

The State of Electric and Gas Utility Disconnections in California

Whitney Richardson, Energy Division | December 6, 2018

California Public Utilities Commission

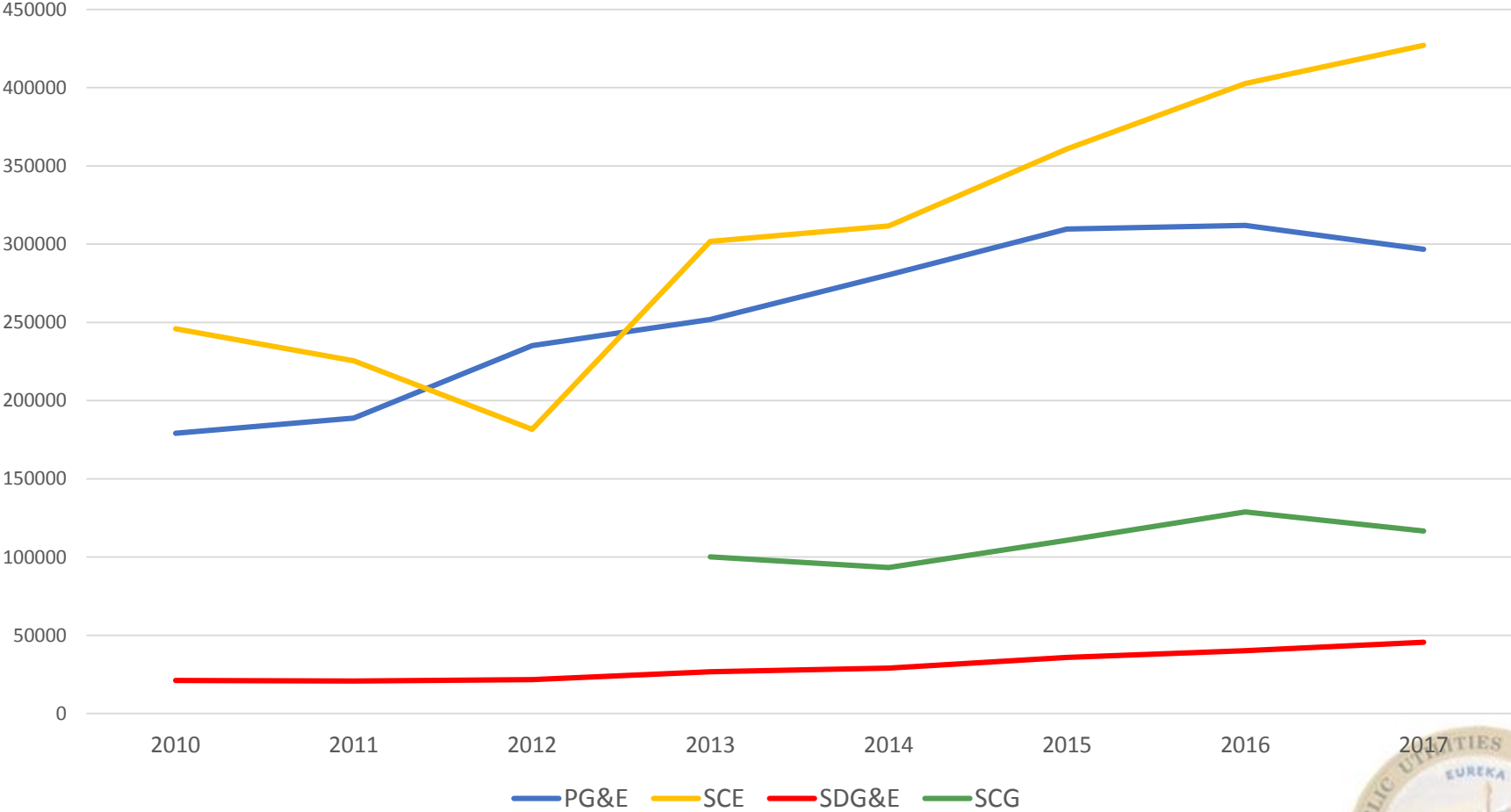


Senate Bill 598 (Hueso)

