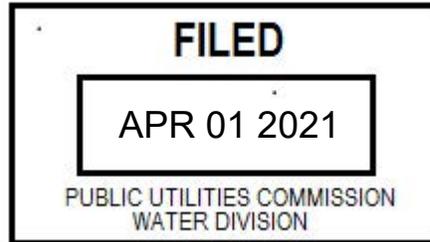


EAST PASADENA WATER COMPANY

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April 1, 2021

ADVICE LETTER NO. 115



TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Summary

East Pasadena Water Company (WTB-331) (“EPWC”) hereby submits this Tier 1 advice letter in compliance with Resolution (Res.) M-4849, which was adopted by the California Public Utilities Commission (“CPUC” or “Commission”) at its February 11, 2021 voting meeting and issued the next day. In particular, this advice letter complies with Res. M-4849’s extension of Emergency Customer Protections to June 30, 2021.

Resolution M-4849 calls for consideration of input from the Low Income Oversight Board (LIOB) and Commission staff: “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.” LIOB input has been included where feasible in this version of EPWC’s Resolution M-4849 Transition Plan.

Background

On April 1, 2020, EPWC filed its AL 110 responding to Alice Stebbins, the Executive Director of the Commissions letter dated March 17, 2020 regarding “applicable customer protections” from D.19-07-015 in response to the COVID-19 State of Emergency and notifying the Commission that, beginning March 4, 2020, EPWC is recording all costs related to the customer protections and notifications identified in D.19-07-015 resulting from COVID-19 State of Emergency proclamation in its CEMA, including but not limited to, lost revenues due to customers’ inability to pay for their water service as a result of the COVID-19 State of Emergency, as well as all other costs related to the COVID-19 State of Emergency, including butnot limited to customer notifications, as well as additional supplies and equipment necessary to comply with all COVID-19 requirements, measures and directives.

On April 16, 2020, Commission Resolution M-4842 ordered electric, gas, communications and Class A & B water and sewer corporations to implement a number of emergency customer protections and report their compliance to the Commission.

Extension of Emergency Customer Protections

As of the date of this Tier 1 advice letter filing, EPWC has experienced no “loss or disruption of the delivery or receipt of utility service” nor has the COVID-19 emergency “resulted in the degradation of the quality of utility service” (citations from Ordering Paragraph Number 9 of D.19-07-015).

EPWC, via Advice Letter No. 110 (AL 110), applied the applicable customer protection measures adopted

in D.19-07-015 and D.19-08-025 with an effective date of March 4, 2020. Further, EPWC will demonstrate compliance with the requirements of Resolution M-4849's Emergency Customer Protections for Water Customers listed on page 7 of Res. M-4849 in its itemized responses below the italicized list of those protections:

- (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.*

(1) EPWC activated its CEMA effective March 1, 2020 by letter dated April 1, 2020 to the Executive Director of the Commission and clarified such activation in the Utility's AL 110 filed with the Commission on April 1, 2020. EPWC is recording in its CEMA all costs related to the customer protections and notifications identified in D.19-07-015 resulting from COVID-19 State of Emergency proclamation, including but not limited to, lost revenues due to customers' inability to pay for their water service as a result of the COVID-19 State of Emergency, as well as all other costs related to the COVID-19 State of Emergency, including but not limited to customer notifications, as well as additional supplies and equipment necessary to comply with all COVID-19 requirements, measures and directives, compliance with governmental authorities, and expenses related to the ongoing operation and maintenance of the water system in order to maintain a continuous supply of safe and potable water to customers, as well as other potential and unforeseen (at this time) impacts COVID-19 may have on EPWC. EPWC's CEMA remains active.

(2) EPWC has not had any insurable losses to make claims on at this time. However, in the event an insurable cost or expense is incurred as a result of the pandemic, EPWC will make an insurance claim and credit any applicable insurance payments to its CEMA.

