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California Public
Utilities Commission

Q1 2026 Status Update:
*California Large IOU Arrearages and Disconnections Data +
AMP and PIPP Reviews*

Electric Rates Section, Energy Division



IOU Arrearages and Disconnections Data Year End 2025

Status of Disconnections Proceeding (R.18-07-005)

Summary:

- The IOUs have provided briefing updates on the status of arrearages and disconnections (in addition to continuing to submit monthly data report across numerous measures, including: disconnections, arrearages by vintage (e.g. receivables by 30 day interval), and broken payment plans.
- Arrearages have more or less hit an equilibrium or steady state over the past year, hovering around **\$2 billion statewide** and around \$800 million each for PG&E and SCE. SDG&E and SoCalGas arrearages have been better managed and remain closer to pre-pandemic baselines.

Procedural Update:

- We intend to supplement the record with a forthcoming ruling and workshop (March 11) aimed at ascertaining input on:
 1. Whether and to what extent to lift disconnections rate caps.
 2. Whether to allow existing pilot programs (AMP, PIPP, and CBO) to sunset over the next year and/or whether to leave one or more open for further evaluation of data.
 3. Remaining issues that should be explored in a new procedural home – e.g. ongoing evaluation of arrearages and impacts of gradually lifting caps, carrying forward modified AMP program, integrating learnings from PIPP and CBO pilots.

➤ **Draft Final PD resolving these open issues and closing the proceeding anticipated for mailing by end of June.**

Disconnection Rate Caps and Residential Uncollectibles

Large IOUs Disconnection Rate Caps:

- PG&E: 3.5%
- SCE: 4.0%
- SDG&E: 3.0%
- SoCalGas 2.0%

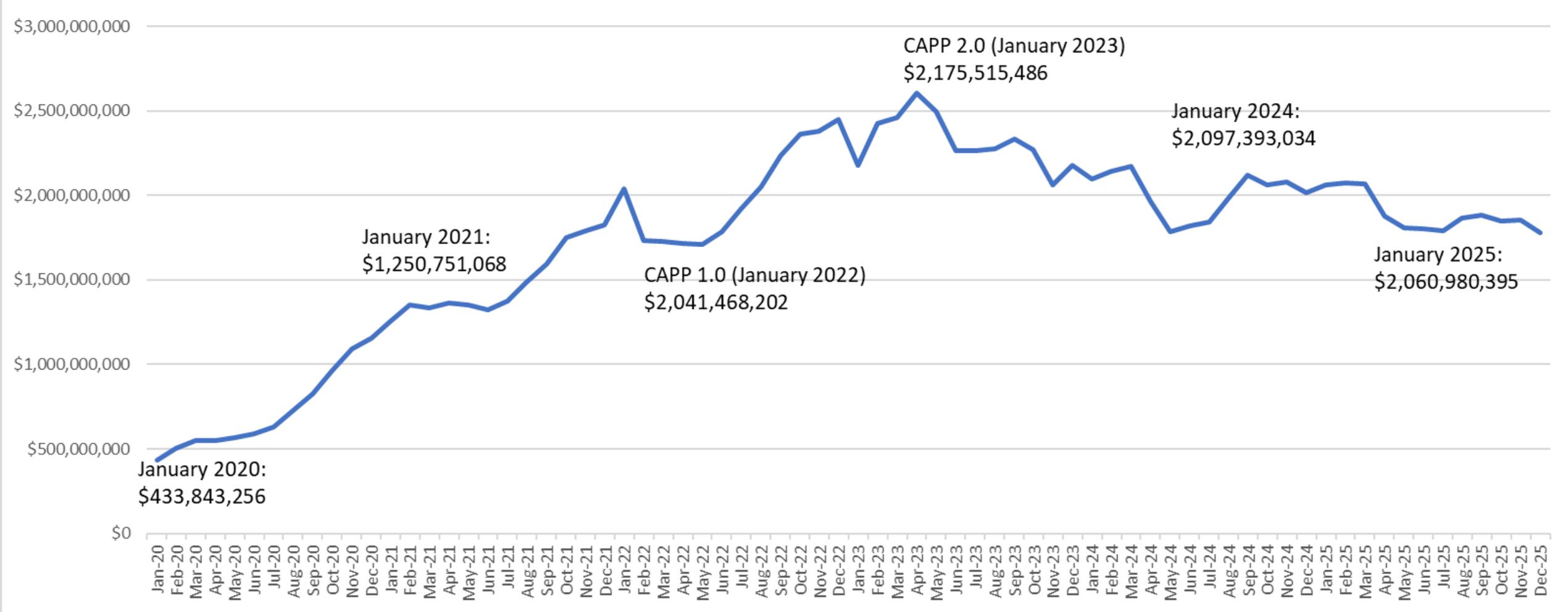
SMJUs Disconnection Rate Caps:

