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Energy Division Tariff Unit
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: Comments of Southern California Gas Company (SoCalGas) on Energy Division's
Draft Resolution M-4849

Dear Tariff Unit:

Pursuant to Rule 14.5 of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission or CPUC), SoCalGas hereby submits comments to Draft Resolution (Res.) M-4849, *Authorization and Order Directing Utilities to Extend Protections to Support California Customers through June 30, 2021, and to File Transition Plans for the Expiration of the Emergency Customer Protections*.

Background

On March 4, 2020, Governor Gavin Newsom (Governor) declared a State of Emergency in response to the outbreak of novel coronavirus, COVID-19.¹

On March 13, 2020, President Trump signed an Emergency Declaration to facilitate a federal response to the emerging COVID-19 pandemic.²

On March 17, 2020, the Commission's Executive Director sent a letter to the California energy, water and communications corporations addressing emergency customer protections to support customers affected by the COVID-19 State of Emergency.

¹ Available at <https://www.gov.ca.gov/2020/03/04/governor-newsom-declares-state-of-emergency-to-help-state-prepare-for-broader-spread-of-covid-19/>.

² Available at <https://www.whitehouse.gov/presidential-actions/proclamation-declaring-nationalemergency-concerning-novel-coronavirus-disease-covid-19-outbreak>.

On March 19, 2020, SoCalGas submitted Tier 1 Advice No. (AL) 5604, implementing its emergency disaster relief program for customers impacted by the COVID-19 pandemic pursuant to Ordering Paragraph (OP) 1 of Decision (D.) 19-07-015 and the Commission Executive Director's March 17, 2020 letter, and retroactively applied customer protections to March 4, 2020, the start date of the Governor's emergency proclamation.³ SoCalGas implemented the customer protections described in AL 5604.

On April 16, 2020, the Commission issued Res. M-4842, ratifying the directions provided in the Commission's Executive Director's March 17, 2020 letter. Specifically, Res. M-4842 orders electric, gas, communications, and water and sewer corporations in California to implement the applicable customer protections described in D.19-07-015.⁴ SoCalGas implemented the customer protections ordered by Res. M-4842 in supplemental AL 5604-A, which replaced AL 5604 in its entirety.

On May 22, 2020, at the request of the Commission's Energy Division, SoCalGas submitted supplemental AL 5604-B, which replaced AL 5604-A in its entirety, to limit the size of businesses covered by the protections to small businesses as defined in SoCalGas' tariff, extend deposit protections to new customers seeking to establish service, affirm that customer late payments are not reported to consumer credit reporting agencies, note SoCalGas's ability to track incremental uncollectible costs by customer class, and to remove reference to Draft Res. E-5074.

On June 4, 2020, SoCalGas submitted supplemental AL 5604-C to revise the COVID-19 Pandemic Protections Memorandum Accounts (CPPMA) to clarify that the protections provided pursuant to Res. M-4842 apply to small business customers consistent with SoCalGas' tariffs – namely those customers taking service on a non-residential core rate schedule with an annual consumption of 10,000 therms of gas or less.

On January 15, 2021, the Commission issued Draft Res. M-4849 on its own motion in response to the Governor's declaration of a state of emergency and issuance of executive orders due to the pandemic.⁵ The Resolution extends the Emergency Customer Protections for residential and small business customers through June 30, 2021, with an option to extend further. The Commission shortened the comment period

³ <https://www2.socalgas.com/regulatory/tariffs/tm2/pdf/5604.pdf>.

⁴ Res. M-4842 at OP 4.

⁵ N-33-20 and N-60-20: California Executive Order N-33-20 (March 19, 2020), available at <https://covid19.ca.gov/img/N-33-20.pdf>; as modified by California Executive Order N-60-20 (May 4, 2020), available at <https://www.gov.ca.gov/wp-content/uploads/2020/05/5.4.20-EO-N-60-20.pdf>; Regional stay-at-home order issued 12/3/20 and a supplement to said order issued 12/6/2020; California Dept. of Pub. Health Regional Stay at Home Order (December 3, 2020), available at <https://www.gov.ca.gov/wp-content/uploads/2020/12/12.3.20-Stay-at-Home-Order-ICU-Scenario.pdf>; California Dept. of Pub. Health Supplement to Regional Stay at Home Order (December 6, 2020), available at <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/supplement-regional-stay-at-home-order.aspx>.

to fourteen (14) days, with opening comments due on Friday, January 22, 2021 and reply comments due on Friday, January 29, 2021.

