catastrophic Event Memorandum Account (CEMA) effective to the date of the Governor's declaration of a state of emergency - March 4, 2020;
- (2) make insurance claims on all costs and expenses incurred as a result of the pandemic, and credit insurance payments to their CEMA;
- (3) work cooperatively with affected customers to resolve unpaid bills, and minimize disconnections for non-payment;
- (4) waive reconnection or facilities fees for customers and suspend deposits for customers who must reconnect to the system;
- (5) provide reasonable payment options to customers;
- (6) waive bills for victims who lost their homes or if their homes are rendered uninhabitable; and
- (7) authorize a pro rata waiver of any fixed element of a water bill for the time that the home is uninhabitable, even if the reason for it being uninhabitable is not loss of water service.

Emergency Customer Protections for Communications Customers

The Emergency Customer Protections established in D.19-08-025 ensure that residential and small business communications service customers who experience a housing or financial crisis due to a disaster keep vital services and receive support in the wake of the disaster.

The customer protections for facilities based and non-facilities-based landline providers (e.g., 9-1-1/E9-1-1 providers, LifeLine providers, Voice over Internet Protocol (VoIP) providers, Carriers of Last Resort (COLRs), and other landline providers) are:¹⁴

- (1) Waiver of one-time activation fee for establishing remote call forwarding, remote access to call forwarding, call forwarding features and messaging services;
- (2) Waiver of the monthly rate for one month for remote call forwarding, remote access to call forwarding, call forwarding, call forwarding features, and messaging services;
- (3) Waiver of the service charge for installation of service at the temporary or new permanent location of the customer and again when the customer moves back to the premises;
- (4) Waiver of the fee for one jack and associated wiring at the temporary location regardless of whether the customer has an Inside Wire Plan;
- (5) Waiver of the fee for up to five free jacks and associated wiring for Inside Wiring Plan customer upon their return to their permanent location;
- (6) Waiver of the fee for one jack and associated wiring for non-Plan customers upon their return to their permanent location;

Decision 19-08-025 describes the customer protections for wireless providers (e.g., those that provide access to E9-1-1 and/or Lifeline services) as follows. Items 1-6 below apply to facilities-based wireless providers, and items 4-7 apply to resellers and non-facilities-based wireless providers, (e.g. mobile virtual network operators [MVNOs]):¹⁵

- (1) Deploy mobile equipment, including Cells on Wheels and Cells on Light Trucks, to supplement service in areas that need additional capacity to ensure access to 9-1-1/E9-1-1 service;
- (2) Provide device charging stations in areas where impacted wireless customers seek refuge; and
- (3) Provide WiFi access in areas where impacted wireless customers seek refuge.

¹⁴ D.19-08-025 at 31-33.

¹⁵ *Id.* at 33.

The following are directed to all facilities-based and non-facilities based wireless providers, including resellers:¹⁶

- (4) Provide mobile phones for customers seeking shelter from a disaster to use temporarily at a county or city designated shelter.
- (5) The Commission urges wireless carriers to allow customers to defer or phase payment for coverage charges for data, talk, and text for defined periods of time;
- (6) The Commission urges wireless carriers to extend payment dates for service for defined periods of time;
- (7) Consider providing temporary replacement phones for customers whose phones were lost or damaged as a result of a disaster or evacuation.

Decision 19-08-025 incorporates the interim emergency protections applicable to LifeLine service adopted in D.18-08-004,¹⁷ which are in effect during the COVID-19 state of emergency for all providers of LifeLine service:¹⁸

- (1) Delay the California LifeLine Renewal Process and suspend the de-enrollment for non-usage rules; and
- (2) Implement the LifeLine outreach methods.

In Resolution M-4842, we directed the utilities and communications service providers to conduct outreach of these protections to customers, and with this Resolution we direct that this outreach shall continue through June 30, 2021.

Communications corporations subject to this resolution shall each file a Tier 1 Advice Letter no later than 10 days after this Resolution's approval demonstrating compliance with the extension of Emergency Customer Protections to June 30, 2021.

Communications corporations shall serve copies of the Advice Letters to the R.18-03-011 proceeding service list. Should any of the actions taken to implement Emergency

¹⁶ *Id.* at 34.

¹⁷ D.18-08-004 at 9.

¹⁸ Nothing in this Resolution supersedes other customer protections which may be ordered by the Commission. For example, the March 19, 2020 Assigned Commissioner Ruling (ACR) in R.20-02-008 suspended the LifeLine renewal process, including de-enrollment due to the renewal process, for all California LifeLine participants including those who do not meet federal LifeLine eligibility criteria for a period of 90 days from the date of the ACR unless modified by a Commission decision. (R.20-02-008 ACR at 3.) These protections were also extended through February 28, 2021 through a similar ACR issued November 24, 2020.

Customer Protections need be revised from already disposed Resolution M-4842 Advice Letter compliance filings, or if certain customer protections were inapplicable during the pandemic and not already noted and accepted as such in prior filing, these revisions should be noted in the Tier 1 Advice Letter to this Resolution.

II. TRANSITION PLAN FOR THE EXPIRATION OF EMERGENCY CUSTOMER PROTECTIONS

On October 30, 2020, the CPUC and the State Water Resources Control Board jointly hosted a workshop on Water Affordability During COVID-19. On November 12, 2020, the CPUC hosted a Workshop on the Impacts of COVID-19 on Energy Customers and Customer Programs.¹⁹ The data presented at these workshops showed significant growth in the number of customers with arrearages, and in arrearage amounts, in the period of March 2020 to present. There is a need for facilitating customers' enrollment in programs to manage their arrearages.

After the customer protection period expires, the electric, gas, and water corporations subject to this Resolution (collectively, IOUs) will return to implementing programs and utility service as per the non-emergency state Commission decision directives.

To facilitate a smooth transition for customers when the Emergency Customer Protections are lifted, each electric, gas, and water corporation subject to this Resolution shall file a Tier 2 Advice Letter with its transition plan, or "Transition Plan Advice Letter," by April 1, 2021. These IOUs shall design the transition plan to effectively ease customers through a transition off of the 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 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 Emergency Customer Protections extended to communications customers in Resolution M-4842 did not include a moratorium on disconnections for nonpayment, however the Commission imposed a 90 day moratorium on disconnections for non-payment for communications customers in Resolution M-4848,²⁰ therefore we determine that outreach to customers concerning the expiration of the Emergency Customer Protections is sufficient and that communications corporations are not required to file transition plans.