(3) As evidenced by AL's 110 and EPWC's compliance with Governor Newsom's Executive Order N-42-20, EPWC continues to work cooperatively with affected customers who self-identify to EPWC as being affected by COVID-19, to resolve unpaid bills, provide payment arrangements to customers based on specific needs, and to minimize disconnections for non-payment during the pendency of the COVID-19 State of Emergency (as stated below, EPWC actually suspended disconnections of service due to nonpayment, which is consistent with the Governor's Executive Order N-42-20). In particular, EPWC has communicated the Emergency Customer Protections to its customers via bill inserts and direct mail. In addition, EPWC has sent additional notices to customers who are past due inviting them to contact EPWC to make payment arrangements based on their specific need. These notices have reminded customers that Governor Newsom's Executive Order N-42-20 states unequivocally that the unpaid water bills during the pandemic emergency will be due when the emergency is over and that water utilities, such as EPWC, will be entitled to collect such unpaid amounts.

With respect to disconnections, on March 12, 2020, EPWC suspended all disconnection for nonpayment of bills. At that time, there were no EPWC customers whose service had been disconnected for nonpayment. There have been no disconnections for nonpayment during the COVID-19 pandemic emergency. All customers have received and continue to receive water service during the state of emergency whether or not they have paid for the water service they have consumed and purchased from EPWC.

(4) EPWC confirms that it has not, and will not, charge customer reconnection or facility fees for

customers, and waived deposits for customers who must reconnect to the system, who self- identify to EPWC as affected by COVID-19 during the pendency of the COVID-19 pandemic emergency.

(5) EPWC will continue to work with all customers to provide reasonable payment options to its customers. The terms and conditions of such payment options are being tailored to individual customer's needs (and are as authorized pursuant to the Utility's Rule No. 11), which EPWC believes is a reasonable and flexible method of offering such payment options. EPWC confirms that it will continue to provide reasonable payment options to its customers throughout the COVID-19 pandemic emergency as required by Senate Bill 998 and EPWC's Rule No. 11.

In response to Resolutions M-4842 and M-4849's Emergency Customer Protections for Water Customers item numbers 6 and 7 as listed above, EPWC believes that these items are clearly related to emergencies in which real property is damaged or destroyed, i.e., wildfires, earthquakes, floods, or other natural disasters, and further believes that the current emergency, a pandemic viral situation, has not and will not result in the damage or destruction of real property. Therefore, EPWC states as follows in response to these line items:

(6) If residential customers lose their homes or their homes are rendered uninhabitable by the COVID-19 pandemic emergency, EPWC will waive bills for those customers as of the date their home is either lost or rendered uninhabitable during the pendency of the COVID-19 State of Emergency or until the home is once again habitable, whichever comes first. To date, EPWC is not aware of any residential customers that have lost their homes or have had their homes rendered uninhabitable during the COVID-19 pandemic emergency.

(7) Should a governmental agency declare a residence uninhabitable due to the COVID-19 State of Emergency, EPWC would authorize a pro rata waiver of any fixed element of a water bill for the period of time the home is deemed uninhabitable, even if the reason for it being uninhabitable is not for loss of water service. To date, EPWC is not aware of any residential customers that have lost their homes or have had their homes rendered uninhabitable during the COVID-19 pandemic emergency.

EPWC confirms that it shall continue to provide customer protection measures for residential and small business customers adopted in D.19-07-015 and D.19-08-025 (as applicable), as ordered by Res. M-4842, through June 30, 2021 as required by Ordering Paragraph 1 of Res. M-4849. EPWC also confirms that it will continue its ongoing community (customer) awareness and outreach activities, as required under D.19-07-015 and D.19-08-025 (as applicable), as ordered in Res. 4842, and as required by Ordering Paragraph 4 of Res. M-4849.

This filing is made under the provisions of General Order No. 96-B and as directed by Resolution M-4842.

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

Incorporation of LIOB Input into EPWC's Resolution M-4849 Transition Plan

EPWC's goal is to provide our customers clean, aesthetically-pleasing water that meets or exceeds State and Federal drinking water standards on an uninterrupted basis. We strive to serve and help our customers, which means doing what we can as a utility business to keep the water flowing. In order to keep the water flowing for all of EPWC's customers, we must ensure that our business model is structured so that it provides stability and continuity, which in turn, provides service and rate stability for our customers.