SoCalGas generally supports the extension of the Emergency Customer Protections for residential and small business customers through June 30, 2021, and the requirement to develop a transition plan as outlined. SoCalGas' Comments are limited to the following narrow requests for clarification and modification: (1) request the draft transition plan due to the Low Income Oversight Board (LIOB) on February 25, 2021, be a high-level outline, (2) provide a flexible transition plan design, (3) define key indicators for customers projected to face disconnection, (4) request flexibility for progress and reporting metrics, and (5) concur that cost recovery should be recorded in the CPPMA.

Comments on the Draft Resolution

1. Extension of Emergency Customer Protections through June 30, 2021.

SoCalGas recognizes that the COVID-19 pandemic is an evolving crisis and will continue to have a dramatic impact on utility customers. Currently, it is unknown when the COVID-19 pandemic will end and when SoCalGas' customers unable to pay their bills during the pandemic will be able to resume making payments. SoCalGas, therefore, fully supports the Commission's efforts to extend the Emergency Customers Protections for residential and small business customers through June 30, 2021, with an option to extend further, to support the State's recovery from the COVID-19 pandemic.⁶

Draft Res. M-4849 directs electric and gas utilities to each submit a Tier 1 Advice Letter with the Commission's Energy Division no later than 10 days after the approval of Res. M-4849 demonstrating compliance with the extension of Emergency Customer Protections to June 30, 2021.⁷ Draft Res. M-4849 will be on the agenda for the February 11, 2021, Commission meeting.⁸ After Res. M-4849 is approved, the 10-day period to submit the Tier 1 Advice Letter would be no later than February 22, 2021. Res. M-4842 extends emergency protections from D.19-07-015 and D.19-08-025 through April 16, 2021.⁹ SoCalGas requests 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 6.¹⁰ Should the Commission grant this request, the Tier 1 Advice Letter would be submitted within 10 days from April 16, 2021.

⁶ Draft Res. M-4849 at 1.

⁷ Draft Res. M-4849 at OP 2.

⁸ Draft Res. M-4849 at 22.

⁹ Draft Res. M-4842 at 4.

¹⁰ D.19-07-015 at 65.

2. The Draft Resolution's Requirement for a Transition Plan is Reasonable.

a. The Draft Transition Plan Advice Letter Due to the LIOB Should Be a High-Level Outline.

The Draft Resolution would require the Investor-Owned Utilities (IOUs) to submit drafts of Transition Plan Advice Letters to the CPUC to share with the LIOB to be posted publicly on the LIOB website by February 25, 2021, and for a final plan incorporating the input from LIOB members to be submitted by April 1, 2021.¹¹ SoCalGas believes the perspectives of the LIOB members, other IOUs and Commission Staff will be valuable in developing a transition plan, and therefore, supports the draft transition plan being made available to the LIOB for review. Given the timing proposed in the Resolution, the IOUs may not have a fully developed draft transition plan with detailed outreach and data. SoCalGas recommends that the IOUs submit high level transition plans to the LIOB in an outline form, to be developed into a more detailed plan. Accordingly, SoCalGas requests that the Draft Resolution be modified to state that it is appropriate for the draft transition plan due for LIOB review to be in the form of a high-level outline.

b. The Transition Plan Design Should be Flexible.

The thoroughness of the Draft Resolution demonstrates that considerable thought and effort have been put into how to best achieve the goal of developing a robust transition plan. The Draft Resolution provides very detailed content requirements, but SoCalGas would recommend the transition plan requirements be considered as recommended rather than prescriptive in order to allow the IOUs operational flexibility. SoCalGas recognizes the specificity of the requirements and its focus on consistency across the utilities to make it easier for customers. SoCalGas will endeavor to provide as much of the content and data and include as many of the Commission's stated requirements as possible. The Draft Resolution delegates authority to the Division Director to direct a utility to conform to another utility's proposed activity in their transition plan activities timeline.¹² SoCalGas reminds the Commission that nearly all activities may require some form of integration with the IOU's customer information system to facilitate the required action. As such, SoCalGas recommends that the IOUs be given the option to provide transition plan content more conducive to the IOU's billing system constraints. Finally, SoCalGas requests that the Commission consider the seasonal nature of each utility and accordingly recognize the need for differences in some elements of its outreach and timelines. Otherwise, the IOUs may not have the flexibility needed to react to the evolving COVID-19 landscape and provide a transition plan that is helpful and instructive for its customers.