- SB 598 in 2017 requires the CPUC to develop policies or regulations to reduce the electric and gas disconnection rate by January 1, 2024
- The bill notes that the number of residential disconnections rose from 514,000 in 2010 to 816,000 in 2015 and that disconnections pose a serious threat to public health
- The bill also prohibits the disconnection of those in hospice, with life support equipment or with life threatening illness



Annual Disconnections 2013-2017



Disconnection Rate Trend

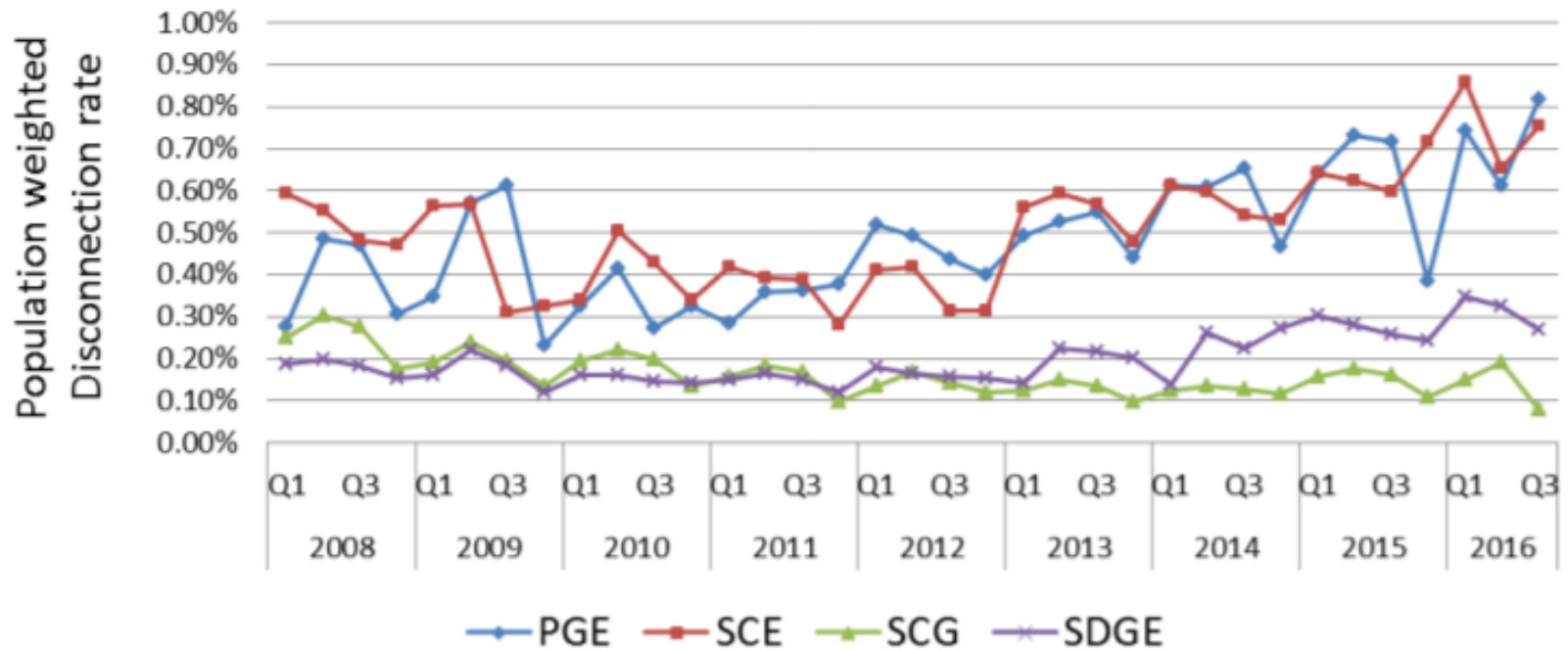


Figure 1. Average population weighted disconnection rate for each IOU from 2008 through Q2 2016



Previous efforts

- The CPUC previously examined the topic of disconnections in a 2010 rulemaking (R.10-02-005)
- This rulemaking examined payment plans and notification rules for customers
- The subsequent settlement agreements in 2010, 2012 and 2014 seemed to have some impact on disconnections, but they are rising again.