Stability requires that our infrastructure (service connections, meters, wells, motors, injectors, mains, etc.), and all other cost of goods items receive the capital needed to keep them running efficiently and effectively. A stable business model also requires that all necessary general and administrative items receive appropriate allocations of capital, which includes among many other things, retention of an experienced work force. The inherent challenge to any utility is to maintain stability of their business model while also keeping rates reasonable, relative to the utility's costs incurred to provide water service.

Prior to the onset of Covid-19 and customer protections provided by D. 19-07-015, EPWC's disconnect for non-payment policy included customer protection measures beyond what the CPUC or EPWC tariffs require. For

example, EPWC does not conduct disconnections on Fridays or within the week of most major holidays, including Christmas and Thanksgiving. Further, EPWC will not disconnect a household if that customer calls the office and speaks with a representative during business hours the day prior to disconnection-EPWC will extend a payment extension and/or an arrearage management plan (“AMP”) without requiring that customer to first make a minimum payment. These internal policies have kept our disconnection for non-payments at an average of 0.06% disconnection rate.

For any utility, for a small Class B in particular, utility and rate stability require careful planning and adherence to prudent and disciplined financial practices. As a small utility, EPWC has much less discretionary income to allocate toward additional pilot programs. Under most circumstances, it would be cost-prohibitive for EPWC to hire the additional staff necessary to implement many of LIOB’s recommendations which are “Outside of the scope of the resolution” M-4849. Further, EPWC’s computer and data storage systems would require either replacement or significant program upgrades to comply with LIOB’s recommended quarterly tracking and reporting requirements. Notwithstanding, EPWC has remained flexible and compliant with rapidly evolving regulatory requirements and it is amenable to implementing some of the LIOB’s recommendations, but cautions the LIOB that such recommendations, although intending to help the overall goal of reducing disconnections for non-payment, may actually contravene that goal by adding multiple additional expense items which must eventually be reflected in rate increases. In EPWC’s case, implementing LIOB’s recommendations might reduce the disconnection rate of the 0.06% in the short term, but the higher water rates will likely present a burden on other customers not already included in the 0.06%. The net result is that some customers (those who have paid on time and avoided disconnection for non-payment) would face a higher risk of disconnection due to rate increases-effectively bringing in new customers into the delinquency arena. Absent of a data-driven study, It is difficult to predict with a significant level of confidence, the increase in delinquencies and disconnections for non-payment increase as a result of higher rates, but it is reasonable to assume that higher rates-implemented within a short time period-may pose an unanticipated financial burden on most of EPWC’s customers. This result is clearly at cross purposes with LIOB and the CPUC regarding its desire to lower disconnections and certainly a burden that should not be foisted upon the backs of customers during a pandemic.

EPWC would like to underscore its desire to implement all of LIOB’s recommendations, but must address each of them in a responsible manner so that its customers continue to enjoy reasonable and affordable rates while maintaining our ability to keep our water system functioning properly.

1. Extreme Climate Protections

- a) The LIOB recommends that all transition plans include a 7-day or 168 hour-look-ahead period, where if temperatures are forecasted to be above 100 degrees or below 32 degrees, the household shall not be disconnected. The LIOB requests this to be in effect through December 31, 2021.
- b) The LIOB also requests the Commission to pursue all other appropriate procedural avenues to make this best practice a permanent policy thereafter.
- c) While not within the scope of the Resolution, the LIOB asks the Commission to work with the utilities to develop an “emergency restoration policy,” that would temporarily restore service to any household already disconnected when an extreme climate event is predicted in the immediate future.

**These recommendations above are made with the assumption that restoring and/or maintaining power would not conflict with a Public Safety Power Shutoff scenario.*

EPWC intends to refer to local weather forecasts at least 7 days in advance of disconnecting for non-payment. It will again refer to a local forecast the day of disconnecting for non-payment. If the forecast has remained at 100 degrees or higher, EPWC will suspend disconnections for non-payment and will review the forecast each day thereafter.

