

Company: San Diego Gas & Electric Company (U 902 M)
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Application: A.22-05-016
Exhibit: SDG&E-18-S

SUPPLEMENTAL TESTIMONY OF
SANDRA F. BAULE
(CUSTOMER SERVICES – OFFICE OPERATIONS)

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



November 2022

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**SUPPLEMENTAL TESTIMONY OF
SANDRA F. BAULE
(CUSTOMER SERVICES – OFFICE OPERATIONS)**

4 **I. INTRODUCTION**

5 **A. Summary of Testimony**

6 The purpose of this supplemental testimony is to address the impact of any proposed
7 increase in rates on disconnections for non-payment in accordance with Senate Bill (SB) 598.
8 That legislation added Public Utilities (PU) Code Section (§) 718(b), which requires the
9 Commission to adopt residential utility disconnections for non-payment as a metric and
10 incorporate the metric into the utility's general rate case.¹ In accordance with PU Code §
11 718(b)(1)(B), and the Assigned Commissioner's Scoping Memorandum and Ruling (Scoping
12 Memo),² San Diego Gas & Electric Company (SDG&E) has conducted the requisite assessment
13 of whether a proposed increase in rates will impact disconnections for non-payment.
14 Additionally, the Commission issued Rulemaking (R.)18-07-005, which capped SDG&E's
15 residential disconnections due to non-payment for the years 2020 through 2024 at three percent
16 of the residential customer base in any 12-month period. SDG&E's assessment concludes that
17 any rate increase proposed in this General Rate Case (GRC) period will have little to no impact
18 on residential customer disconnections for non-payment and SDG&E will comply with the three
19 percent cap mandated by R.18-07-005 and further modified in Decision (D.) 20-06-003.³

¹ Public Utilities Code § 718 provides, in pertinent part,

(b)(1) In each gas and electrical corporation general rate case, the commission shall do both of the following:

(A) Designate the impact of any proposed increase in rates on disconnections for nonpayment as an issue in the scope of the proceeding.

(B) Conduct an assessment of and properly identify the impact of any proposed increase in rates on disconnections for nonpayment, which shall be included in the record of the proceeding.

(2) The commission shall adopt residential utility disconnections for nonpayment as a metric and incorporate the metric into each gas and electrical corporation general rate case.

² See Assigned Commissioner's Scoping Memo and Ruling (October 3, 2022) (Scoping Memo) at 15. At the July 22, 2022, Prehearing Conference, the assessment required by PU Code §718(b)(1)(B) was added to the proceeding, with supplemental testimony on the affordability metrics and the impact of disconnections for non-payment for residential customers to be filed on November 18, 2022. *Id.*

³ OP 1a.

1 As reflected in the prepared direct testimony of Sandra F. Baule, Customer Services –
2 Office Operations (Ex. SDG&E-18) in section IV, the volatility or cyclical nature of the
3 uncollectible rate⁴ depends on macroeconomic, microeconomic and regional economic factors
4 and the variability of seasonal energy bills. Therefore, the precise incremental impact on the
5 uncollectible rate due to each of the independent variables is difficult to quantify and correlate.
6 The CPUC Policy and Planning Division report dated December 28, 2017, titled “A Review of
7 Residential Customer Disconnection Influences & Trends,” similarly acknowledged the
8 complexity of disconnection indicators, identifying the influence of factors, such as Commission
9 policy, income, unemployment, and geography, as contributors to fluctuations in the disconnect
10 rate over time.⁵

11 This supplemental testimony will address the following aspects of the assessment
12 contemplated by PU Code §718(b)(1)(B):

- 13 a. Policies and processes.
- 14 b. Policies and processes related to Life Support customers.
- 15 c. Other considerations impacting disconnection.
- 16 d. The impact of any proposed rate increases on disconnections for
17 non-payment.

18 **II. SDG&E CREDIT POLICY AND PROCESSES**

19 **A. Policy and Processes**

20 **1. SDG&E is tariffed under Rule 11 – Discontinuance of Service**

21 The tariff provides overall guidance on the policy and procedures governing Non-
22 Payment of Bills, including but not limited to, past due noticing, reasonable attempts to contact
23 customers, third party notification, payment agreements and termination disputes. A complete
24 copy of Rule 11 is provided as Appendix B to this supplemental testimony. Under Rule 11, a
25 SDG&E residential account becomes delinquent 19 days from the initial invoice mail date and
26 collection action may be initiated at this time. As required by Rule 11, Section 3, SDG&E
27 notifies customers of the impending disconnection 48 hours prior to disconnection via US mail
28 and email for customers who have provided their email address to SDG&E. The 48-hour

⁴ If payment is not received after an account has been disconnected and the final bill has been mailed to the customer, the account is written off to bad debt expense (Uncollectibles).

⁵ A Review of Residential Customer Disconnection Influences & Trends, December 28, 2017.

1 notification often triggers the customer to call the Customer Contact Center (CCC) to discuss
2 their account and resolve the past due balance prior to disconnection. If SDG&E has a
3 discussion with a residential customer prior to disconnection, SDG&E must offer the customer a
4 12-month payment plan.⁶ SDG&E cannot disconnect any residential customer who is on a 12-
5 month payment plan and is current on both their monthly bill and the payment plan.⁷ In the
6 event a customer calls the CCC to state they need extra time to pay their past due bill, the Energy
7 Service Specialist (ESS) will offer an extension, delaying disconnection. SDG&E understands
8 that a customer may have extenuating circumstances, and in those situations the ESS can offer
9 payment arrangements with extended timeframes. Customers are also made aware of self-service
10 channels such as MyAccount and the Interactive Voice Response (IVR) systems, which can be
11 used for payment arrangements. My Account also provides customers with information on their
12 energy use, energy conservation tips and rate analysis.