- Southwest Gas: 3.5%
- PacifiCorp: 2.5%
- Bear Valley: 2.5%
- Liberty: 2.0%
- West Coast Gas: 3.0%
- Alpine Gas: 0.5%

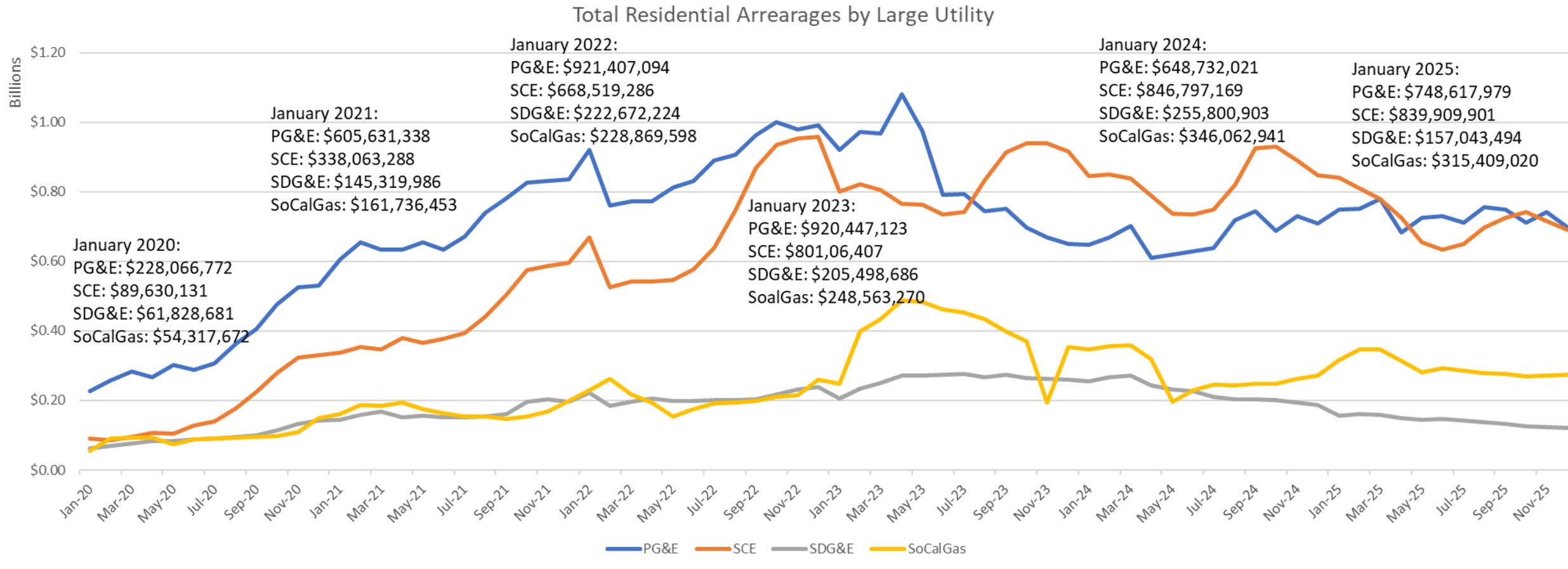
- These caps were established to limit the population of customer disconnections annually.
- The IOUs report that even if the caps were lifted, they would be constrained in their operational ability to handle disconnections beyond a certain ceiling (e.g. 10% - subject to check).
- Arrearages have contributed to larger uncollectibles in recent years. However, the four major IOUs posted diverging 2025 impacts to their Residential Uncollectible Balancing Accounts:
 - PG&E and SCE have “overcollected” in 2025, leading to bundled rate decreases of 5.7% and 1.2%, respectively.
 - SDG&E has “undercollected” in its RUBA, contributing to a rate increase driven largely by wildfire capital expenses.
 - SoCalGas overcollected in recent years, leading to a decrease for core gas customers in 2026.
 - Implementation of the base service charges will help distribute RUBA balance recovery more equitably.