¹⁹ Materials available at: <https://www.cpuc.ca.gov/covidworkshop/>

²⁰ Resolution 4848 Issued December 18, 2020
<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M355/K761/355761752.PDF>

The transition plan shall include 1) a timeline of new activities and resumed activities, 2) a marketing, education, and outreach (ME&O) strategy, 3) an explanation of how the activities timeline and ME&O strategy account for compliance and safety, and 4) a progress tracking and reporting plan. IOUs should take into account the challenges and solutions discussed in the October 30 and November 12, 2020 COVID workshops as they prepare their transition plans.

Content of Transition Plans for Energy and Water Utilities

1. Activities Timeline

The IOUs' transition plans shall map out a timeline of activities associated with programs or initiatives that assist customers in bill management. Relevant programs include, but are not limited to, 1) bill assistance programs: California Alternate Rates for Energy (CARE), Family Electric Rate Assistance (FERA), Customer Assistance Program (CAP), medical baseline; 2) bill payment options: energy Arrearage Management Plan, 12-month payment plan; and 3) customer programs and rates: Time of Use residential rate structure for energy IOUs, Energy Savings Assistance Program. Activities can be categorized as those associated with programs/initiatives that were approved and/or started since the pandemic shelter in place order in March 2020, and activities which were suspended for an already existing program as a result of Emergency Customer Protections and will resume.

The discussion of new activities should focus on programs/initiatives that IOUs can leverage to support their transition plan or should be coordinated among other activities for a smooth transition. New activities shall include, but are not limited to, those associated with the following new programs:

- Applicable Payment Plan options (energy Arrearage Management Plan, 12-month payment plan)
- Time of Use residential rate structure for energy IOUs

Resumed activities shall include, but are not limited to:

- Noticing of risk of disconnection
- Verification of customer eligibility in California Alternate Rates for Energy (CARE), Family Electric Rate Assistance (FERA), Customer Assistance Program (CAP), etc.
- Requirement for customer recertifications of eligibility for programs

- Application of late-payment, reconnection, and other fees to a customer²¹

Activities that should be noted on the timeline include communications to customers related to a pending change to the customer's service or status of enrollment in a program, a required action by customers to maintain existing services or program status, and all other communications about transitions or events that could trigger a group of customers' alarm or unease. Activities can also include relevant Commission Decision-mandated activities.

IOUs shall demonstrate through the sequencing and timing of activities, and defining which groups of customers will be impacted by each activity, that the timeline has been thought through from a customer-impact lens, and is part of a coordinated and thus more effective marketing, education, and outreach strategy.

2. Marketing, Education, and Outreach Strategy

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 marketing, education, and outreach strategy must include, but is not limited to:

- targeted outreach to customers with arrears, and for water utilities to customers that may qualify for disconnection preventions due to medical needs pursuant to Senate Bill (SB) 998²²
- general marketing and outreach to customers on assistance programs

²¹ Do not include any fees eliminated with the intent that they not be resumed after Emergency Customer Protections lift, such as residential reconnection fees per D.20-06-003. Also, fees that would have been (but were not) assessed during the Emergency Customer protections period shall not be back-billed (or otherwise charged) to customers after expiration of Emergency Customer Protections.

²² Senate Bill 998 was signed into law in September 2018 and is referred to as "The Water Shutoff Protection Act."

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180SB998

- coordination with the California Department of Community Services and Development and their local service providers to:
 - facilitate customers' access to federal assistance Low Income Home Energy Assistance Program, and
 - leverage their customer interactions for expanding outreach efforts on IOUs' bill management programs
- for electric IOUs with CCAs serving customers in their jurisdiction, sharing customer education materials with the CCAs in advance of their distribution to customers
- the timing and incremental budget, if necessary, for ME&O efforts

IOUs must detail how the ME&O strategy supports and is aligned with the Activities Timeline. IOUs shall identify which, if any, activities in the timeline will receive a disproportionately large ME&O effort and provide reasoning for this activity receiving enhanced ME&O. IOUs shall indicate which ME&O efforts were already ongoing that they are leveraging to support the transition plan versus which ME&O activities are new proposals.

IOUs should consider the following as they develop their ME&O strategy:

- Increasing the frequency with which energy and water IOUs exchange data on accounts enrolled in income-eligible programs so that eligible customers can be targeted for enrollment²³
- How best to combine messaging to customers on multiple aspects of the transition plan (e.g., forthcoming changes resulting from expiration of Emergency Customer Protections, and bill management options), so customers receive fewer and coordinated communications, rather than multiple messages
- A plan for identifying and coordinating with other agencies and/or entities that can directly contact customers

²³ At the May 22, 2020 CARE All-Party meeting Commissioners asked Energy IOUs about increasing data sharing frequency from bi-annually (Question 3.b. from detailed agenda of All-Party Meeting on California Alternate Rates for Energy (CARE) education and outreach in light of COVID-19 noticed to service lists.) In response, an additional data exchange occurred in July, and utilities have discussed increasing frequency – September LIOB full committee meeting Water Division update, slide 3: https://liob.cpuc.ca.gov/wp-content/uploads/sites/14/2020/12/Item-005b_CPUC-Water-Update-LIOB-200917.pdf. The matter of mandating any change in frequency may be addressed in Phase 2 of R.17-06-024 and thus is inappropriate to mandate here.

- Training for IOU call center staff on IOU programs and associated activities
- The appropriate method of customer communication, including non-English languages and forms for communication to reach people with disabilities and other access and functional needs

Wherever possible, IOUs must strive for statewide consistency within each industry (consistent between energy utilities, and consistent between water utilities) in marketing materials and strategy. Consistency serves to 1) ease confusion and/or increase efficiencies for customer facing entities supporting IOUs in executing the ME&O strategy, 2) reduce challenges for call centers receiving customer reports from customers across multiple utilities, and 3) ease processing and interactions between regulators and utilities as utilities report on their implementation of the plan.

Individual IOUs shall look to those IOUs actively planning or implementing marketing, education, and outreach efforts, and leverage any effective practices to greatest extent practicable, i.e., activities that have been highlighted by stakeholders as an example to follow in meetings, workshops, and/or through party responses to IOU Advice Letters and/or applications. IOUs shall propose in their prepared presentations to LIOB what marketing materials and strategy they can make consistent statewide (i.e., across all IOUs). See also section below on “Authorities Delegated to Divisions.”

3. Compliance and safety

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.

In particular, for the four large energy IOUs, PG&E, SCE, SoCalGas, and SDG&E, the transition plan shall include both:

- 1) The number and percent of unique customers, by ZIP code, who are
 - a. more than 90 days in arrears, and
 - b. not enrolled in a Recent Applicable Payment Plan or conventional extended payment plan.
- 2) The number and percent of unique customers, by ZIP code, who are
 - a. more than 90 days in arrears,

- b. not enrolled in a Recent Applicable Payment Plan or conventional extended payment plan, and
- c. more than \$250 in total arrears.