2. Increase CARE Subsidies for the Most Vulnerable to 50% as Part of AMP

The LIOB recommends that the Commission instruct utilities to include CARE discounts of up to 50% for households at the highest risk of disconnection as part of their transition plans or other appropriate process. This recommendation is only for households believed to be at high risk of a future disconnection absent of this measure.

EPWC does not currently offer a CARE discount or a Low Income Rate Assistance Program (“LIRA”). EPWC cannot implement this recommendation.

3. CARE Data Sharing for Water Utilities

- a) The LIOB recommends that the Commission instruct electricity and gas utilities to share their CARE data with Class A and Class B Water Utilities at intervals of no less than a quarterly basis as part of their transition plans.
- b) The Board further encourages the Commission to pursue all avenues to make this practice a permanent policy to ensure low-income households have access to all programs that may reduce their utility costs. This includes allowing utilities the resources to build the necessary systems for implementation and management.

As stated previously, EPWC does not have a LIRA program. As such, it does not have the necessary computer programs or security protocols with which to store, protect and utilize the data. If it was required to implement the request, EPWC would seek CPUC approval to undergo a capital project that would implement a LIRA Program for EPWC. If approved, EPWC would compose a request for proposal from IT contractors and/or software engineers to provide a significant upgrade or replacement of its current billing and accounting systems. EPWC would also engage a contracted professional to assist in the implementation of protocols necessary for a LIRA Program. Employing only two office employees currently, EPWC would then have to conduct a man-hour study to determine additional work hours necessary to maintain the LIRA program and data sharing with CARE Program participants.

Considering the aforementioned, EPWC cannot implement this recommendation at this time.

4. Marketing and Outreach

- a) The Board recommends the Commission to direct IOUs transition plans to require separate and distinct marketing, education, and outreach plans for targeting hard-to-reach customers, including those residing on tribal lands and within communities designated as low-income, disadvantaged, and/or underserved. Plans should disclose geographical detail to identify the areas the specific targeted outreach and marketing plans will encompass.
- b) The Board recommends the Commission extend flexibility for IOUs to increase marketing, education, and outreach budgets *by 50% for the transition period*, to ensure marketing and outreach plans are adequately scaled and incorporate the needed enhancements to effectively serve hard-to-reach customers and underserved communities. In extending this flexibility, the Commission shall require IOUs to identify financial and contractual resources extended to human services agencies and community-based organizations specifically targeting and serving hard-to-reach customers and underserved communities.
- c) The Board recommends the Commission direct IOUs to develop reporting mechanisms to track expenditures and outcome results from partnerships with community-based organizations and human services agencies specifically targeting hard-to-reach customers and underserved communities.

EPWC's draft transition plan includes a comprehensive ME&O Strategy containing a targeted outreach section to those customers most vulnerable to disconnection for non-payment. It includes direct phone calls, emails, written materials in multiple languages and direct customer contact. EPWC's service territory spans roughly 3 miles vertically from north to south and it serves only 3,000 service connections, mostly in the cities of Arcadia, Temple City and unincorporated Pasadena where the median household income is roughly 12% higher than the State average. As such, our customer contact ability and reach is comprehensive, but community-based organizations which target and focus on low-income sectors are sparse at best. Nevertheless, EPWC will seek to identify and partner with community-based and other organizations that regularly interact with target audiences to further expand our 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 community service interactions for expanding outreach efforts on bill management programs.

Notwithstanding, if the CPUC requires additional ME&O measures and authorizes EPWC a 50% increase to its budget for this item, we would comply, but in light of the fact that EPWC already has an adequate ME&O Strategy, we view this as an unnecessary expense item delivering little, if any benefit to our customer-one which would further increase customer's rates.