Year End 2025 Total Residential Arrearages Statewide

Total Arrearage Balance For Large Utilities



Year End 2025 Total Residential Arrearages by Large IOU



2025 Monthly Disconnections Data: PG&E and SCE

SCE Data – Jan 2026

PG&E Data – Jan 2026

Number of customers experiencing disconnection for non-payment

Number of customers experiencing disconnection for non-payment

Month	Non CARE/Non FERA	CARE	FERA	Medical Baseline *	Total
Jan-25	2,351	1,774	28	-	4,153
Feb-25	9,722	7,731	167	1	17,620
Mar-25	13,158	8,966	199	-	22,323
Apr-25	16,466	10,883	212	-	27,561
May-25	16,767	11,618	225	-	28,610
Jun-25	16,496	9,811	219	-	26,526
Jul-25	3,071	2,080	60	-	5,211
Aug-25	4,493	2,692	68	-	7,253
Sep-25	3,405	2,322	59	-	5,786
Oct-25	10,494	7,210	179	-	17,883
Nov-25	8,180	5,612	154	-	13,946
Dec-25	5,745	3,794	97	-	9,636

Month	Non CARE/Non FERA	CARE	FERA	Medical Baseline *	Total
Jan-25	5,926	2,372	114	9	8,412
Feb-25	8,714	3,753	154	12	12,621
Mar-25	9,472	3,607	164	19	13,243
Apr-25	12,855	5,115	264	19	18,234
May-25	7,409	4,133	124	9	11,666
Jun-25***	772	814	18	3	1,604
Jul-25	7,913	4,293	141	3	12,347
Aug-25	17,465	9,080	286	4	26,831
Sep-25	19,463	12,289	356	11	32,108
Oct-25	20,785	14,107	431	17	35,323
Nov-25	7,024	4,925	160	12	12,109
Dec-25	6,217	5,592	194	11	12,003

2025 Monthly Disconnections Data: SDG&E and SoCalGas

SDG&E – JAN 2026

Number of customers experiencing disconnection for non-payment					
Month	Non CARE/FERA ¹	CARE ¹	FERA ¹	Medical Baseline ^{1,2}	Total
2025-01	3,165	412	17	0	3,594
2025-02	468	56	16	0	540
2025-03	3,717	504	30	0	4,251
2025-04	4,150	602	64	0	4,816
2025-05	942	1,297	87	10	2,326
2025-06	676	1,559	111	9	2,346
2025-07	1,700	1,842	133	14	3,675
2025-08	2,488	1,723	112	10	4,323
2025-09	1,942	1,508	104	10	3,554
2025-10	3,066	2,394	177	11	5,637
2025-11	1,929	1,269	94	7	3,292
2025-12	851	457	25	1	1,333

¹Customer status is determined at month end and not at time of occurrence

SOCALGAS – JAN 2026

Number of customers experiencing disconnection for non-payment					
Month	Non CARE/FERA	CARE	FERA	Medical Baseline*	Total
January 2025	5	42		0	47
February 2025	26	136		0	162
March 2025	122	373		0	495
April 2025	68	292		0	360
May 2025	526	1,212		0	1,738
June 2025	647	1,592		0	2,239
July 2025	1,000	2,443		0	3,443
August 2025	951	2,330		0	3,281
September 2025	1,152	3,063		0	4,215
October 2025	999	3,292		0	4,291
November 2025	1,174	3,681		1	4,856
December 2025	576	2,200		1	2,777

*Medical Baseline accounts are also included in one of the Non-CARE, Non-FERA, CARE, or FERA columns