The other energy IOUs, the Small Municipal Jurisdictional Utilities, shall report as above, but for their entire geographic region (not broken out by ZIP code).

For Class A water IOUs, the transition plan shall include the number and percent of customers who are projected to be facing disconnection after June 30, 2021 if the Governor's Executive Order N-42-20 were to expire, and a schedule that complies with SB 998 requirements²⁴, including but not limited to providing at least 60 days after the payment is delinquent before a customer may be disconnected.

IOUs must also discuss how the plan ensures activities are safe and consistent with all appropriate state and local health orders.

4. Progress tracking and reporting

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. A progress metric shall be included for both of the following areas for tracking and reporting:

- i) Customers that enrolled in a bill assistance program (as described in Section 1, Activities Timeline) when Emergency Customer Protections were in place are successful in sustaining their enrollment in the program if they still meet eligibility criteria

²⁴ On September 28, 2018, Senate Bill 998 (SB 998) was signed into legislation effective February 1, 2020. This bill requires all public water systems (with more than 200 connections) to have a written policy on discontinuation of residential water service, provide that policy in multiple languages, include provisions for not shutting off water for certain customers that meet specified criteria, prohibit the shutoff of water service until the bill has been delinquent for 60 days (bills are delinquent after 19 days), and cap the reconnection fees for restoring service. Water IOUs have accordingly filed advice letters to revise existing tariff rules and fee schedules to fully incorporate the provisions of SB 998.

- ii) New enrollments of impacted customers in payment programs since beginning implementation of the transition plan

For illustrative purposes, we provide examples of progress metrics that track utility success in sustaining customer enrollment in programs (metric area “i.”):

- Number and percent of newly enrolled customers that are able to stay on the income qualified bill assistance programs post June 30, 2021
- Number and percent of customers required to take actions to remain on income qualified bill assistance programs (e.g., recertification, post enrollment verification) that successfully complete those actions

Examples of progress metrics that track utility success in new customer enrollments (metric area “ii.”):

- Number of customers enrolled in payment plans for arrearages
- Dollar amount of payments made pursuant to a payment plan and remaining balance for unique customers enrolled in payment plans.
- Number of unique customers more than 90 days in arrears by ZIP code and as a percentage of all unique accounts in the ZIP code
- Number of energy customers enrolled in arrearage management plans (AMP) and number enrolled as a percentage of total customers eligible for AMP
- Dollar amount of arrears eliminated via AMP credit and dollar amount of remaining arrears for energy customers enrolled in AMP

In order for energy and water IOUs to have the flexibility to incorporate information on programs offering assistance to customers which are approved after the approval of transition plans into ME&O activities and material, the utilities are to report these additions in their monthly report.

IOUs shall report these progress metrics and the any additions to transition plans monthly. Energy IOUs shall report in the monthly report required by the Disconnections Proceeding, R.18-07-005.²⁵ Water IOUs shall provide ongoing monthly reports to Water

²⁵ Ordering Paragraph 6 of the Decision (D.) adopting interim disconnection rules for energy IOUs, D.18-12-013, directed IOUs to file monthly reports on disconnections and arrearages.

Division leveraging monthly reporting required by R.17-06-024. The Industry Division's disposition of the Transition Plan Advice Letter will indicate the first monthly report delivery date.

Costs and Accounting

In some Decisions, Energy IOUs are explicitly directed to conduct or propose ME&O efforts (e.g., medical baseline enrollment portion of Disconnections Proceeding, Wildfire Mitigation Plan, and Time of Use rates). In other Decisions that do not spell out specific ME&O requirements or budgets, IOUs are still expected to craft and execute necessary ME&Os to meet the Decision's mandates (e.g., the new AMP and 12-month payment plan elements set out in D.20-06-003). Therefore, all resumed and new start activities are already funded through Commission Decisions from their respective proceedings.

The ME&O strategy required here coordinates existing ME&O efforts to meet the goals of the transition plans. In other words, Energy IOUs should use existing ME&O budgets, to the greatest extent practicable. 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. Water IOUs are encouraged to leverage existing outreach and marketing budgets, including for conservation programs and low-income programs.

Process Requirements for Transition Plan Advice Letter Development and Submission

By February 25, 2021, IOUs shall submit drafts of Transition Plan Advice Letters to CPUC staff (Gillian.Weaver@cpuc.ca.gov), who will share them with the LIOB and post them publicly on the LIOB website (liob.org). At the first quarterly LIOB meeting of 2021 (tentatively scheduled for March 11, 2021), electric, gas, and water utility staff shall prepare to present the draft transition plans during the LIOB meeting. In preparation for presenting their transition plans to the LIOB, IOUs shall work together (water IOUs amongst themselves, and energy IOUs amongst themselves) to develop a presentation template and comparison framework to present their transition plans to the Board in a consistent manner and to highlight the similarities and differences between their transition plans.²⁶ IOUs shall provide the template and framework to the LIOB chair and/or Commission's Industry Division staff for advance review upon request. In areas where the transition plans have differences, IOUs shall include in the framework

²⁶ When populating the framework developed by energy IOUs, energy IOUs may present two populated frameworks, one to show similarities and differences among Small Municipal Jurisdictional Utilities (SMJUs), and another to compare among the large energy IOUs.

presented to LIOB either the intent to revise the transition plans to bring the plans into alignment, or explain why they will retain the differences in their respective transition plans. The LIOB chair will coordinate the IOUs' presentations.

Board members will provide feedback and recommendations to the IOUs' drafted transition plans. The IOUs shall consider and incorporate LIOB board member input where feasible, and any Commission staff feedback, and submit final Advice Letters on April 1, 2021. Electric and gas corporations shall serve copies of Advice Letters to R.18-03-011, A. 14-11-007, A.15-02-001, A.19-11-003, A.20-03-014, R.15-03-010, R.18-07-006, R.18-07-005, R.12-06-013, and A.19-09-014 proceeding service lists, and the service list of any new proceeding established to Address Energy Utility Customer Bill Debt Accumulated During the Coronavirus Pandemic. Water corporations shall serve copies of Advice Letters to R.18-03-011 and R.17-06-024 proceeding service lists.

Criteria for CPUC Industry Division Review and Approval of Transition Plans

The criteria by which Division staff will review and approve IOU Transition Plan Advice Letters are:

- The Advice Letter addresses all elements required by this Resolution;
- The plan incorporates LIOB member feedback, where feasible, and Commission staff feedback;
- The metrics in the plan for tracking and reporting progress toward the transition plan goals are specific, measurable, and meaningful; and the methodology, including dates of measurement periods, for calculation of any baseline value and each monthly (at minimum) progress tracking value for metrics is clear;
- It appears likely that the timing of activities and the ME&O strategy in the transition plan will result in a positive impact from customer perspective compared to IOUs operating in absence of the transition plan;
- The ME&O efforts are coordinated with and not duplicative of existing marketing, outreach and education efforts, efficient and effective use of existing marketing education and outreach efforts and associated funds is demonstrated, and the customer lens is clearly articulated; and
- The IOU's implementation of its proposed transition plan will not preclude its compliance with existing statutes, regulations, ordinances.