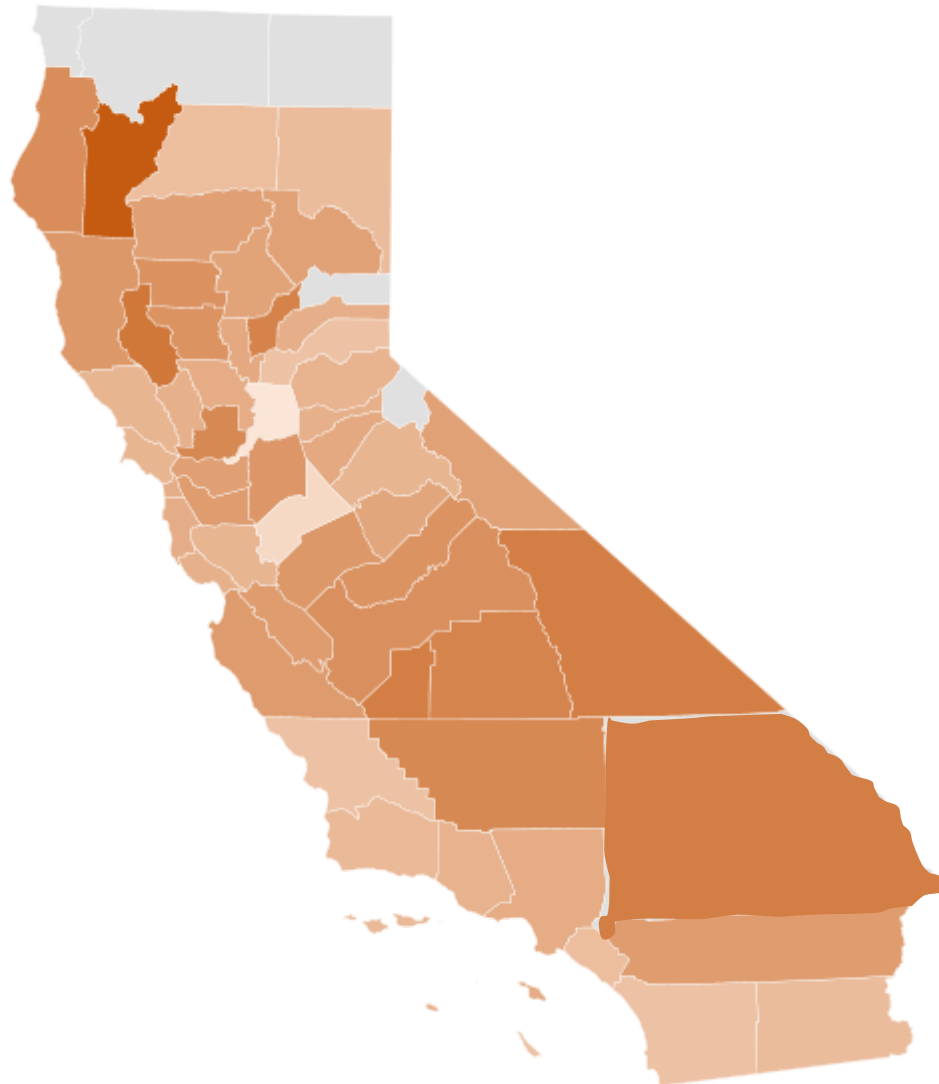


The current scale of the problem

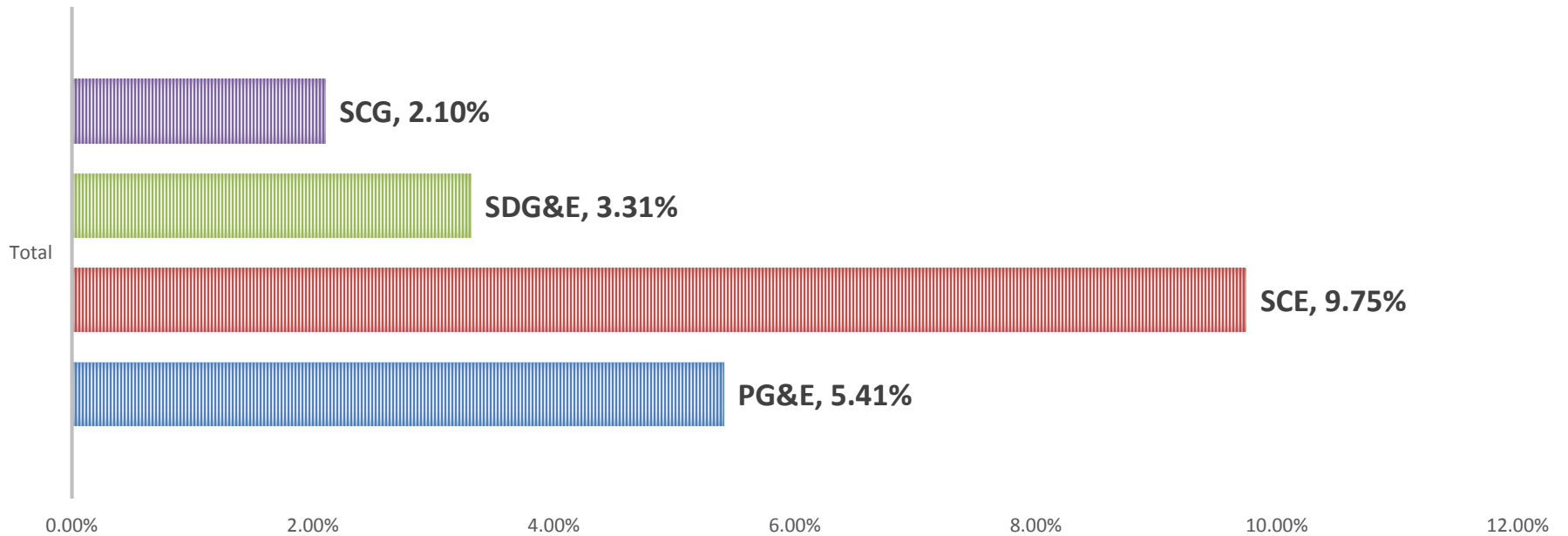
- In 2016, the IOUs had a combined total of approximately 16.65 million residential customer accounts. In that time period, the four largest gas and electric utilities issued disconnection notices to 4,265,616 ratepayers (25.62%) at least once in the calendar year.
- 16.15% of all ratepayers receive more than one initial (15-day) disconnection notice in a year's time.
- The majority of disconnections come from just 20% of the zip codes served by the four IOUs and that disconnection are proportionally lower in urbanized areas compared to less populated areas