13 In addition to offering payment options, ESS's are trained to advise and educate
14 customers who contact SDG&E to discuss their account and are at risk for disconnection about
15 benefit programs such as California Alternate Rates for Energy (CARE), Family Electric Rate
16 Assistance (FERA), Energy Savings Assistance (ESA) Program, Medical Baseline Allowance,
17 Arrearage Management Payment (AMP) Plan, Level Pay Program (LPP), and the Low-Income
18 Home Energy Assistance Program (LIHEAP). ESS's may also direct customers to the Neighbor-
19 to-Neighbor program, which provides customers who are not eligible for state or federal
20 assistance and experiencing temporary financial hardship up to \$150 towards their SDG&E bill.

21 **2. Life Support/Medical Baseline Credit Process**

22 Accounts designated as qualified Life Support are subject to an increased level of
23 customer care and credit process than accounts without this designation. Residential customers
24 may not be disconnected for non-payment if they qualify for medical baseline and the customer
25 agrees to a 12-month payment plan.⁸

26 The first step in the Life Support credit process is an attempt to contact the customer
27 through phone calls. If phone calls are unsuccessful, SDG&E sends a notice to the customer via

⁶ Decision (D.) 20-06-003 at 145-146, Ordering Paragraph (OP) 1(c).

⁷ *Id.*

⁸ *Id.* at 145, OP 1(b).

1 US mail. If the customer does not respond to SDG&E’s inquiries or does not agree to a payment
2 arrangement, SDG&E continues the credit process and mails out a final notice before
3 disconnection. If the customer still does not respond or agree to a payment arrangement, SDG&E
4 obtains the appropriate internal approval to continue the credit process. Once approval is
5 received, a field technician goes to the property and attempts to contact the customer and/or
6 leave a notice. If the customer still does not agree to a payment arrangement or otherwise
7 respond, SDG&E makes a second field visit. If payment is still not received, SDG&E moves
8 forward with disconnecting the service. SDG&E attempts to disconnect the gas first, if it is non-
9 essential to the life support device, but if the customer does not have gas service, SDG&E will
10 disconnect the electric service. On average, this entire process takes four months.

11 SDG&E reports the metrics related to households enrolled in the Medical Baseline
12 Program in the Disconnections Proceeding, R.18-07-005 monthly report.⁹

13 **3. Credit Moratoriums**

14 SDG&E suspends its disconnection activity on all Company holidays and during an
15 annual voluntary winter moratorium that takes place mid-December through New Year’s Day of
16 the following year. The annual voluntary winter moratorium has been active since 2012.¹⁰
17 SDG&E also suspends disconnections during weather qualifying events (extreme heat or cold in
18 qualifying areas identified as temperatures over 100 degrees Fahrenheit or below 32 degrees
19 Fahrenheit for residential electric customers). Additionally, pursuant to D.20-06-003, SDG&E
20 cannot disconnect residential gas customers when temperatures are expected to be below 32
21 degrees Fahrenheit based on a 72-hour look-ahead period.¹¹ This requirement is reflected in
22 SDG&E’s Rule 11(A)(14), Temperature Related Limitations.¹²

23 **4. Internal Disconnection Practices**

24 SDG&E’s methodology for managing disconnections focuses on individual customer
25 behavior. To determine if disconnection steps are to be taken, SDG&E evaluates the customer’s
26 payment history, balance in arrears and willingness to enroll in and maintain a payment
27 agreement as a determinant for disconnection. The credit process is put on hold when the

⁹ Final Res. E-5169 at OP 5.

¹⁰ SDG&E intends to maintain this practice when credit and collection resumes.

¹¹ D.20-06-003 at 146, OP 1(f).

¹² Rule 11(A)(14).

1 customer accepts and follows a payment arrangement; if the payment arrangement is broken, the
2 credit process will resume.

3 **B. Other Considerations**

4 **1. Disconnection OIR (R.18-07-005)**

5 The Commission issued R.18-07-005 to help reduce the statewide level of service
6 disconnections for residential energy customers and improve the reconnection process. In that
7 proceeding, for the years 2020 through 2024, the Commission capped the number of residential
8 disconnections for non-payment for SDG&E to not exceed three percent of the residential
9 customer base in any 12-month period.¹³ Additionally, pursuant to the 2014 Disconnection
10 Settlement Agreement, SDG&E submits monthly disconnection reports to the service list in the
11 Disconnection Proceeding, R.18-07-005.¹⁴ SDG&E also responds to data requests on
12 disconnection and reconnection from the CPUC Energy Division on an as-requested basis.

13 **2. COVID-19 Disconnection Moratorium**

14 On April 16, 2020, the Commission adopted Resolution M-4842, Emergency
15 Authorization and Order Directing Utilities to Implement Emergency Customer Protections to
16 Support California Customers During the COVID-19 Pandemic, directing utilities to offer
17 disconnection protections adopted in D.19-07-015 to all residential customers through April 16,
18 2021, with an option to extend that date.¹⁵ In response to Resolution M-4842, SDG&E
19 submitted Advice Letter (AL) 3516-E-C/2854-G-C effective March 19, 2020, affirming its
20 compliance with specific emergency customer protections in light of the COVID-19 pandemic
21 and instituted a suspension of customer disconnections for non-payment for residential
22 customers.¹⁶ This moratorium expired in September 2021 per D.21-06-036,¹⁷ however, SDG&E
23 has not begun disconnections for residential customers.

¹³ D.20-06-003 at 145, OP 1(a).

¹⁴ D.14-06-036, and D.18-12-013 at 32 (OP 6).

¹⁵ California Public Utilities Commission, *Resolution M-4842* (April 17, 2020), available at <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M333/K482/333482381.PDF>.

