WORKSHOP #1: DISCUSSION OF UTILITY DISCONNECTION AND RECONNECTION DATA

October 12, 2018
SoCalGas Disconnection Practices

» Contact customers multiple times prior to disconnection, offering many assistance programs to customers in need (CARE, Medical Baseline Allowance, Energy Assistance Funds)
» Conduct in-person visits to critical care, medical baseline, disabled and elderly customers prior to disconnection
» Grace period for disconnection eligibility is 8 weeks
» No disconnection during extreme weather events or on holidays
SoCalGas Key Disconnection Statistics

» Lowest disconnection rate in state: only 2% of customers annually
» Only disconnect 7-8% of customers at risk for disconnections
» Reconnection rate is approximately 80%
» Unlike other IOU’s, SoCalGas must manually reconnect customers for safety reasons
» Average 1.1 million customers on payment plans
2017 Disconnection Cap Concerns

» Cap kicks the can down the road
  ▪ Outstanding balances continue to grow
    • More manageable to pay $100 now than $500 later
  ▪ Makes disconnection at a later time more likely

» By the time the customer is disconnected, reconnection may be unaffordable

» Customer could end up without service
Rapid Relief Proposal

» Boost participation in payment plans or assistance programs by customers at risk of disconnection
  ▪ The tools are there, but they need to sign up

» Getting customers on payment plans keeps them from getting disconnected while helping them maintain a manageable outstanding balance.

» If customers are able to fulfill their payment arrangement plans, then it helps keep their service on and keep rates lower for all ratepayers.
Long-Term Suggestions

» Conduct customer focus groups to learn:
  - Why customers at risk for disconnections are not using payment plans
  - Customer-preferred communication methods
  - How to boost sign-ups for assistance programs

» Develop outreach plan to increase payment plan and program participation.

» The more customers are able to manage their bills and usage, the lower the disconnection rate for the state.