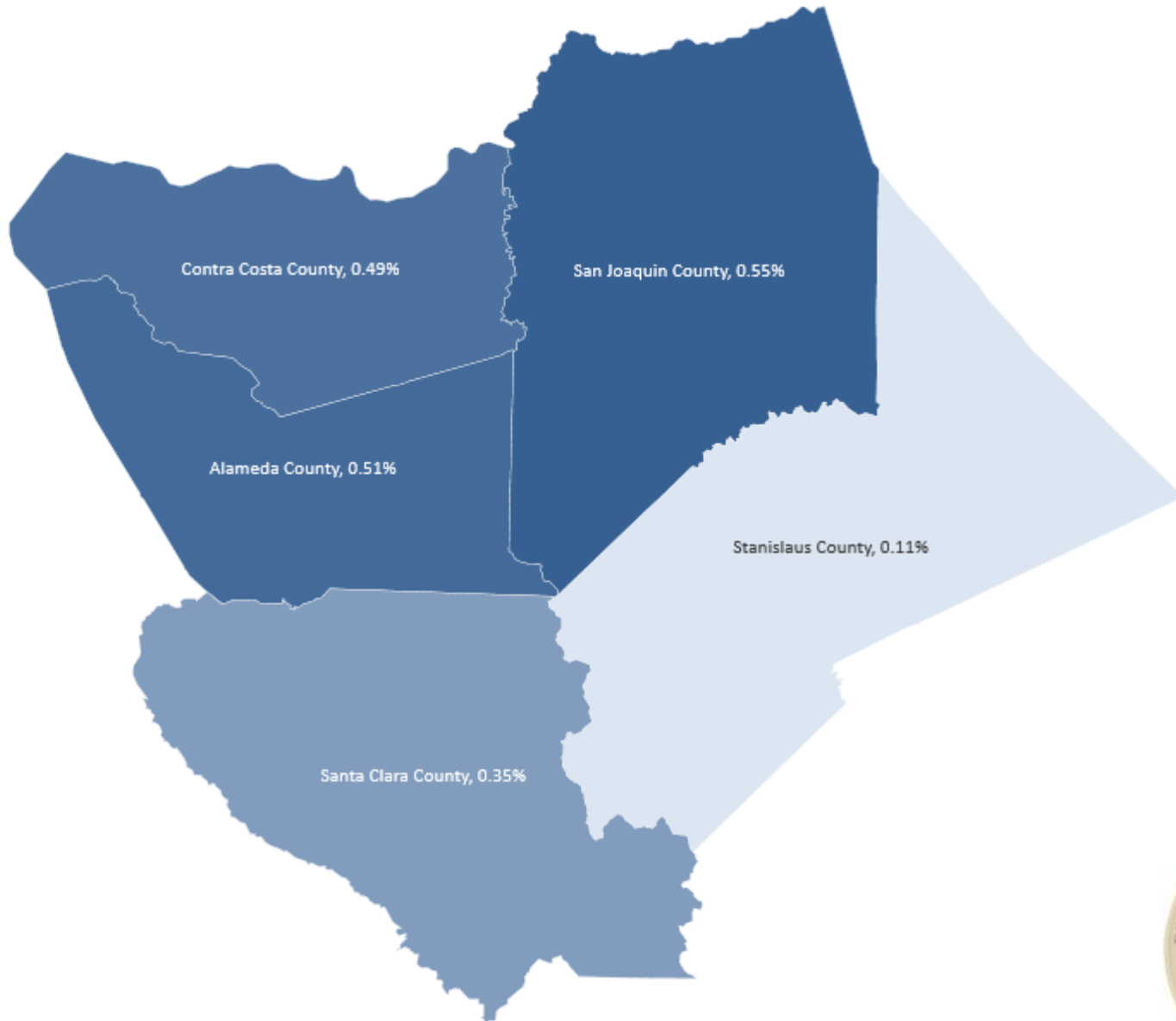


2017 disconnection rate by county

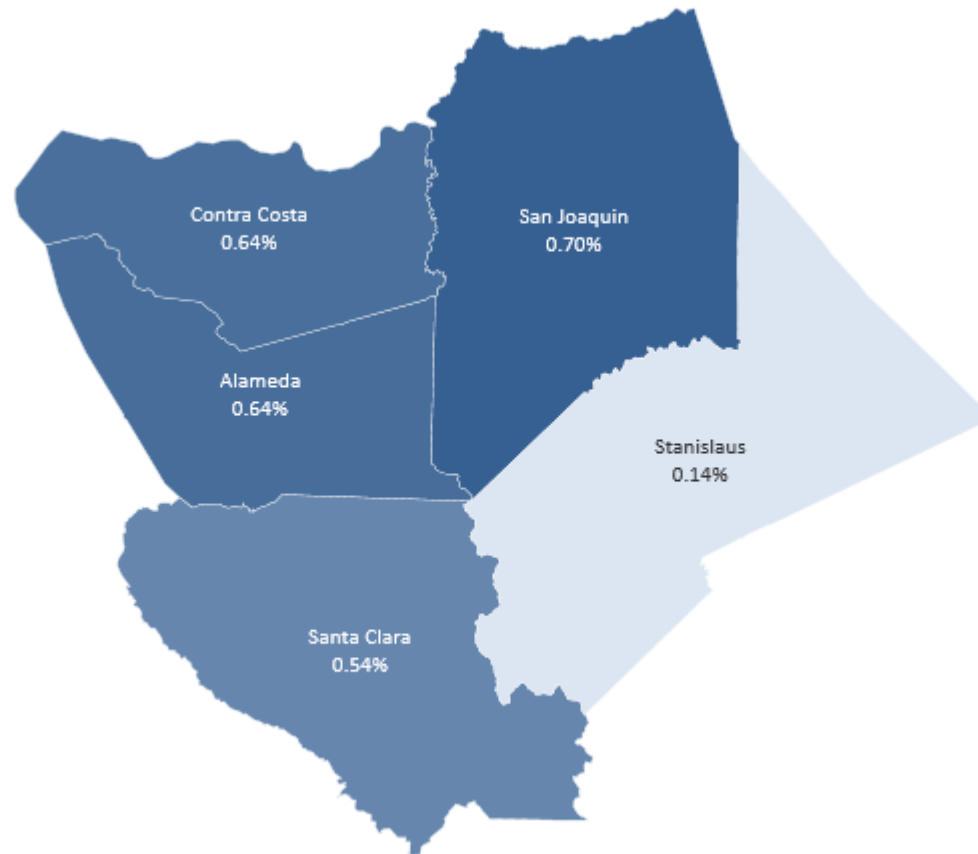


2017 DISCONNECTION RATES BY UTILITY