2025 Broken Payment Plan Data: SCE and PG&E

SCE Data – Jan 2026

PG&E Data – Jan 2026

Number of customers with late or broken 3 month+ payment arrangements					
Month	Non CARE/Non FERA	CARE	FERA	Medical Baseline *	Total
Jan-25	42,357	47,452	1,534	1,906	91,343
Feb-25	32,339	36,695	1,170	1,467	70,204
Mar-25	41,846	40,124	1,198	1,592	83,168
Apr-25	35,884	35,951	1,140	1,440	72,975
May-25	30,505	32,699	1,021	1,292	64,225
Jun-25	32,967	34,496	1,047	1,325	68,510
Jul-25	41,965	40,647	1,267	1,632	83,879
Aug-25	41,854	40,887	1,275	1,801	84,016
Sep-25	41,258	44,883	1,418	1,912	87,559
Oct-25	48,563	51,275	1,802	2,178	101,640
Nov-25	36,218	37,924	1,410	1,587	75,552
Dec-25	39,491	42,009	1,484	1,680	82,984

Number of customers with late or broken 3 month+ payment arrangements					
Month	Non CARE/ Non FERA	CARE	FERA	Medical Baseline *	Total
Jan-25	9,956	14,451	440	1,067	24,847
Feb-25	10,477	14,966	465	1,120	25,908
Mar-25	10,123	14,328	429	1,141	24,880
Apr-25	7,456	10,368	274	792	18,098
May-25	5,749	7,689	239	571	13,677
Jun-25	6,678	9,483	290	612	16,451
Jul-25	6,751	10,400	316	632	17,467
Aug-25	6,265	10,511	297	636	17,073
Sep-25	6,436	11,465	367	648	18,268
Oct-25	7,795	13,510	473	774	21,778
Nov-25	5,921	10,464	356	621	16,741
Dec-25	6,074	11,684	385	761	18,143

2025 Broken Payment Plan Data: SDG&E and SoCalGas

SDG&E – JAN 2026

Number of customers with late or broken 1-3 months payment arrangements					
Month	Non CARE/FERA ¹	CARE ¹	FERA ¹	Medical Baseline ^{1,2}	Total
2025-01	2,037	1,569	104	153	3,710
2025-02	1,908	1,486	85	161	3,479
2025-03	1,948	1,458	80	126	3,486
2025-04	1,913	1,350	86	129	3,349
2025-05	1,600	1,087	79	116	2,766
2025-06	1,360	967	61	104	2,388
2025-07	1,352	887	57	102	2,296
2025-08	1,557	1,106	91	97	2,754
2025-09	1,699	1,128	84	108	2,911
2025-10	1,925	1,399	114	119	3,438
2025-11	1,800	1,176	88	101	3,064
2025-12	2,087	1,306	120	110	3,513

¹Customer status is determined at month end and not at time of occurrence

SOCALGAS – JAN 2026

Number of customers with late or broken payment plans 3 months or less ²					
Month	Non CARE/FERA	CARE	FERA	Medical Baseline*	Total
January 2025	4,503	8,469		119	12,972
February 2025	4,508	8,444		148	12,952
March 2025	5,622	10,021		179	15,643
April 2025	5,896	10,349		215	16,245
May 2025	4,640	8,339		148	12,979
June 2025	3,010	5,263		85	8,273
July 2025	2,674	5,012		70	7,686
August 2025	2,025	4,119		36	6,144
September 2025	2,247	4,641		48	6,888
October 2025	3,174	6,302		77	9,476
November 2025	2,594	5,282		64	7,876
December 2025	3,479	7,017		89	10,496

*Medical Baseline accounts are also included in one of the Non-CARE, Non-FERA, CARE, or FERA columns

AMP and PIPP Pilot Evaluation Insights

AMP Overview

- The CPUC authorized the AMP in D.20-06-003 on June 16, 2020
- The CPUC approved IOU plans to implement AMP in Resolution E-5114 on December 17, 2020.