¹⁶ SDG&E Advice Letter 3516-E-C/2854-G-C, Full Supplement - Implementation of Emergency Disaster Relief Program For Covid-19 Pursuant To Resolution M-4842, available at https://tariff.sdge.com/tm2/pdf/submittals/GAS_2854-G-C.pdf.

¹⁷ D.21-06-036 at 52, OP 10.

1 **3. D.21-06-036 – Decision Addressing Energy Utility Customer Bill Debt**
2 **Via Automatic Enrollment in Long Term Payment Plans**

3 In response to the COVID-19 pandemic, D.21-06-036 directed the Investor Owned
4 Utilities (IOUs) to automatically enroll all active residential customers with energy utility bill
5 arrears 60 days or greater in long term payment plans through September 2022, referred to as
6 COVID-19 Residential Relief Payment Plans, if they were not on an existing payment plan or
7 enrolled in AMP.¹⁸ Pursuant to D.21-06-036, customers eligible for a COVID-19 Residential
8 Relief Payment Plan between September 2021 and July 2022, were automatically enrolled in a
9 payment plan amortizing the customer’s arrearage over 24 months of payments.¹⁹ Customers
10 enrolled in a COVID-19 Residential Relief Payment Plan are not eligible for disconnection.²⁰

11 **4. D.20-06-003 – Phase I Decision Adopting Rules and Policy Changes to**
12 **Reduce Residential Customer Disconnections**

13 On June 11, 2020, the Commission approved D.20-06-003, adopting rules and other
14 changes applicable to the IOUs designed to reduce the number of residential customer
15 disconnections and improve reconnection processes for disconnected customers. D.20-06-003
16 adopts and makes permanent the following protections:

- 17 • Gas utilities are prohibited from disconnecting residential customers when
18 temperatures below 32 degrees are expected based on a 72-hour look-ahead
19 period.
- 20 • Electric utilities are prohibited from disconnecting residential customers when
21 temperatures above 100 degrees or below 32 degrees are expected based on a 72-
22 hour look-ahead period.
- 23 • Utilities are prohibited from requiring a deposit for establishing or re-establishing
24 service for residential customers.
- 25 • Utilities are precluded from charging residential customers reconnection fees.
- 26 • Utilities cannot disconnect a residential customer for non-payment until they have
27 offered a 12-month payment plan.
- 28 • Utilities cannot disconnect a residential customer for non-payment if they qualify
29 for medical baseline and the customer agrees to a 12-month payment plan.

¹⁸ *Id.* at 50, OP 2 and Appendix A.

¹⁹ *Id.*

²⁰ *Id.*

- 1 • Disconnection for non-payment is prohibited until the utility has offered to sign
2 up eligible customers in all applicable benefit programs administered by the
3 utility.
- 4 • Gas utilities are prohibited from disconnecting residential customers if the
5 customer pays a minimum of 20 percent of the past due balance.
- 6 • Utilities are prohibited from disconnecting residential customers if the customer
7 has a Low-Income Home Energy Assistance Program (LIHEAP) pledge pending.
- 8 • Reconnection of gas service within 24 hours if the customer has made the
9 minimum 20 percent payment of the past due balance and also agrees to a
10 payment plan.
- 11 • Disconnection notices must be improved so that customers are better informed
12 that they are in danger of having their utilities disconnected.²¹

13 These customer service disconnection protections became effective after the COVID-19
14 Disconnection moratorium was lifted in September 2021.²²

15 **5. California Arrearage Payment Program**

16 To help address the economic impacts of the COVID-19 pandemic on Californians, the
17 State Budget Act of 2021 appropriated \$1 billion from the federal American Rescue Plan Act of
18 2021 to support the establishment of the California Arrearage Payment Program (CAPP).²³
19 CAPP 2021 provided relief in the form of bill credits to active and inactive residential and
20 commercial utility customers who had accrued energy debt during the COVID-19 pandemic bill
21 relief period of March 4, 2020, through June 15, 2021. Customers eligible for relief under CAPP
22 2021 were protected from the risk of disconnection until May 2022.

23 The State Budget Act of 2022 appropriated \$1.2 billion to support the adoption of 2022
24 CAPP due to ongoing financial impacts of the COVID-19 pandemic.²⁴ The new round of CAPP
25 funding covers active residential utility customer arrearages accumulated between March 4,
26 2020, and December 31, 2021.²⁵ Residential customers with arrearages accumulated during the

²¹ D.20-06-003 at 3.

²² *Id.* at 144-146, OP 1.

²³ Assembly Bill (AB) 128 (Ting, 2021)
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB128.

²⁴ California Department of Finance, *California State Budget 2022-23* at 62, available at
<https://www.ebudget.ca.gov/FullBudgetSummary.pdf>.

²⁵ California Department of Community Services and Development, *2022 Capp Program Notice No. 01*
at 3, available at <https://csd.ca.gov/Shared%20Documents/22CAPP-PN-01.pdf>.

1 2022 CAPP COVID-19 pandemic bill relief period are protected from discontinuance of service
2 due to non-payment during the CAPP application period and for an additional 90-days once 2022
3 CAPP funds are applied on their account.

4 **III. YEAR OVER YEAR RATE COMPARISON – RESIDENTIAL**
5 **DISCONNECTIONS**

6 Numerous reasons may contribute to a customer’s decision not to pay a monthly utility
7 bill, and ultimately be disconnected. This testimony does not attempt to address the broader
8 economic and external factors that may underline a customer’s inability to pay their SDG&E bill.
9 Rather, SDG&E has analyzed its data on rate increases, disconnection rates and reconnection
10 rates over time as shown in Table SB-1.²⁶

11 In Table SB-1 the average monthly disconnections are significantly lower than the
12 average number of customers who are at risk of disconnection, which is shown in the ‘Average
13 Monthly Late Notices’ column. And while the residential class average electric rate and average
14 monthly disconnections have increased over time, non-reconnections (customers who remain
15 without service) have decreased significantly from 26.24% in 2010 to 9.58% in 2020. As stated
16 in Section II, SDG&E provides a customer with multiple notices and many opportunities and
17 options for payment of outstanding balances, including preventing a customer from incurring a
18 prohibitively large outstanding bill balance and therefore, reducing the likelihood of a
19 reconnection. This illustrates the impact that SDG&E’s credit policies and practices are having
20 on decreasing the percentage of customers who are unable to restart service after disconnection.
21 SDG&E policies and practices are an extension of the basic guidelines and principles set forth in
22 R.18-07-005 and D.20-06-003.