CARE disconnection rate



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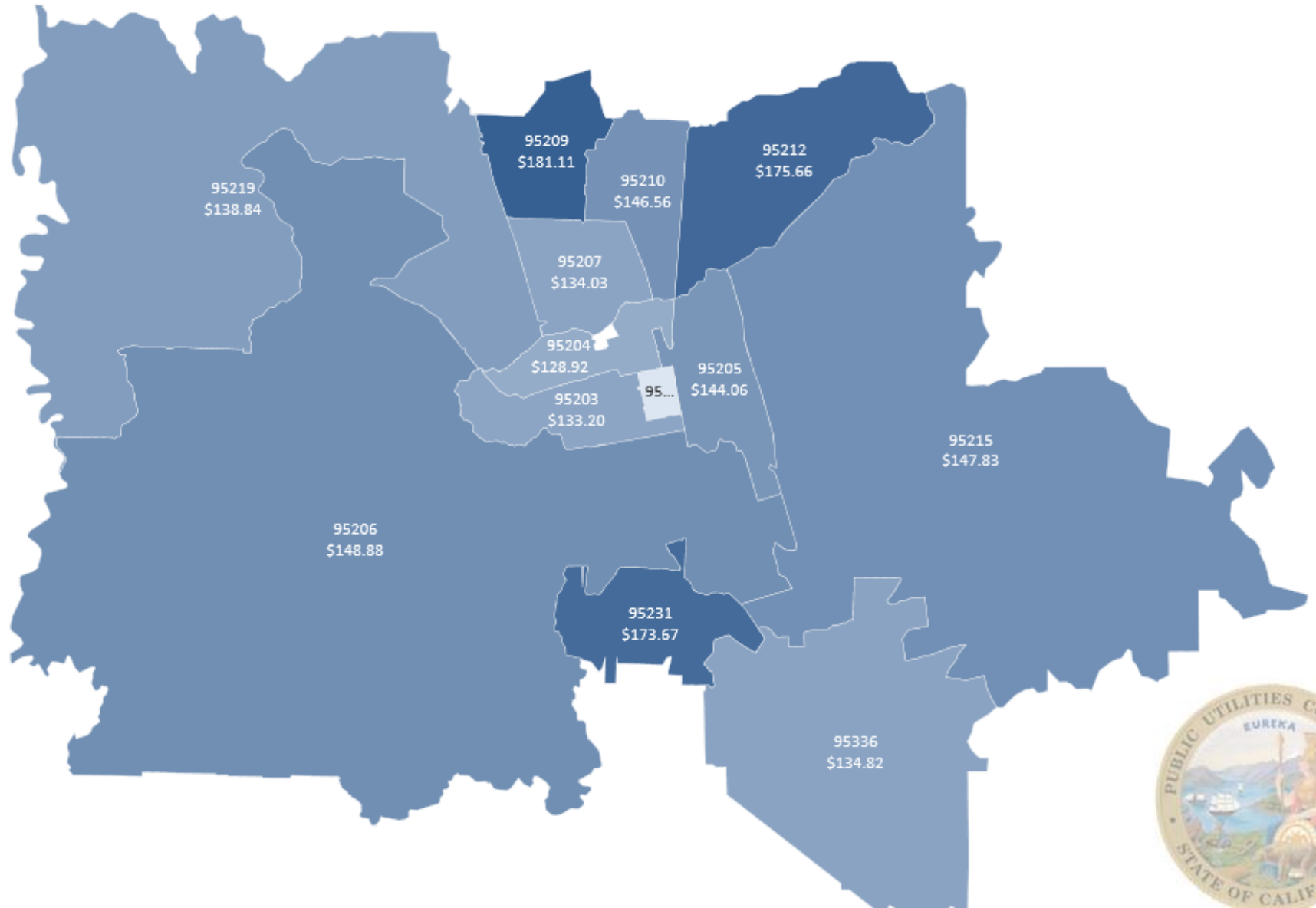