Authorities Delegated to Division Director

The director of the division reviewing and disposing of Transition Plan Advice Letters is delegated the authority to direct an IOU to conform to another IOU's proposed activity in their transition plan activities timeline and/or ME&O strategy where it is applicable and beneficial for consistency statewide. The director of the division also has delegated authority to direct consistency across IOUs in tracking and reporting.

In order to anticipate and prepare for implementation of the transition plans, IOUs should read other IOUs' draft Transition Plan Advice Letters submitted on February 25, 2021 to the LIOB to identify similarities and differences, and evaluate for themselves areas of improvement, consistency, and best practices to incorporate into their own plans before submission of the final Advice Letter.

As tracking costs within a memorandum account does not constitute approval of cost recovery, no further approval by staff will be necessary for the IOU to track any incremental costs noted in Transition Plan Advice Letters to the CPPMA or CEMA. However, IOUs, per the discussion above, should seek every opportunity to constrain implementation costs by alignment with existing ME&O efforts, and should provide detail and justification of incremental costs for the plans required here. IOUs should be prepared to answer questions from LIOB members and Commission staff about incremental cost estimates.

COMMENTS

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 "in an unforeseen emergency" The Commission's Rules of Practice and Procedure also provide that public review and comment may be waived or reduced in an "unforeseen emergency situation" specifically where there are "[a]ctivities that severely impair or threaten to severely impair public health or safety..." (Rule 14.6(a)(1) and/or where there are "[c]rippling disasters that severely impair public health or safety." (Rule 14.6(a)(2)). "Requests for relief based on extraordinary conditions in which time is of the essence." (Rule 14.6(a)(2)). "Unusual matters that cannot be disposed of by normal procedures if the duties of the Commission are to be fulfilled."

The 30-day comment period is shortened to 14 days pursuant to these authorities due to the ongoing COVID-19 pandemic in California. Accordingly, the draft Resolution was mailed on January 15, 2021. Parties submitted Opening Comments on January 22, 2021, and Reply Comments on January 29, 2021.

Interested persons can also participate in the Advice Letter processes directed by this Resolution.

The draft Resolution and Comments were served on the following service lists:

- R.18-03-011 (Emergency Customer Protections)
- A.19-11-003, A.20-03-014 (California Alternate Rates for Energy and Energy Savings Assistance Programs of large IOU and SMJU)
- R.15-03-010 (Access to Affordable Energy in the San Joaquin Valley)
- R.18-07-006 (Assessing Utility Service Affordability)
- R.18-07-005 (New Approaches to Disconnections and Reconnections)
- R.12-06-013 (Examination of IOUs' Residential Rate Structures)
- A.19-09-014 (SDG&E Application to Eliminate Seasonal Differential in Residential Rates)
- R.17-06-024 (Evaluating Low-Income Rate Assistance Programs for Water Utilities)

Opening Comments were filed by California Community Choice Association (CalCCA), CTIA – The Wireless Association (CTIA), California Water Association (CWA), Great Oaks Water Company (Great Oaks), the Utility Reform Network, Center for Accessible Technology, and National Consumer Law Center (Joint Consumers), PG&E, SCE, SDG&E, and SoCalGas. on January 22, 2021.

Reply Comments were filed by the California Cable & Telecommunications Association (CCTA), CTIA, the Greenlining Institute (Greenlining), Joint Consumers, PG&E, Free Energy Savings Company LLC, d/b/a Quality Conservation Services (QCS), SCE, SDG&E, SoCalGas, and Southwest Gas Corporation (Southwest Gas) on January 29, 2021.

Comments fell into the following categories:

- Communications Corporation Customer Protection Expiration Date
- Applicability of Advice Letters Filed in Response to Resolution M-4842
- Coordination with Governor's Office and State Water Resources Control Board on Disconnection Moratorium for Water Utilities

- Coordination with Community Choice Aggregators on Development of Transition Plans
- Memorandum Accounts and Marketing Education and Outreach Costs
- Projected Disconnections Reporting for Energy IOUs
- Disconnections Monthly Cap Calculation Methodology for Energy IOUs
- Draft Transition Plan Timing and Content
- Transition Plan Implementation Timing
- Including Other Programs in Transition Plans
- Similarities and Differences Between IOUs' Transitions Plans
- Comments Within the Scope of Another Proceeding

Comments also suggested clarifications on matters such as the fees that IOUs may charge customers after the customer protections expire, whether the sample metrics are illustrative or mandatory, and the role of the Water Shutoff Protection Act of 2018 (SB 998).

Below is a summary of the comments that argued for the most substantive changes to the draft Resolution. This is not an exhaustive list of all the comments received, nor all the edits made to the draft Resolution.

Communications Corporation Customer Protection Expiration Date

CTIA urged the Commission against further extending the wireless customer protections on the grounds that the customer protections offer customers no benefit during a pandemic, may put wireless providers' employees at risk, and may encourage Californians to violate social distancing requirements. CTIA further argued that the Commission is acting beyond its authority.

In Resolution M-4842, the Commission contemplated the some of the protections adopted in R.18-03-011 would not be applicable during a pandemic, stating:

we acknowledge that some of the provisions adopted in D.19-07-015 and D.19-08-025 in response to disasters such as earthquakes and wildfires may not apply in the case of a pandemic; for example, the requirement that electric and gas utilities identify the premises of affected customers whose utility service has been disrupted or

degraded and discontinue billing these premises without assessing a disconnection charge. If the electric, gas, communication, and water corporations subject to this Resolution believe that specific provisions from D.19-07-015 and D.19-08-025 do not apply during the pandemic, they shall identify such provisions in their Advice Letters and provide a justification for why they believe the provisions do not apply.²⁷

This flexibility is fully responsive to CTIA's concerns regarding the applicability of wireless customer protections. The Commission addressed its jurisdiction to adopt wireless customer protections in D.19-08-025, and we will not relitigate the matter here.

Joint Consumers noted that the moratorium on disconnecting communications services adopted in Resolution M-4848 expires on April 18, 2021, and urged the Commission to extend the moratorium until June 30, 2021, to allow consistent marketing, education, and outreach. CCTA and CTIA objected to Joint Consumers' request to extend the disconnect moratorium from Resolution M-4848, arguing that it is unnecessary as well as procedurally improper, and that Resolution M-4848 has a mechanism to extend the date if necessary.