²⁶ Table SB-1 reflects no residential disconnections between April 2020 and Sept 2021 due to the COVID-19 Disconnection Moratorium directed by Resolution M-4842, see Section II(B)(2) above; as well as no disconnections from October 2021 to present, see Section II(A)(4) above.

1 **TABLE SB-1**

2 **DATA FOR YEAR OVER YEAR COMPARISON - DISCONNECTIONS**

Year	Residential Class Average Electric Rate (cents per kWh)*/**	Average Monthly Late Notices	Average Monthly Disconnections	Average Monthly Non-Reconnections as %
2010	0.17937	191,964	1,761	26.24%
2011	0.18365	200,712	1,724	22.33%
2012	0.17612	199,098	1,808	22.07%
2013	0.18322	192,558	2,219	16.09%
2014	0.21064	179,244	2,411	12.94%
2015	0.22021	182,584	2,992	8.39%
2016	0.22442	182,886	3,339	10.75%
2017	0.24896	183,258	3,799	11.48%
2018	0.27561	187,957	4,279	9.42%
2019	0.26251	186,847	3,836	10.06%
2020 (Jan – Mar) ***	0.27180	173,329	3,049	9.58%
2021	0.27130	NA	NA	NA

3 *The residential class average electric rate has not been adjusted for inflation.

4 **The residential class average rates reflect rates in effect January 1 of each year.

5 ***The residential average monthly late notices and average monthly disconnections are based on data from
6 January 2020 – March 2020.

7 **IV. RECONNECTION RATES**

8 Reconnection rate is an important metric to track. It provides insight on how achievable it
9 is for customers to restart service once disconnected for non-payment. Table SB-2 below shows
10 the disconnections and reconnections for the past 12 years.²⁷ While the data depicts an increase
11 in disconnections for non-payment, it also shows an increase in reconnections within 12-48
12 hours, as well as an increase in the overall residential reconnections rate. SDG&E believes the
13 increase in the reconnection rate is attributable to an effective credit and customer service
14 strategy as outlined in Section II.

²⁷ Table SB-2 reflects no residential disconnections or reconnections with 12-48 hours between April 2020 and Sept 2021 due to the COVID-19 Disconnection Moratorium directed by Resolution M-4842, see Section II(B)(2) above; as well as no disconnections or reconnections from October 2021 to present, see Section II(A)(4) above.

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TABLE SB-2
DATA FOR YEAR OVER YEAR COMPARISON - RECONNECTIONS

Year	Total Annual Residential Disconnections	Total Annual Residential Reconnections (within 12-48 hours)	Residential Reconnections Rate
2010	21,128	15,531	73.5%
2011	20,690	16,075	77.7%
2012	21,691	16,959	78.2%
2013	26,627	22,338	83.9%
2014	28,933	25,186	87.0%
2015	35,899	32,882	91.6%
2016	40,067	35,759	89.2%
2017	45,593	40,363	88.5%
2018	51,354	46,532	90.61%
2019	46,026	41,404	89.96%
2020 (Jan – Mar)	9,146	8,248	90.18%
2021	NA	NA	NA

3 **V. CONCLUSION**

4 This supplemental testimony has addressed the assessment requested in PU Code § 718
5 (b)(1)(B). Based upon SDG&E’s analysis of its rate and disconnection data, the credit and
6 collections practices and processes SDG&E follows, and compliance with new rules and policies
7 adopted by the Commission described in Section II(B), SDG&E concludes that any rate increase
8 proposed in this GRC period will have little to no impact on customer disconnections for non-
9 payment. SDG&E’s internal policies and processes are effective at managing the number of
10 disconnections on an annual basis and reaching customers before their past due balance becomes
11 unmanageable. Moreover, these credit policies and practices allow an increasing number of
12 customers to successfully reconnect. While numerous factors ultimately influence the
13 disconnection rate for customer non-payment, SDG&E’s tailored approach provides a balanced
14 and reasonable outcome for its entire customer base.

15 This concludes my prepared supplemental testimony.

APPENDIX A
GLOSSARY OF TERMS

APPENDIX A

GLOSSARY OF TERMS

Acronyms	Definition
AL	Advice Letter
AMP	Arrearage Management Payment Plan
CAPP	California Arrearage Payment Program
CARE	California Alternate Rate for Energy
CCC	Customer Contact Center
D.	Decision
ESA	Energy Savings Assistance
ESS	Energy Service Specialist
FERA	Family Electric Rate Assistance
GRC	General Rate Case
IVR	Interactive Voice Response
LPP	Level Pay Program
LIHEAP	Low-Income Home Energy Assistance Program
OP	Ordering Paragraph
PU	Public Utilities
R.	Rulemaking
SB	Senate Bill
SDG&E	San Diego Gas & Electric

APPENDIX B
RULE 11 TARIFF



RULE 11

Sheet 1

DISCONTINUANCE OF SERVICE

A. Non-Payment of Bills

1. **Past Due Date.** Bills for residential electric service are due and payable upon presentation. Such bills are the first notice to the customer that the amount shown is due and payable. Residential bills will become past due if not paid within 19 days of the date mailed; non-residential bills will become past due if not paid within 15 days from the date mailed. Payment shall be received at the office of the Utility, or by an authorized agent of the Utility.