The goals of this proceeding

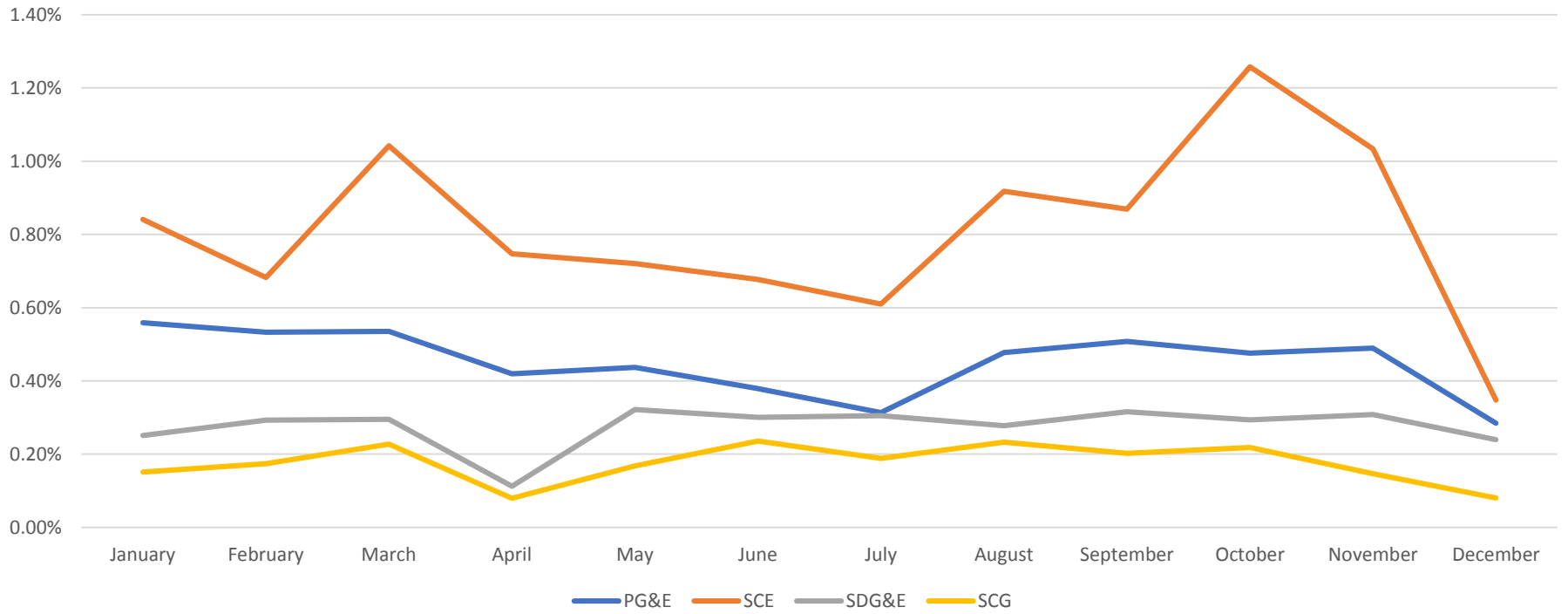
- We are looking through the data to try to find ways to address the disconnection rate.
- For example, what is the size of customer arrearages before they are disconnected?
- Where is the opportunity to intervene before disconnection becomes necessary?



Median arrearage amounts in Stockton area



Monthly disconnection rate in 2017



The goals of this proceeding

- Bill volatility seems to have some impact on disconnection rates.
- How can we better connect customers to programs such as level bill pay or find other ways to reduce the impact of unexpectedly high bills?



The goals of this proceeding

- Lastly, the method of allowing people to pay over time must be examined.
- For example, how long should payment plans be and what is the minimum amount that should be paid per month?



PG&E Data

Payment/arrearage

#2 - How many residential customers are currently on a pay plan?
 How many payment plans has the utility created annually since 2010?

August 2018:
215,946 Active Pay Plans

Pay Plans Created Annually

2010	1,198,742
2011	1,247,382
2012	1,473,638
2013	1,647,786
2014	1,547,429
2015	1,358,740
2016	1,386,635
2017	1,557,659

Pay Plans Created