Evaluation

- In [D.23-08-049](#), the CPUC authorized a third-party AMP evaluation.
- AMP forgives 1/12 of arrears monthly for CARE/FERA customers who pay on time
- Up to \$8,000 in arrearage forgiveness per year for eligible CARE and FERA customers if they pay monthly bills on time and in full
- Customers can miss up to two consecutive payments, or three non-consecutive payments, before being removed from the program.
- Implemented statewide by PG&E, SCE, SDG&E, and SoCalGas
- Over 1 million customers enrolled (2021–2025)
- APPRISE served as the independent third-party evaluator responsible for analyzing the AMP.

AMP Evaluation Methodology

- Background Research, Literature Review, Utility Interviews
- Participant surveys with 760 AMP participants

- **AMP Data Analysis**
 - Billing and payment data analysis using comparison groups: APPRISE developed a matched comparison group and implemented a difference-in-differences analysis to develop an estimate of the impact of AMP on bill payment, arrearages, collections actions, disconnections, and energy usage.
 - Assessment of bill payment, arrearages, collections, disconnections, and usage
 - Review of IOU feedback and program implementation challenges
 - Cost Analysis: APPRISE analyzed AMP costs and benefits to inform program recommendations.

- **Synthesis:** APPRISE synthesized the information from all the evaluation research to assess how well the AMP program achieved its objective of reducing residential disconnections and whether the CPUC should extend, discontinue, or modify the AMP program.

Key Findings from AMP Evaluation

Positives:

- Improved Bill Payment Practices
- Reduced Arrearages
- AMP participants were estimated to be less likely to have one or more collections actions and less likely to be disconnected.

Negatives:

- Positive impacts weakened significantly after 12 months
- The majority of AMP participants were not successful in completing the AMP program.
- Only about 15 percent of participants were estimated to have all their arrearages forgiven
- Only 40 to 50 percent were estimated to have less than half of their arrearages forgiven.
- The utilities undertook extensive efforts to educate and enroll customers in the program and had high costs in maintaining the program.

Collections and Disconnections Impacts

- AMP was estimated to reduce the percentage of customers that experienced one or more collections actions, for customers with active accounts over the evaluation period
 - Collections actions reduced by 11–26%
 - Small reductions in disconnections (2–3%), limited by moratoriums
- AMP reduced risk of disconnection but didn't meet 5% threshold for disconnection impact.

AMP Program Challenges

- IOU managers and staff expressed concerns about the complexity and costs associated with AMP implementation and management
- High removal rates due to missed payments
- Confusion among participants about rules and consequences
- Evaluation bias—only active accounts included
- Overlapping programs (CARE, FERA, LIHEAP, CAPP, PIPP) complicate attribution

AMP Evaluation Recommendations

- **AMP Continuation:** AMP should become a permanent program
- **Eligibility:**
 - Customers should be required to complete CARE post enrollment verification prior to enrolling in AMP.
 - Customers should be required to make at least one payment in the past six months to qualify for enrollment in AMP.
- **AMP Removal:**
 - The CPUC should require disconnection of AMP participants who become past due instead of requiring that they are removed from AMP for missed payments. Disconnections should align with the IOU's current disconnection threshold. AMP participants should be unenrolled at the time of disconnection.
 - Removed Customers should be notified of LIHEAP.
- **AMP Re-enrollment:** Customers should be limited to participate again after at least five years have elapsed.
- **IOU Bills:** The IOUs should provide bill inserts with customer monthly bills that include the original AMP arrearage, the amount forgiven each month if they pay their bill, the amount forgiven to date, and the amount remaining.
- **IOU Communication:** AMP participants should receive a notification one week before the bill due date.
- **Disconnections:** The IOUs should be required to disconnect all customers in alignment with the IOU's current disconnection threshold if they do not have a documented medical condition.