5. Define and Measure Success

- a) The LIOB recommends the Commission direct utilities to provide no less than quarterly reports to the LIOB that at a minimum provide the following information as part of their transition plans:
 - o What number and percentage of disconnections were households enrolled in AMP?
 - o What number and percentage of disconnections were households enrolled in CARE where applicable?
 - o What number and percentage of disconnections were households enrolled in CARE and AMP?
 - o What number and percentage of disconnections were households that received assistance from the LIHEAP program?
 - o What percentage and number of households enrolled in AMP were referred to the following programs:
 - ESA
 - LIWP
 - LIHEAP
 - Other Programs
 - o What were the median and average lengths of disconnections?
 - o What were the median and average arrearage amount and time past due from a disconnection?

- a) The LIOB further recommends the Commission to direct all utilities to include their definition of success in their transition plans so this can be measured with the data presented in answering the above. If possible the Board requests utilities coordinate their definition of success to ensure uniformity in outcome evaluation.

EPWC's current system allows its staff to ascertain the amount of disconnections and categorize them by customer class. They can then derive other data points such as length of disconnection and amounts. In addition, EPWC also extends payment plans, AMP, but all other programs referenced in this recommendation are not part of EPWC's procedures and EPWC has no connection to other utilities offering the aforementioned programs. Considering these constraints, EPWC is amenable to providing disconnection data in terms of arrearage amounts, length of disconnection and the percentage of those on a payment plan, AMP.

As stated previously, EPWC's customer base resides in areas which have an average median household income that is 12% higher than the California average. EPWC's payment delinquency is generally lower than that of many Southern California communities and that of other IOUs. When attempting to measure success, it is critical to determine and utilize similar or like variables (compare apples to apples) in order to obtain a high level of confidence that the data is representative of the sample. Due to the significant demographic differences across state-wide communities and differences between A and B IOUs, a uniform measurement of success is difficult, if not impossible. For example, hypothetically, a disconnection rate of less than 15% for San Gabriel Valley Water Company (chosen here for its proximity to EPWC) might be an admirable goal for them, but for EPWC, 15% is a seriously significant increase in delinquency.

To reiterate, EPWC's goal is to provide our customers clean, aesthetically-pleasing water that meets or exceeds State and Federal drinking water standards on an uninterrupted basis.

In terms of helping customers transition from a moratorium on disconnections to normal circumstances prior to the pandemic, we would measure success by converting 100% of delinquent accounts to an AMP and having 100% of those balances being paid in full within 12 months.

6. Aliso Canyon Best Practices

- a) The LIOB recommends that the Commission direct the IOUs to enhance Energy Savings Assistance (ESA) with emergency energy cost reductions measures that ensure a minimum of 10% savings to low-income ratepayer bills as part of their transition plans or other appropriate process.

This recommendation does not apply to EPWC.

7. Coordination with LIHEAP

- a) The Board recommends the Commission direct IOUs to establish data sharing agreements between Local Service Providers (LSPs), CSD, and IOUs to effectively target LIHEAP assistance to at-risk customers (i.e. customers at-risk of losing services due to nonpayment) as part of their transition plans.
- b) The Board recommends the Commission direct IOUs to explore opportunities for and fund joint program enrollment pilots with LSPs to facilitate enrollment of at-risk low-income IOU customers in LIHEAP and IOU CARE Medical Baseline, Percentage of Income Payment Plans (PIPP), and the Arrearage Management Program (AMP) using a single streamlined intake process as part of their transition plans. CSD, working together with selected LSPs, would participate in the development and administration of such pilots.

Please refer to EPWC's discussion in response to recommendations #3 and #5.

8. Referral to Weatherization and Other Programs as Part of AMP

- a) The LIOB recommends that the Commission direct IOUs to include a referral to ESA, LIWP, and other weatherization programs in the AMP enrollment process, as part of their transition plans.
- b) The LIOB recommends that the Commission direct IOUs to work closely with SOMAH, LIWP, CARE and ESA service providers, CBOs and community stakeholders, to construct enrollment best practices with improved outreach, program eligibility and tailored household energy assessments to better target ratepayer investments that enhance energy savings and reduce energy burden.

All programs referenced in this recommendation are not part of EPWC's procedures and EPWC has no connection to other utilities offering the aforementioned programs.