The Commission declines to extend the duration of the disconnect moratorium adopted in Resolution M-4848, which has only recently gone into effect. Resolution M-4848 gives the Executive Director the ability to extend the communications disconnect moratorium, and the Commission will continue to monitor developments.

Applicability of Advice Letters Filed in Response to Resolution M-4842

CalCCA supports extending the customer protections, and urges that the protections implemented pursuant to Resolution M-4842 remain the same during the extension. CalCCA requested that PG&E continue its suspension of Tariff Rule 23.R.3 or partial payments, and that SCE continue its existing practices for application of partial payments by unbundled customers. PG&E agreed with CalCCA, stating that it intends to extend all the customer protections, including the *pro rata* allocation of partial payments received from residential customers served by a third-party service provider. Likewise, SDG&E replied that it plans to continue the *pro rata* allocation for all CCA customers who are eligible for the Emergency Customer Protections through June 30, 2021.

The Commission notes that both PG&E and SDG&E indicate that they are maintaining *pro rata* allocation for CCA customers. The Commission anticipates that the protections

²⁷ Resolution M-4842, at 4.

originally implemented pursuant to Resolution M-4842 will remain the same through June 30, 2021, and directs utilities to indicate in their Tier 1 Advice Letters whether and why they intend to change any of the protections applicable through June 30, 2021.

PG&E observed that Ordering Paragraph 6 of D.19-07-015 requires certain energy and water IOUs to "... file a Tier 1 Advice Letter at the default, 12-month conclusion of customer protection period." PG&E requested that the Commission extend the due date of the Tier 1 Advice Letter required by D.19-07-015 to August 16, 2021, 45 days from the Draft Resolution's proposed expiration of the customer protections, so that PG&E may gather data for the entire period that the customer protections were in place. SoCalGas requested that the Commission extend the submittal date of the Tier 1 Advice Letter to the default, 12-month conclusion of the protection period pursuant to D.19-07-015, OP 6, stating that should the Commission grant this request, the Tier 1 Advice Letter would be submitted within 10 days from April 16, 2021.

In D.19-07-015, the Commission adopted post-disaster reporting requirements:

After the conclusion of the disaster or at the default, 12-month conclusion of the customer protection period, the utilities shall file another Tier 1 Advice Letter detailing the protections offered, outreach efforts, and customer impacts.²⁸

The Tier 1 Advice Letter required by this Resolution is intended only as a confirmation that the customer protections are being extended through June 30, 2021. It is not the full post-disaster Advice Letter required by D.19-07-015, and as such, we decline to alter the due date for the Tier 1 Advice Letter required by this Resolution. While Resolution M-4842 and this Resolution apply the rules adopted in R.18-03-011 during the COVID-19 pandemic, this Resolution is not the proper vehicle to alter any of the rules adopted in R.18-03-011, including the due date of the Advice Letter due at the expiration of the customer protection period as adopted in D.19-07-015, therefore we decline to alter the applicable filing deadline for post-disaster reporting adopted in D.19-07-015.

PG&E stated that the Draft Resolution does not specify what costs IOUs are permitted to record in their CPPMAs, and requested that it be allowed to continue to record some of the same expenses that the Commission approved in PGE's Advice Letter to Resolution M-4842, specifically the uncollectibles expenses for residential and small business customers and the incremental COVID-19 related uncollectibles and pro rata costs of the associated credit facilities.

²⁸ R.18-03-011, D.19-07-015, at 40-41.

Although the Commission anticipates that utilities will incur many of the same expenses during the extension of the customer protections as they have incurred since the Commission adopted Resolution M-4842, the Commission declines to itemize the expenses that utilities may record in their CPPMAs,

Coordination with Governor's Office and State Water Resource Control Board on Water Disconnection Moratorium

Great Oaks encouraged the Commission to collaborate with the Governor's office and the State Water Resource Control Board (Water Board) regarding the lifting of the disconnections moratorium.

CWA recommended that the timeline for such advice letters be coordinated with efforts co-led by the Water Board to ensure a consistent set of approaches by water service providers throughout the State.

On April 2, 2020, Governor Newsom issued a moratorium on disconnections for non-payment for residential and small business water utility customers in Executive Order N-42-20. That moratorium is independent from the customer protections adopted in R.18-03-011 and extended in this Resolution, and applies to water utilities both within the Commission's jurisdiction and those outside of the Commission's jurisdiction. While the Commission will not set the terms under which the Governor will ultimately lift the disconnect moratorium in Executive Order N-42-20, uncertainty concerning the expiration of the Executive Order should have no effect on the Commission-regulated water IOUs' ability to develop their transition plans. Water IOUs may prepare transition plans consistent with the requirements of this Resolution and note that the date on which certain activities will commence is unknown due to the uncertainty concerning the expiration of Executive Order N-42-20. Water IOUs may use placeholder dates, e.g., 10 or 20 days after the expiration of the Executive Order, as appropriate.

Coordination with Community Choice Aggregators on Transition Plan Development

CalCCA stated utilities should coordinate with the Community Choice Aggregators (CCAs) with overlapping jurisdiction in the development of the mandated transition plans.

The Commission rejects this request, as CalCCA did not establish how it would be beneficial to have IOUs coordinate the development of their transition plans with the CCAs, and adding a coordination requirement could slow the ability and effectiveness of electric IOUs' transition plan development.

The Commission has, however, already encouraged utilities to consider coordinating with other entities regarding their ME&O, stating in the ME&O strategy section above that the “IOUs should consider ... [a] plan for identifying and coordinating with other agencies and/or entities that can directly contact customers.” The Commission has revised this Resolution to require the electric IOUs with CCAs serving customers in their jurisdiction to share customer education materials developed per the Transition Plan ME&O strategy with the CCAs in advance of their distribution to customers, so that CCAs may have the opportunity to amplify these communications and help ensure that CCA customers are aware of their options as the customer protections expire.

Memorandum Account and Marketing Education and Outreach Costs

Great Oaks argued that the Draft Resolution incorrectly assumes that water IOUs have budgets for ME&O. Great Oaks stated that it does not have a budget for ME&O, and requested that the Commission modify Draft Resolution M-4849 to allow for the recovery of unbudgeted ME&O expenses directly resulting from the Draft Resolution’s requirements. Joint Consumers noted that the Draft Resolution directs IOUs to use existing ME&O budgets “to the greatest extent practicable” to conduct the ME&O activities required by the Draft Resolution. Joint Consumers argued that IOUs which record incremental ME&O expenses in a memorandum account should have the burden of proof to demonstrate why they cannot meet the Draft Resolution’s mandates using existing authorized ME&O budgets.