2. **Past Due Notice**¹

a. **Residential.**¹ The Utility may mail to any residential customer a notice that a bill is past due after the expiration of the applicable period specified in paragraph A.1. The notice that a bill is past due shall state that if the customer is unable to pay the bill by the final date (15 calendar days after the date of mailing of said notice), the customer should contact the Utility to discuss payment arrangements to avoid discontinuance of service. If the bill is not paid, or payment arrangements have not been made by the final date, service may be discontinued for non-payment. A customer's deposit to establish credit will not be used as payment to avoid discontinuance of service. A minimum of 34 days shall elapse between the date of billing and the date of discontinuance.

b. **Non-Residential.**¹ A non-residential customer's electric service may be discontinued for non-payment of a past due bill provided that a written notice of discontinuance has been issued and the past due amount has not been paid within seven calendar days of the issuance of the past due notice

3. **Reasonable Attempt to Contact Customers.** For residential service, the Utility shall make a reasonable attempt to contact an adult person residing at the customer's residence either by telephone or by personal contact at least 24 hours prior to termination of service, except that, whenever telephone, email or personal contact cannot be accomplished, the Utility shall give, either by mail or in person, a notice of termination of service at least 48 hours prior to termination.

For elderly (age 65 and over) and handicapped² residential customers, the Utility shall provide at least 48-hour notice by telephone, email or visit; however, if personal contact cannot be made by telephone, email or visit, notice shall be posted in a conspicuous location at the service address at least 48 hours prior to termination. Disconnection notices will notify the customer that there may be financial programs available to assist them.

a. Pursuant to D.14-06-036 effective until December 31, 2016, for vulnerable customers³, the Utility shall provide in-person visits within five business days prior to disconnection; however, if personal contact cannot be made, notice shall be posted in a conspicuous location at the service address. The utility shall not require any vulnerable customer who receives a field visit pursuant to Rule 11.A.3.a to pay a fee associated with that field visit.

Utility field workers shall be trained to communicate with people having language disabilities about the availability of relay services for required communications between the aforementioned customers and the Utility.

¹ Per SDG&E Advice Letter 3516-E-C/2854-G-C, submitted pursuant to Resolution M-4842, condition will be waived for current customers effective March 4, 2020 through April 16, 2021, or as otherwise extended.

² Certification from a licensed physician, public health nurse, or a social worker may be required by the Utility.

³ Vulnerable customers include elderly (age 65 and over), handicapped, and special needs profiled residential customers, including Medical Baseline, Life Support and customers who self-certify that they have a serious illness.

(Continued)

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RULE 11

DISCONTINUANCE OF SERVICE

A. Non-Payment of Bills (Continued)

Pursuant to D.20-06-003 and D.19-05-042, the utility shall include with the disconnection notice multiple language⁴ large print inserts and/or leave behind documents (if a customer is not home during a field visit) to provide customers with the direction and contact information on how to seek help.

The Utility shall provide notices of termination in Braille upon the request of the customer. Customers may request such format through a call center agent. Braille notices of termination shall also be mailed to customers who have requested bills in Braille. The Braille-translated notice will be in conjunction with the system-generated, non-Braille notice they receive and may not be received the same day. The collection cycle will be adjusted in the customers' favor to accommodate the timing difference of the Braille notice and non-Braille notice.

4. Third Party Notification. The Utility shall allow elderly (age 65 or older) and handicapped² customers, at their option, to designate a friend, family member, or public or private agency as a third party representative to receive a copy of the notice. The Utility shall establish procedures to ensure that third parties consent to receive such notice, and that a copy of the notice is sent directly to a third party. The Utility shall inform all customers at least once annually of the availability of this service.

5. Payment Agreement. Per D.20-06-003, for residential customers, the Utility shall extend 12-month payment arrangements to a customer who alleges an inability to pay. The utility shall not disconnect any customer if they are enrolled in a 12-month payment plan and are current on both monthly bills and the 12-month payment plan. If a residential customer fails to comply with a payment agreement, the Utility shall not terminate service without giving notice to the customer at least 48 hours prior to termination, of the conditions the customer is required to meet to avoid termination; but, such notice shall not entitle the customer to further investigation by the Utility.

6. Termination Dispute for Residential Customers.

a. Customer Contacts Utility. If the customer is temporarily unable to pay its bill, the customer may be eligible for payment arrangements. The customer must contact the Utility prior to the expiration date of any delinquency notice before termination of service to be eligible for payment arrangements. If arrangements are granted, the customer must comply with the agreement and pay all future bills on time in order to continue service. The Utility shall furnish information on the availability of various financial assistance programs to those customers who demonstrate an inability to pay their bill.

b. Dispute/Service Complaints: If you believe there is an error on your bill or have a question about your service, please call SDG&E customer support at 1-800-411-SDGE (7343). If you are not satisfied with SDG&E's response, submit a complaint to the California Public Utilities Commission (CPUC) at www.cpuc.ca.gov/complaints/. Billing and service complaints are handled by the CPUC's Consumer Affairs Branch (CAB), 505 Van Ness Ave, Room 2003, San Francisco, CA 94102, phone: 1-800-649-7570.

⁴ The languages provided will be consistent with SB 12 and notices of de-energization events, which includes English, Spanish, Chinese, Tagalog, Vietnamese, Korean and Russian, where appropriate.

(Continued)



RULE 11

DISCONTINUANCE OF SERVICE

A. Non-Payment of Bills (Continued)

6. Termination Dispute for Residential Customers (Continued)

If you have limitations hearing or speaking, dial 711 to reach the California Relay Service, which is for those needing assistance relaying telephone conversations. Dial one of the numbers below to be routed to a California Relay Service provider in your preferred mode of communication.