Tier Designation and Requested Effective Date

This advice letter is submitted with a Tier 1 designation pursuant to Ordering Paragraph 2 of Resolution M-4849 to demonstrate compliance with the extension of Emergency Customer Protections to June 30, 2021. This is a Tier 1 advice letter pursuant to General Order 96-B and Water Industry Rule 7.3.1(3) (Compliance with a mandatory statute, decision, or resolution).

EPWC respectfully requests an effective date of February 19, 2021 for Advice Letter No. 113, in compliance with Ordering Paragraph 2 of Resolution M-4849.

Notice

This is a Tier 1 compliance filing consistent with Ordering Paragraph 2 of Resolution M-4849. Water Industry Rule 3.2 of General Order 96-B indicates that this kind of compliance filing does not require customer notice. In accordance with General Rule 4.3 and 7.2 of General Order 96- B, a copy of this advice letter is being mailed to all parties listed on EPWC's service list as well as the service lists for R.17-06-024 and R.18-03-011.

Protests and Responses:

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

- (1) The utility did not properly serve or give notice of the advice letter;
- (2) The relief requested in the advice letter would violate statute or Commission order, or is not

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

A protest 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 of the protest by mail or e-mail to us, addressed to:

Recipients:

Lawrence Morales
President

Email:

lawrence@epwater.com

Mailing Address:

Attn: Lawrence Morales
East Pasadena Water Company
3725 East Mountain View Avenue
Pasadena, CA 91104

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

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

East Pasadena Water Company

By: /s/ Lawrence M. Morales
Lawrence M. Morales
President

East Pasadena Water Company

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San Francisco, CA 94102

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Pasadena, CA 91109

California Public Utilities Commission
Water Division
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San Francisco, CA 94102

I hereby certify that the above service list has been served a copy of AL 115 on April 1, 2021.

Executed in Pasadena, California on April 1, 2021.

East Pasadena Water Company

By: /s/ Lawrence M. Morales

Lawrence Morales
President

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

I. TRANSITION PLAN INTRODUCTION

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

A. Transition Plan Objectives

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

B. Transition Plan Guiding Principles

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

II. ACTIVITIES TIMELINE

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

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

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

B. Resumption of Disconnections for Non-Payment

- Separately from the existing customer protections mandated by the Commission, water utilities are also subject to an on-going moratorium on water service disconnections for non-payment imposed under Executive Order N-42-20. However, it is uncertain when the end-date for the moratorium will be issued and it is unclear how much notice water utilities may receive in advance of such a date. Therefore, the timeline for resumption of disconnections for non-payment set forth below is set around a “Disconnection Policy Resumption Date” on a future date to be determined by each individual water utility, occurring at the soonest on the latter of July 1, 2021 or the EO Moratorium Lifting Date.
- **60 days prior to Disconnection Policy Resumption Date** – The water utility will begin sending out notices to customers informing them that the water utility will resume applying standard disconnection procedures under its tariffs on a Disconnection Policy Resumption Date. The standard disconnection procedures are based on the timeline and requirements established by the Legislature under Senate Bill (“SB”) 998 (2018 Water Shutoff Protection Act).
- **Disconnection Policy Resumption Date** – The water utility will resume standard disconnection procedures under the timeline established under SB 998 and will begin counting the 60-day period prohibiting disconnections mandated under Health & Safety Code § 116908(a)(1)(A) for bills that are delinquent (past the due date) as of the Disconnection Policy Resumption Date. The water utility will individually reach out to each customer that has a delinquent bill as of the Disconnection Policy Resumption Date and will offer an opportunity to participate in an amortization agreement, alternative payment schedule, or a plan for deferred or reduced payment (the choice of which will be appropriate determined by the water utility based upon the specific circumstances of the individual customer). If a customer is engaged in one of those types of payment assistance plans and is making timely payments under that plan, they will not be disconnected.
- **60 days after Disconnection Policy Resumption Date** – The water utility may begin disconnecting customers for non-payment pursuant to the rules and procedures set forth under SB 998 and the applicable tariff rules. Prior to any disconnection for non-payment, the water utility will provide advance noticing

required by SB 998 as follows below. In addition, each notice provided will mention the alternative payment arrangements made available as part of the transition plan.