CWA stated that it does not object to requiring IOUs to estimate transition plan activity expenses in their Advice Letters. CWA argued that it would be inappropriate for the Commission to prejudge the reasonableness of projected transition plan expenses in its Advice Letter dispositions and asked that the Commission review the reasonableness of transition plan expenses consistent with the Commission’s standard treatment of memorandum account balances.

While IOUs are authorized to record expenses associated with the COVID-19 pandemic in their respective memorandum accounts, the recovery of expenses recorded in a memorandum account requires an Application and a separate process. The Commission agrees with CWA that it would be inappropriate to prejudge any determinations that may be made in response to IOUs’ Applications for transition plan cost recovery from their memorandum accounts. Therefore we deny Great Oaks’ request that this Resolution allow recovery of specific expenses and Joint Consumers’ request that this Resolution establish the IOUs’ required showing during their Applications for cost recovery.

The Joint Consumers are correct in reflecting that the IOUs are directed to use existing ME&O budgets “to the greatest extent practicable” to conduct the ME&O activities required by this Resolution. While Great Oaks stated the Commission made an incorrect assumption that water IOUs have budgets for ME&O, we remind the water IOUs there are approved education and outreach budgets for various programs, such as water conservation, and water IOUs should consider using these budgets where practicable and permissible per Commission decisions that established these budgets.

Projected Disconnections Reporting for Energy IOUs

Multiple parties commented on the Draft Resolution requirement that energy IOUs project the number and percentage of customers eligible for disconnection after June 30, 2021 in their Transition Plans. PG&E argued that accurately projecting the number of customers eligible for disconnection multiple months in the future was not possible and urged the Commission to eliminate this requirement. SoCalGas argued that such a projection could be made pursuant to specific, quantifiable items, such as the number of customers with arrearages older than a certain threshold, but that disconnection also depends upon subjective factors that cannot be captured in the transition plan.

SDG&E noted in its Opening Comments that its ongoing Customer Information System upgrade would prevent the company from implementing new billing and process changes until the conclusion of a required “stabilization period” to reduce systemic risk, but SDG&E’s Reply Comments did not identify the reporting requirements in the Draft Resolution as areas of concern.

We agree with SoCalGas’s argument that requiring IOUs to report the number of customers matching defined, quantifiable criteria will be more effective in estimating the number of customers at potential risk of disconnection after expiration of the Emergency Customer Protections. Accordingly, the Resolution is revised to require the four large IOUs in their transition plans to report by ZIP code the number of unique customers matching defined, quantifiable criteria, and percentage of total unique customers in the ZIP code the number represents.

We believe the for the number of customers (by ZIP for large energy IOUs) required in the transition plans as described here will not require SDG&E to make any changes to the Customer Information System. Since SDG&E is already required to provide data on customers by various categories of age and size of arrearages on a monthly basis pursuant to R.18-07-005, SDG&E should be able to provide this information in its Transition Plan.

Disconnections Monthly Cap Calculation Methodology for Energy IOUs

Joint Consumers commented that energy IOUs should be required to implement methodological changes to the calculation of their annual disconnection caps. Joint

Consumers note that the rolling cap methodology described in D.20-06-003 uses the previous 12 months of reported disconnections to establish each IOU's number of allowable disconnections, and the 12 months of zero reported disconnections will result in a much higher number of allowable disconnections in the months following the lifting of the emergency customer protections than would have been permissible if IOUs had continued disconnecting customers at normal rates. Joint Consumers propose two alternative methodologies to modify calculation of the rolling cap that would lower the effective number of allowable monthly disconnections for each IOU.

Multiple parties, including PG&E, SCE, SDG&E, and SoCalGas, replied to Joint Consumers and argued that the Commission should not modify the cap calculation methodology. PG&E, SoCalGas, and SCE argued that the establishment of the disconnection cap calculation in D.20-06-003 makes this Resolution an inappropriate mechanism for modification of the cap calculation methodology, and they indicated a Petition for Modification to D.20-06-003 would be the appropriate mechanism to modify the cap calculation methodology. PG&E, SDG&E, and SCE further indicated that there was no risk of a potential surge in disconnections if the cap methodology stays as is, citing operational and policy constraints, including constraints newly imposed since adoption of D.20-06-003, that would prevent IOUs from performing unusually large numbers of disconnections immediately following expiration of the emergency customer protections.²⁹

We agree that this Resolution is not the appropriate vehicle to modify the cap established in D.20-06-003. Therefore, we encourage the IOUs to utilize the transition plan process described in this Resolution and all reasonable tools at their disposal, including the many new requirements established by D.20-06-003 governing disconnections, to ensure that there is no sudden surge of disconnections when the emergency customer protections expire.

Draft Transition Plan Timing and Content

SoCalGas requested the draft transition plan, due on February 25th for LIOB review, be in the form of a high-level outline. SoCalGas stated it will have insufficient time to develop the detailed outreach and data for the transition plan.

²⁹ New policies ordered in D.20-06-003 that restrict en masse disconnections include requirements that energy IOUs must offer customers 12-month payment plans and ensure customers are enrolled in all utility-administered benefit programs before disconnection. IOUs are also prohibited from disconnecting customers with a pending LIHEAP pledge, and IOUs may not disconnect customers when temperatures are forecast to exceed 100 degrees Fahrenheit over a 72-hour look-ahead period. IOUs also may not exceed a monthly disconnection rate of 30 percent in any ZIP code.

CWA seeks additional time beyond the February 25th draft transition plan deadline for IOUs to develop a robust and thoughtful transition plan.

Joint Consumers replied to comments that the required water IOUs transition plans “need to contain options to ease customers out of a moratorium and provide ways for them to remain connected to service before returning to a new status quo as required by SB 998” and are open to a limited extension of no more than 30 days in the filing of the transition plan advice letters.

Joint Consumers replied that accepting SoCalGas’s request to deliver a high-level outline runs the risk that “IOUs could submit an outline that is devoid of any meaningful implementation information for the LIOB’s review,” resulting in final transition plans lacking meaningful input from the LIOB and other stakeholders, which would be an “unacceptable result.”

The Commission rejects CWA’s request for additional time. The submission of a draft on February 25, 2021 is designed to allow the LIOB the opportunity to review the water and energy IOU transition plans together. Allowing a delay, per the CWA request, would force the LIOB to delegate presentation to and input from LIOB to a follow-on subcommittee meeting and the water IOU transition plans would thus not benefit from full LIOB membership and public engagement.

The Commission also rejects SoCalGas’ request to submit a high-level outline on February 25, 2021. The submission should follow the content requirements laid out in the adopted Resolution. Just like implementing the transition plan effectively will require effective collaboration and coordination, developing the transition plan should allow for effective collaboration. Submitting a draft that fully responds to the content required by this Resolution is necessary to allow the iteration with, and reaction from, other knowledgeable entities to ultimately deliver a final transition plan to the Commission on April 1, 2021.