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California Relay Service Phone Numbers:

Type of Call	Toll-Free Number
TTY/VCO/HCO to Voice	1-800-735-2929 English 1-800-855-3000 Spanish
Voice to TTY/VCO/HCO	1-800-735-2922 English 1-800-855-3000 Spanish
Speech to speech	1-800-854-7784

To avoid having service turned off while waiting for the outcome of a complaint to the CPUC specifically regarding the accuracy of your bill, please contact CAB for assistance. If your case meets the eligibility criteria, CAB will provide you instructions on how to mail a check or money order to be impounded pending resolution of your case. You must continue to pay your current charges while your complaint is under review to keep your service turned on.

This must be done prior to any delinquent notice expiration date to avoid interruption of service. The customer is not required to place a deposit with the Commission in a termination dispute.

- c. CAB Proposed Resolution. Within ten business days after receiving the informal complaint, the CAB will report its proposed resolution by letter both to the customer and the Utility.
 - d. Formal Complaint. If the customer is not satisfied with the proposed resolution of the CAB, the customer may file no later than ten business days after the date of the CAB letter, a formal complaint with the Commission at the same addresses as listed above in A.6.b.
 - e. Time Limits. If the customer fails to observe these time limits, the Utility will be entitled to payment, or, if the bill is not paid, to discontinue service.
 - f. Service Not Discontinued. No customer's service may be discontinued while the Utility is investigating a complaint, or while the customer is complying with a payment arrangement, provided the customer also keeps the account current as charges accrue in each subsequent billing period.
7. Individually-Metered Residential Tenant. Discontinuance of service to a residential tenant in a multiunit residential structure who is individually metered by the Utility and it is known to the Utility that service is in the name of the owner, manager, or operator.
- a. A 10-day notice of discontinuance, as provided for in Rule 8.A., Notices, shall inform the tenant of his right to become a customer, to whom the service will then be billed without being required to pay any amount which may be due on the delinquent account.

(Continued)



RULE 11

DISCONTINUANCE OF SERVICE

A. Non-Payment of Bills (Continued)

7. Individually-Metered Residential Tenant (Continued)

b. The tenant must establish credit to the satisfaction of the Utility. However, where a tenant is establishing service under the provisions of this section and prior service for a period of time is a condition for establishing credit with the Utility, residence and proof of prompt payment of rent or other credit obligation acceptable to the Utility for that period of time is a satisfactory equivalent.

8. Master Meter. When the Utility is aware that the discontinuance of service to a master meter may deprive residential tenants of electric service, the Utility shall comply with the provision of paragraph A.1., A.2. and A.8. In addition, the Utility shall give the tenants not less than 15 calendar days prior to the date of discontinuance, notice of their right to become customers without obligation for the bills which have accrued on the master meter. The Utility may satisfy the notice required under this paragraph by posting two such notices at each access point and common areas on the premises when it is not practicable to post a notice on each tenant's door. The notice will be in both English and Spanish and shall specify:

- a. The date on which service will be discontinued.
- b. That the occupants have the right to become customers, to whom the service will then be billed, without being required to pay any amount which may be due on the delinquent account.
- c. What the occupants are required to do in order to prevent the termination of service or to reestablish service.
- d. The estimated monthly cost of service.
- e. The title, address, and telephone number of a representative of the Utility who can assist the occupants in continuing service.
- f. The address and telephone number of a legal service project, as defined in Section 6213 of the Business and Professions Code, which has been recommended by the local county bar association.

The Utility is not required to make service available to the occupants unless each occupant or a "representative of the residential occupants" agrees to the terms and conditions of service and meets the requirements of law and the Utility's rules and tariffs. However, if one or more of the occupants or the representatives of the occupants are willing and able to assume responsibility for subsequent charges to the account to the satisfaction of the Utility, or if there are physical means, legally available to the Utility, of selectively terminating service to those occupants, who have not met the requirements of the Utility's rules and tariffs or for whom the representative of the occupants is not responsible, the Utility shall make service available to those occupants who have met those requirements or on whose behalf those requirements have been met. As used herein, "representative of the residential occupants" does not include a tenants' association.

(Continued)

4C10

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Dan Skopec
Vice President
Regulatory Affairs

Effective

Decision No. 8/2/18 CAB Letter

Resolution No.



RULE 11

DISCONTINUANCE OF SERVICE

A. Non-Payment of Bills (Continued)

8. Master Meter. (Continued)

Credit must be established to the satisfaction of the Utility. Where prior service for a period of time or other demonstration of credit worthiness is a condition for establishing credit with the Utility, residence and proof of prompt payment of rent or other credit obligation during that period of time acceptable to the Utility is a satisfactory equivalent.

Where the Utility furnishes service under a residential rate schedule to a multiunit residential structure through a master meter, the Utility may not discontinue service in any of the following situations:

- g. During the pendency of an investigation by the Utility of a customer dispute or complaint.
 - h. When the customer has been granted an extension of the period for payment of a bill.
 - i. For an indebtedness owed by the customer to any other person or corporation or when the obligation represented by the delinquent account or other indebtedness was incurred with a person or corporation other than the electric Utility demanding payment therefor.
 - j. When a delinquent account relates to another property owned, managed, or operated by the customer.
 - k. When a public health or building officer certifies that disconnection would result in a significant threat to the health and safety of the occupants or the public.
9. Unpaid Bill at a Previous Location. A customer's electric service may be discontinued for non-payment of a bill for service of the same class rendered to the customer at a previous location served by the Utility and provided that the Utility has followed the notice requirements of paragraphs A.2. and A. 9. at the current location for the bill incurred at the previous location.
10. Service to Multiple Locations. Any individual, firm or corporation failing to pay bills due for electric service rendered at one or more locations, within the time limits and subject to the procedures specified in this Rule, shall be subject without further notice to discontinuance of electric service at any or all locations where the Utility provides electricity to such individual, firm or corporation, until such bills are paid and credit is re-established. Residential service, however, may not be discontinued because of nonpayment of bills for other classes of service.
11. Weekends and Holidays. The Utility shall not, by reason of delinquency in payment for electric service, cause cessation of service on any Saturday, Sunday, legal holiday, or at any time during which the business offices of the Utility are not open to the public.
12. Termination in Error. Service terminated in error shall be restored without charge and a notification thereof shall be mailed to the customer at the billing address.
13. Payments collected at the customer's home may be made using the following options: cash, check, or money order.
14. Temperature-Related Limitations. *The Utility shall not, by any reason of delinquency in payment cause cessation of service when temperatures are above 100 degrees or below 32 degrees Fahrenheit when forecasted by the Utility based on a 72-hour look ahead period.*