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

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

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

III. MARKETING, EDUCATION, AND OUTREACH STRATEGY

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

The following Marketing, Education, and Outreach (“ME&O”) Strategy supports the Transition Plan in effectively easing customers through a transition off of the Emergency Customer

Protections (and the future expiration of the disconnection moratorium in the Governor's Executive Order N-42-20) by proactively communicating with customers to enroll them in programs to manage their utility bills and informing them of the changes to programs in which they are already enrolled. The Strategy was developed with a customer-impact lens and is part of a coordinated and effective marketing, education and outreach program.

While Resolution M-4849 describes some ME&O activities that relate specifically to customers enrolled in income-qualified customer assistance programs (including such programs implemented by the Class A water utilities), none of the Class B water utilities are currently authorized to implement such customer assistance programs under their current tariffs. Therefore, those examples provided in Resolution M-4849 are not applicable to Class B water utilities and accordingly will not be included in their draft transition plan advice letters.

A. Target Audiences

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

B. ME&O Activities for All Customers

- EPWC will leverage ongoing communications channels to educate and engage customers about the June 30, 2021 expiration of Emergency Customer Protections enacted during the COVID-19 crisis; programs available to help customers maintain service; water efficiency and rebate programs that can help customers use less water, and therefore reduce their water bill; and where necessary, information about the extension of customer protections.
- Tools for implementation statewide, across all regulated water utilities, include bill insert and/or message, customer service talking points and training, phone message prompt (i.e. during welcome/on-hold messages), and office signage (when reopened to the public).

C. Targeted Outreach

- In addition, EPWC will undertake proactive outreach to targeted customers. Tools may include the following, as appropriate:
 - Phone calls (automated or manual) targeted at specific audiences
 - Emails or direct mail targeted at specific audiences
 - Direct contact at customer residence (i.e. door tags)
 - Materials in multiple languages (according to customer demographics)

- Targeted outreach will convey the following information, as appropriate:
 - Payment plans and options available to help customers maintain service or manage arrearages
 - Application of late-payment, reconnection, and other fees to a customer
 - Noticing of risk of disconnection
 - Information about qualifying for disconnection preventions due to medical needs pursuant to SB 998

D. Partnerships

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

E. Incremental ME&O Costs

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

F. Extreme Climate Protections

- The LIOB recommends that all transition plans include a 7-day or 168 hour-look-ahead period, where if temperatures are forecasted to be above 100 degrees or below 32 degrees, the household shall not be disconnected. The LIOB requests this to be in effect through December 31, 2021.
- The LIOB also requests the Commission to pursue all other appropriate procedural avenues to make this best practice a permanent policy thereafter.
- While not within the scope of the Resolution, the LIOB asks the Commission to work with the utilities to develop an “emergency restoration policy”, that would temporarily restore service to any household already disconnected when an extreme climate event is predicted in the immediate future.
- These recommendations are made with the assumption that restoring and/or

maintaining power would not conflict with a Public Safety Power Shutoff scenario. EPWC intends to refer to local weather forecasts at least 7 days in advance of disconnecting for non-payment. It will again refer to a local forecast the date of disconnecting for non-payment. If the forecast has remained at 100 degrees or higher, EPWC will suspend disconnections for non-payment and will review the forecast each day thereafter.

IV. COMPLIANCE AND SAFETY

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

A. Alignment with Program Enrollment Targets and Requirements

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

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

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

V. PROGRESS TRACKING AND REPORTING

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

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

A. Background and Protocols for Progress Tracking and Reporting

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

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

- EPWC will provide the following metrics to track enrollments of impacted customers in new payment programs.
 - Number and percentage of customers enrolled in alternative payment arrangements (defined as enrollment in an amortization agreement, alternative payment schedule, or a plan for deferred or reduced payment).
 - Number and percentage of customers that are disconnected.
 - Change in arrearage amounts.

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