¹¹ Draft Res. M-4849 at 16.

¹² Draft Res. M-4849 at 18.

c. The Commission Should Provide Defined Indicators for the Projected Number of Customers Facing Disconnection After June 30, 2021.

The Draft Resolution states that “the transition plan shall include the number and percent of customers by zip code who are projected to be facing disconnection after June 30, 2021.”¹³ Due to the uncertainty of the current economic conditions and unknown customer impact of the ongoing COVID-19 pandemic, SoCalGas believes that the number of eligible customers will grow as a result of the COVID-19 pandemic. Consequently, SoCalGas is unable to precisely project the number and percent of customers who are projected to be facing disconnection after June 30, 2021. However, SoCalGas can provide a general projection of customers likely to be disconnected using such indicators as customers: (1) with past due bills over 90-120 days, (2) not on a payment plan, and (3) who have availed themselves of all available financial assistance programs. Some of these indicators of projected disconnection are obvious, but other indicators are subjective. In order to adequately develop these indicators, it is important to have a clear definition of what they are and the characteristics they should have. For consistency across the IOUs, the Commission should specify and define the key indicators the IOUs should use to determine whether a customer is projected to be facing disconnection.

d. The Commission Should Allow the IOUs Flexibility to Provide Different Metrics.

The Draft Resolution states that the “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.”¹⁴ The Draft Resolution requires “metrics in the plan for tracking and reporting progress toward the transition plan goals are specific, measurable, and meaningful.”¹⁵ The Draft Resolution proposes a number of metrics for progress tracking and reporting.¹⁶ The Commission should consider metrics provided by the IOUs and not require the alternative metrics proposed in the Draft Resolution. The IOUs are in the best position to develop metrics for their programs and determine which metrics should be included in the transition plans for tracking and reporting progress. SoCalGas requests that the Commission clarify that the IOUs have the flexibility to determine what metrics are necessary and use metrics that are conducive to the company’s internal reporting, programs and billing systems.

¹³ Draft Res. M-4849 at 14.

¹⁴ Draft Res. M-4849 at 14.

¹⁵ Draft Res. M-4849 at 17.

¹⁶ Draft Res. M-4849 at 14-15.

3. Cost Recovery and Accounting

COVID-19 Pandemic Protections Memorandum Account (CPPMA)

Draft Res. M-4849 states the IOUs should “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.”¹⁷ SoCalGas concurs with this direction and believes that Draft Res. M-4849 provides the authority to continue recording incremental costs to the existing memorandum account for costs that have not been previously authorized in another proceeding. In order to allow for recovery of expenses reasonably incurred while complying with this Resolution, SoCalGas will continue to record incremental uncollectible costs and waived charges incurred by SoCalGas, including incremental uncollectible expenses for residential and small business customers, associated with providing customer protection during this extended period through June 30, 2021 to the CPPMA. SoCalGas confirms that the costs recorded to the CPPMA will be incurred beginning March 4, 2020, which is the start date of the Governor’s state of emergency proclamation and extend through June 30, 2021, unless further extended by the Commission.

Conclusion

SoCalGas thanks the Commission for its consideration of SoCalGas’ Comments in response to Draft Res. M-4849, and respectfully requests that the Commission make the clarifications and modifications outlined above.

Sincerely,

/s/ Joseph Mock

Joseph Mock
Business Manager - Regulatory Affairs

Attn: Certificate of Service

cc: All via e-mail
April Mulqueen, Energy Division
Service List in A.20-03-014
Service List in A.19-11-003
Service List in A.19-09-014
Service List in R.18-07-006
Service List in R.18-07-005

¹⁷ Draft Res. M-4849 at 4.

Service List in R.18-03-011
Service List in R.17-06-024
Service List in R.15-03-010
Service List in R.12-06-013
Service List in General Order 96-B