(Continued)

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RULE 11

Sheet 6

DISCONTINUANCE OF SERVICE

Non-Payment of Bills (Continued)

- 15. Low-Income Home Energy Assistance Program (LIHEAP): Residential customers shall not be disconnected if there is a LIHEAP pledge pending.
- 16. Residential customers shall not be disconnected for nonpayment until the utility offers to enroll eligible customers in all applicable benefit programs administered by the utility. The utility is not required to make affirmative inquiry of every residential household of every residential household as to whether they are enrolled in applicable benefit programs. If SDG&E is in contact with a customer prior to disconnection, SDG&E shall inquire if the customer is interested in hearing about applicable benefit programs. Residential customers must enroll in the applicable benefit program within two billing cycles of being made aware of the applicable program.

B. Unsafe Equipment

- 1. The Utility may deny or discontinue service to a customer when:
 - a. the Utility determines that the premises' wiring, or other electrical equipment, or the use of either, is unsafe, or
 - b. any governmental agency, authorized to enforce laws, ordinances, or regulations involving electrical facilities and/or the use of electricity, notifies the Utility in writing that the customer's electrical facilities and/or use of electricity is unsafe or not in compliance with such laws, ordinances, or regulations.
- 2. At the time of denial or discontinuance of service, as stated in B.1. above, the Utility will:
 - a. post a written notice, stating the reason for denial or discontinuance and referring to this rule, at or near the metering equipment, or
 - b. give the written notice to the occupant of the premises, and
 - c. within 24 hours of service termination or denial of service, send a copy of the written notice by certified mail to the customer at the address to which billing is made
- 3. The Utility will not connect or restore service until:
 - a. the Utility determines the customer's electrical wiring or equipment, or the use of either, has been made safe, or
 - b. the Utility has received written notice from the appropriate governmental agency that the premises meet applicable laws, ordinances or regulations.
- 4. When service is denied or discontinued solely under B.1.a. above, the customer may seek remedies before the California Public Utilities Commission.
- 5. When service is denied or discontinued under B.1.b. above, it is the customer's responsibility to resolve the matter with the governmental agency.
- 6. The Utility does not assume any responsibility of inspecting or repairing the customer's wiring or other equipment or any part thereof and assumes no liability therefore.

(Continued)



RULE 11

DISCONTINUANCE OF SERVICE

C. Unauthorized Use

The Utility may discontinue service if the acts of the customer or the conditions upon the premises indicate an intent to deny the Utility full compensation for services rendered, including, but not limited to, tampering or unauthorized use. Discontinuance of service for nonpayment of a bill for unauthorized use shall be in accordance with the provisions of A. above.

D. Fraud - Refusal or Discontinuance of Service

The Utility shall have the right to refuse to provide electricity to, or on, any premises and at any time to discontinue service if found necessary to do so in order to protect itself against abuse of fraud. The Utility may refuse or discontinue electric service if the acts of the applicant or the customer indicate an intent to evade the credit practices of the Utility or if the acts of the customer or conditions on the customer's premises indicate an intent to evade payment of a utility bill or the credit practices of the Utility. If an applicant or customer knowingly furnishes false, incomplete, misleading or inaccurate information or refuses to provide required information to the Utility, it shall be deemed to be an intent to evade the credit practices of the Utility. Upon written request of the applicant or customer, the Utility shall provide a written statement of the reason for such refusal or discontinuance.

E. Non-Compliance with the Utility's Tariffs

Except as otherwise specifically provided in this rule, the Utility may discontinue service to a customer for non-compliance with any of the Utility's effective tariffs, if, after written notice of at least seven calendar days, the customer has not complied with the notice.

This notice may be waived when, in the opinion of the Utility, either a dangerous condition has been discovered or a bonafide emergency is found to exist on a customer's premises, or in the case of a customer utilizing the service in such a manner as to make it dangerous for occupants of the premises, thus rendering the immediate discontinuance of service to the premises imperative.

F. Unsafe Environment

If a customer or anyone on the premises inflicts violence, as defined in Rule 1, or threatens with present ability to inflict violence upon a Utility employee, the utility may discontinue service to a customer after written notice of at least 5 days. Prior to issuing a notice of discontinuance of service, the Utility will seek to arrange a meeting with the customer, Utility management and/or law enforcement to discuss the situation and explain the alternatives available to the customer so that discontinuance of service may be avoided. If such efforts fail to result in the customer agreeing to cease from any act of violence, the Utility shall, at its discretion, issue a notice of discontinuance of service. This requirement does not limit the utility's present ability to discontinue service under the provisions of the following Sections of Rule 11: Section A, Non-Payment of Bills, Section B, Unsafe Equipment, and Section H, Usage of Service Detrimental to Other Customers.

G. Multilingual Service.

The Utility shall provide a reasonable number of multilingual individuals to advise customers of termination policy where a substantial portion of the customers in the Utility's service area do not speak English.