Transition Plan Implementation Timing

Great Oaks argued that Draft Resolution M-4849 offers no facts indicating that the additional 75 days of emergency customer protections will provide utility customers with the kind of assistance they want or need.

With respect to Great Oaks’ comments, the Commission has noted above the slow recovery of California’s economy and the attendant risk that residential and small business customers will continue to have in paying their bills. The additional 75 days will provide time for development, approval, and implementation of activities in the transition plans before customer protections expire, thus helping ensure that affected

customers have time to learn about and opt into available bill assistance programs before they may face disconnection.

CalCCA referred to transition plans “that will be implemented upon expiration of the existing customer protections.” However, the Commission intends, as exhibited by requiring Advice Letters on April 1, 2020, that transition plan implementation start prior to the expiration of customer protections in order to be effective in reaching the transition plans’ goal to “effectively ease customers through a transition ... by proactively communicating.” Implementation will first require approval of transition plan Advice Letters. Therefore, to allow for timely disposition of the Advice Letter for implementation to begin, the Commission is requiring IOUs submit completed draft transition plans, not just outlines, for pre-review by the LIOB and Commission staff prior to the final Advice Letter submission.

Including Other Programs in Transition Plans

The Joint Consumers recommended that IOU transition plans also include information on and promote the availability of any additional utility assistance programs to the extent these resources become available, such as the federal Low Income Home Energy Assistance Program, the new federal Emergency Rental Assistance Program that can be used to pay for utility arrearages (including both energy and water) and current payment obligations, and the new \$638 million federal Low-Income Drinking Water and Waste Water Assistance Program to help low-income households with water arrearages and current water bills.

Great Oaks commented that if any Commission Rulemakings are addressing COVID-19 pandemic emergency issues (e.g., the current phase of R.17-06-024 is addressing pandemic emergency issues), future decisions will likely affect and may require changes to the substance of Draft Resolution M-4849. Great Oaks requested that if any Commission decisions are issued, that those decisions address any needed revisions to the Resolution.

CWA commented that if any potential COVID-19 relief package is passed in the United States Congress, the Commission should take a lead role in ensuring that such funding is properly administered to help address the financial challenges and impacts of COVID-19. In particular, CWA asked the Commission to ensure that customers of Commission-regulated water IOUs are not unfairly excluded from any funding.

SoCalGas responded that it is open to Joint Consumers’ proposal to include information and promote the availability of other utility assistance programs, but with some limitations. SoCalGas stated that including information in paper documents to customers will take time, and that promotion via web page updates will be more efficient for programs that are only available temporarily, such as federal relief funding. SoCalGas

also recommended that energy IOUs not be required to promote unrelated, non-energy programs.

It is not in the scope of this Resolution for the Commission to assign itself the lead role in ensuring that funding from any potential COVID-19 relief package is received and properly administered and no Commission-regulated IOUs are unfairly excluded from federal funding.

At a minimum, IOUs' transition plans must promote programs available to assist their customers in managing payments to their utility bills. Also, IOUs must design their transition plans with sufficient flexibility to allow new utility-administered customer assistance programs to be incorporated into the ME&O strategy even after the transition plan is approved. If a Commission decision directs the manner in which IOU transition plans should be adjusted to reflect a new program, IOUs shall follow that decision's requirements.

IOUs should also include information on any federal relief funds that are or may become available to assist customers in paying their utility bills. Finally, while IOUs do not have a direct role in supporting customer access to other non-utility federal funds, building the customers' awareness of those funds still ultimately supports the customers' ability to pay their utility bills. If a customer is able to access funds or relief to make payment on another bill, they will have more funds remaining in their household budget to pay their utility bill. Where practical and with minimal to no incremental cost, IOUs may also elect to inform customers of these opportunities.

The monthly reporting shall include a detailed summary of any changes made related to such additions to the ME&O activities and materials as additional programs to assist customers become available.

Similarities and Differences Between IOUs' Transition Plans

SoCalGas said it understands the desire for consistency across IOUs. However, SoCalGas recommended the transition plan requirements be considered recommendations rather than prescriptions in order to allow the IOUs operational flexibility. SoCalGas recommended that the IOUs be given the option to provide transition plan content more conducive to the IOU's billing system constraints. Finally, SoCalGas desires the Commission recognize the need for differences in some elements of its outreach and timelines due to the different seasonal effects in different jurisdictions.

In SoCalGas' Reply Comments, SoCalGas recommended the IOUs be permitted to make decisions on placement, communication channels and frequency of ME&O based on availability and resources.

The Commission does not find the areas prescribed in the ME&O strategy as overly prescriptive, nor that the requirements of the transition plan limit operational flexibility. The required items listed are high-level and must be included by the IOUs in their transition plans, but details on how the IOU will address each required item is open to the IOUs' design. The Commission directs the IOUs to consider other solutions to align with other IOUs' successful ME&O strategies, but also understands aligning with current operational practices of the IOUs may be the least cost solution and that there are reasons that a IOUs transition plan would have differences. The Commission thus adds that as the IOUs compare their transition plans with each other after filing their drafts on February 25, the IOUs work together to prepare to present transition plans to the LIOB as described in the section "Process Requirements for Transition Plan Advice Letter Development and Submission."

Comments Within the Scope of Another Proceeding

QCS argued in Reply Comments that the Commission should pursue solutions that reduce customer arrearages during the pandemic, rather than spreading arrearages over a 12-month payment plan that customers may be unable to afford. QCS stated that, with the exception of CARE programs, Energy Savings Assistance (ESA) program contractors are not allowed to promote or offer or enroll for programs outside of ESA. QCS also contended that most of the IOUs have reduced their ESA budgets, and asked that the IOUs be instructed to maintain the same level of funding for ESA as was approved and planned for 2020. QCS argued that an exception be made to allow ESA Contractors to promote and offer to enroll customers in Commission-approved programs outside of ESA during the pandemic and while recovering from the pandemic, and that those programs' budgets should bear their share of any reasonable costs of providing this service. QCS requested that ESA should be targeted to low-income families in arrears, and that all IOUs report the extent of ESA enrollments for CARE and each of the other programs, as PG&E does.

The Commission notes that QCS raised these issues in Reply Comments, to which other stakeholders have not been able to respond. Regardless, the Commission is unable to adopt QCS' suggestions because payment plan options to manage customer arrearages and CARE and ESA programs and budgets are proposed and adopted in formal proceedings (e.g., the disconnections proceeding, R.18-07-005, and the consolidated CARE and ESA program and budget applications, A.19-11-003). The Commission is precluded from creating or altering policy determinations in the scope of those proceedings in this Resolution. With respect to QCS' request that the IOUs leverage ESA experience with low-income communities when designing their own ME&O strategies, IOUs are free to consider whether and how the ESA workforce may support ME&O efforts within the existing ESA program rules and budgets.