H. Customer's Request for Service Discontinuance

1. A customer who wants electric service discontinued shall give the Utility notice at least two business days prior to the date service is desired to be discontinued.
2. The Utility shall not be required to terminate service earlier than two business days after notice of discontinuance is received. A customer will be held responsible for payment of charges for all services furnished at the premises until the requested date of termination or until the expiration of the required period of notice, whichever date is later.

(Continued)



RULE 11

DISCONTINUANCE OF SERVICE

I. Usage of Service Detrimental to Other Customers

The Utility will not provide service to electrical equipment, the operation of which will be detrimental to other electric service, and will discontinue electric service to any customer who continues to operate such equipment after being notified by the Utility to discontinue the operation.

J. Residential Customer Notification Prior to Discontinuance of Service

The Utility shall provide a customer with the reason for service discontinuance prior to the scheduled termination date.

K. Serious Illness - Residential Customers

Serious illness is a condition which could become life threatening if service is discontinued.

The Utility shall postpone a scheduled discontinuance of residential service, or restore service if already discontinued, when a seriously ill person resides in the household.

Verification from a licensed physician, public health nurse and/or social worker may be required. The initial contact may be by telephone. Written certification within ten days may be required. The verification shall be valid for the duration of the illness or 25 calendar days, whichever is less.

L. Failure to Establish or Re-Establish Credit After Institution of Service

1. If, at the request or convenience of a customer, the Utility institutes electric service to a customer prior to his having established credit (as provided in Rule 6) and if, within seven calendar days from such institution of service, said customer has not established credit, the Utility shall have the right, after giving due notice, and upon the customer's failure to establish credit within such notice period, to discontinue further service of electricity. Exceptions to discontinuance of service are as limited by paragraphs A.3., 6., 7., 11., and J.

2. If a non-residential customer does not provide information satisfactory to the Utility to re-establish credit, or fails to provide security as provided in Rule 6, the Utility shall have the right to discontinue service to that customer, after giving due notice.

M. Service Extender Device

Where residential service is subject to discontinuance in accordance with Section A. above, the Utility may, at its option and subject to availability of equipment, install a service extender device which will allow continued electric service for minimal use in lieu of full discontinuance of service. The maximum time for providing such extended service shall be determined by the Utility. The Utility shall not be liable for any loss or damage occasioned by the installation of a service extender device or the provision of extended service.

(Continued)

8C7
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Vice President
Regulatory Affairs

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Resolution No. _____



RULE 11

DISCONTINUANCE OF SERVICE

N. Vegetation Management

The Utility may disconnect service to a customer or property owner who obstructs access to overhead power-line facilities for vegetation management activities, subject to the following conditions:

1. The authority to disconnect service to a customer is limited to situations where:
 - a. There is breach of the minimum vegetation clearances required for power lines in General Order (GO) 95, Rule 35, Table 1, Cases 13 and 14 under the provisions in effect at the time the breach is discovered.
 - b. In the High Fire-Threat District, as defined by GO 95, Rule 21.2-D, there is breach of the minimum vegetation clearances required for power lines and support structures in Cal. Pub. Res. Code §§ 4292 and 4293 for State Responsibility Areas.
 - c. In the High Fire-Threat District, the Utility has obtained from an arborist a written determination that a dead rotten, diseased, leaning, or overhanging tree (or parts thereof) poses an imminent or immediate risk for falling onto, or otherwise contacting, a power line. The written determination shall provide one or more photographs of the tree and explain the basis for the arborist's determination. The arborist shall possess dual certification from the International Society of Arboriculture as a Certified Master Arborist and a Certified Utility Specialist. An "imminent risk" as a risk that will, in the arborist's professional judgement, very likely to be realized at any moment. An "immediate risk" is a risk that will, in the arborist's professional judgement, certainly be realized at any moment.
2. The authority to disconnect service to a customer who obstructs vegetation management activities does not extend to customers that are state and local governments and agencies.
3. The authority to disconnect service to a customer is limited to one meter serving the property owner's primary residence, or if the property owner is a business entity, the entity's primary place of business. This one meter is in addition to disconnecting service, if necessary for public safety, at the location of the vegetation-related fire hazard.
4. Prior to disconnecting service, the Utility shall follow the then current procedures and notice requirements applicable to discontinuance of service for-non-payment, including the requirements applicable for sensitive customers, customers who not proficient in English, multifamily accommodations, and other customer groups, except as set forth in section 5 below.
 - a. To the extent practical, the applicable procedures and notice requirements shall be completed prior to a breach of the minimum vegetation clearances required by (i) GO 95, Rule 35, Table 1, Cases 13 and 14, and/or (ii) Cal. Pub. Res. Code §§ 4292 and 4293.
 - b. In situations that pertain to Section 1.c above, the notice shall include the arborist's written determination and photographs provided to the Utility.

(Continued)

9C13

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RULE 11

DISCONTINUANCE OF SERVICE

N. Vegetation Management (Continued)

- 5. For vegetation hazards in Item 1, above, that pose an immediate threat to public safety, the Utility may disconnect service to the obstructing property owner's residence or primary place of business at any time without prior notice, except when the customer receives service under a medical baseline allowance. If service is disconnected without prior notice, the Utility shall attempt to contact the property owner for five consecutive business days by daily visits to the property owner's residence or primary place of business, in addition to sending a written notice, to inform the property owner why service has been disconnected and how to restore service. If the Utility determines that it is necessary to disconnect service to a medical baseline customer, the Utility shall attempt to notify the customer by telephone prior to the service disconnection.
- 6. SERVICE RESTORATION: When a customer's service has been terminated because access to overhead electric facilities for vegetation management purposes has been obstructed, the customer's service will not be restored until appropriate vegetation management has been achieved or the vegetation hazard has been mitigated, and payment for all applicable restoration of service charges as provided in Electric Rule 9, Rendering and Payment of Bills, have been received.

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10C12

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