FINDINGS

1. On March 4, 2020, Governor Newsom declared a State of Emergency in California related to COVID-19.
2. On March 19, 2020, Governor Newsom ordered Californians to shelter in place except to meet essential needs.
3. The moratorium on disconnections for non-payment for residential and small business water utility customers in Governor Newsom's Executive Order N-42-20 is independent from the customer protections adopted in R.18-03-011 and extended in this Resolution, and applies to water utilities both within the Commission's jurisdiction and those outside of the Commission's jurisdiction.
4. Social distancing and shelter-in-place requirements have required the closure of non-essential businesses and resulted in layoffs.
5. 54 counties, representing 99.9% of California's population, are in the most restrictive tier of California's reopening roadmap.
6. The regional stay at home order and overnight curfew were lifted on January 25, 2021.
7. California has recovered less than half of the nonfarm jobs it lost early in the COVID-19 pandemic.
8. Lingering unemployment due to the COVID-19 pandemic creates a risk that residential and small business customers may continue to fall behind on utility payments through no fault of their own.
9. The California Department of Public Health expects to be able to vaccinate most Californians against COVID-19 by summer 2021.
10. Dr. Anthony Fauci predicts that the United States could reach early herd immunity by spring or summer 2021.
11. The Commission has previously issued Resolutions and opened Rulemakings to address highly disruptive events, most recently in response the devastating wildfires in Northern and Southern California.
12. In response to the reoccurring natural and manmade disasters, the Commission opened Rulemaking (R.) 18-03-011 and adopted customer protection measures adopted in decisions (D.)19-07-015 and D.19-08-025.

13. Having access to essential utility services is critical to maintaining Californians' health and safety during the COVID-19 pandemic.
14. In order to continue to assist Californians affected by the ongoing COVID-19 pandemic, it is reasonable to provide continuity and consistency between all utility actions related to the pandemic by extending the effectiveness of the customer protection measures ordered in Resolution M-4842 through June 30, 2021, and the Commission reserves an option to extend.
15. The number of customers in arrears, and the arrearage amount, has increased significantly since March 2020.
16. Challenges and solutions to transitioning off the Emergency Customer Protections were presented at CPUC-hosted workshops on October 30 and November 12, 2020.
17. The Emergency Customer Protections extended to communications customers in Resolution M-4842 did not include a moratorium on disconnections for nonpayment, however the Commission imposed a 90 day moratorium on disconnections for non-payment for communications customers in Resolution M-4848, therefore we determine that outreach to customers concerning the expiration of the Emergency Customer Protections is sufficient and that communications corporations are not required to file transition plans.

THEREFORE, IT IS ORDERED that:

1. Electric, gas, communications, and water corporations subject to this Resolution shall continue to apply the customer protection measures for residential and small business customers adopted in D.19-07-015 and D.19-08-025, as ordered by Resolution M-4842, through June 30, 2021.
2. Electric, gas, communications, and water corporations subject to this Resolution shall file a Tier 1 Advice Letter no later than 10 days after this Resolution's approval demonstrating compliance with the extension of Emergency Customer Protections to June 30, 2021. Should any of the actions utilities are taking to implement Emergency Customer Protections need be revised from already disposed Resolution M-4842 Advice Letter compliance filings, or if certain customer protections were inapplicable during the pandemic and not already noted and accepted as such in prior filings, these revisions should be noted in the compliance Advice Letter to this Resolution. Electric and gas corporations shall serve copies of the Advice Letters to R.18-03-011, A. 14-11-007, A.15-02-001, A.19-11-003, A.20-03-014, R.15-03-010, R.18-07-006, R.18-07-005, R.12-06-013, and A.19-09-014 proceeding service lists. Water corporations shall serve copies of the Advice Letters to R.18-03-011 and R.17-06-024 proceeding service lists. Communications utilities shall serve copies of the Advice Letters to the R.18-03-011 proceeding service list.

3. Commission staff will review the Tier 1 Advice Letters for compliance with the customer protection measures adopted in D.19-07-015 and D.19-08-025 and Resolution M-4842 and this Resolution.
4. The electric, gas, communications, and water corporations subject to this resolution shall continue to conduct community awareness and public outreach of the customer protection measures adopted in D.19-07-015 and D.19-08-025, as ordered in Resolution M-4842, consistent with the requirements of D.19-07-015, D.19-08-025, and D.20-03-004.³⁰
5. Electric, gas, and water corporations subject to this Resolution shall each file Tier 2 Advice Letter with their transition plans for the expiration of Emergency Customer Protections by April 1, 2021. The transition plans shall include 1) a timeline of new start and resumed activities, 2) a marketing, education and outreach (ME&O) strategy, 3) an explanation of the activities timeline and ME&O strategy accounts for compliance and safety, and 4) a progress tracking and reporting plan. The goal of the transition plan is to proactively enroll customers in programs to manage their utility bills and inform relevant customers of the changes to programs they are already on, to effectively ease 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). Electric and gas corporations shall serve copies of the Advice Letters to R.18-03-011, A. 14-11-007, A.15-02-001, A.19-11-003, A.20-03-014, R.15-03-010, R.18-07-006, R.18-07-005, R.12-06-013, and A.19-09-014 proceeding service lists, and the service list of any new proceeding established to Address Energy Utility Customer Bill Debt Accumulated During the Coronavirus Pandemic. Water corporations shall serve copies of the Advice Letters to R.18-03-011 and R.17-06-024 proceeding service lists.
6. By February 25, 2021, electric, gas, and water corporations subject to this Resolution shall submit drafts of Transition Plan Advice Letters to CPUC staff (Gillian.Weaver@cpuc.ca.gov), who will share them with the LIOB.
7. This order is effective today.

³⁰ The requirements in D.19-08-025 apply to the communications service providers. The requirements in D.19-07-015 and D.20-03-004 apply to the electrical corporations. The requirements in D.19-07-015 apply to the natural gas and Class A and Class B water corporations.

Resolution M-4849

February 11, 2021

I certify that the foregoing resolution was adopted by the California Public Utilities Commission at its regular meeting of February 11, 2021 and the following Commissioners approved favorably thereon:

/s/ RACHEL PETERSON
Rachel Peterson
Executive Director

MARYBEL BATJER
President
MARTHA GUZMAN ACEVES
CLIFFORD RECHTSCHAFFEN
GENEVIEVE SHIROMA
Commissioners