PIPP Pilot Parameters and Summary Evaluation Findings

- The PIPP Pilot was initiated to assess whether providing customers with lower, fixed bills based on household income reduces disconnection rates. The Pilot is only available to residential customers who are on the CARE rate.
- **The goals of the Pilot were as follows:**
 1. *Reduce the number of low-income households at risk of disconnection.*
 2. *Encourage participation in energy savings and energy management programs.*
 3. *Increase access to essential levels of energy service.*
 4. *Control program costs.*
- The Pilot provides a simplified implementation of a percentage of income payment program design where two cap values are applied to all Pilot participants rather than computing each household's payment based on their individual household income.
- Monthly bill caps were developed based on a household of three individuals with income at the midpoint of each poverty level and a 4% energy burden (3% for electric and 1% for gas), which is the percent of the household's income that is spent on energy.
- Initial Pilot caps were \$28 electric bills and \$9 gas bills for customers at or below 100% of the FPG and \$82 electric bills and \$27 gas bills for customers with income between 101% and 200% of the FPG. Third-party taxes and fees are charged in addition to these amounts, resulting in monthly bills that fluctuate and that differ from the stated bill cap.

PIPP Evaluator's Recommendations for Remainder of 48-month Pilot

- The IOUs do not currently have a process in place to verify income for large numbers of customers, so requiring verification only for those in the higher subsidy group reduced this administrative challenge.
- APPRISE recommends that the current Pilot design is maintained without change until the end of the 48-month implementation period. Changes to improve the PIPP Pilot would be too significant to make during a pilot's implementation phase.
- APPRISE recommends that the IOUs reach out to Pilot participants who have high levels of arrearages (over \$200) and inform them of available programs that they may benefit from including LIHEAP, AMP, and the ESA Program.
 - **This could potentially lead to achievement of a Pilot goal that was not attained thus far: to increase participation in assistance programs.**

PIPP Evaluator's Post-Pilot Recommendations

- **Following conclusion of the Pilot, APPRISE recommends consideration of continuing with a PIPP pilot that is available to CARE customers with high energy burdens.** The PIPP Pilot has had positive impacts on affordability, energy bill payment, and arrearages, and its continuation would have benefits for low-income households in California.
- **Consideration should be given to energy burden targets of 6%, with a 4.5% burden for electric and a 1.5% burden for gas.**
 - Limiting the program to customers with the highest energy burdens would reduce the number of eligible customers, lessen the administrative challenges of verifying customers' incomes, and lower the cost of the program to other ratepayers who bear the high subsidy costs.
 - It could also provide more data for comprehensive changes to California's low-income energy assistance programs in the future.
- **In the longer term, APPRISE recommends development of one low-income energy bill payment assistance program that improves targeting of assistance to those customers with unaffordable energy bills.**
 - APPRISE further recommends consideration of a joint program that provides both energy bill payment assistance and arrearage forgiveness.
- Rather than caps on discounts for customers with very high PIPP credits, APPRISE recommends a requirement for participation in the ESA program for high-usage, high-subsidy customers. This would control program costs while helping customers to meet their energy needs.
 - Specific bill levels for referrals would need to be determined by examining energy bills and usage by weather zone.

CBO Pilot Status and Process Evaluation Findings

CBO Pilot: Contours and Objectives

- **Pilot Size:** Pilot participation capped at 12,000 customers statewide and allocated between utilities as follows: 4,800 in PG&E's territory, 4,800 in SCE's and SoCalGas's territories, and 2,400 in SDG&E's territory.
- **Three-tier Case Management Service Model:** According to the CPUC, customers who enroll in the pilot can receive up to 12 months of individualized case management services provided in a tiered format. Tier 1 provides immediate relief through payment plan negotiation and enrollment in programs like CARE/FERA, AMP, and LIHEAP. Tier 2 offers continued support through energy management programs and beneficial rate plans; Tier 3 provides ongoing monitoring and support to maintain progress.
- **Pilot Eligibility:** Any residential customer, regardless of income, will be eligible for the pilot under the following two requirements: (a) they reside in one of the targeted pilot zip codes, and (b) have arrears that are at least 90 days old and may be at risk for disconnection.
- **Pilot Zip Codes:** The selected zip codes scored the highest on the Commission's affordability ratio (AR_{20}) metric for a representative gas or electric utility customer at the 20th percentile of household income. The CBO Pilot Proposal included the list of selected zip codes based on the Commission's AR_{20} metrics from 2020.

CBO Selection Criteria and Payment Structure

- **CBO Selection Criteria:** CBOs will be selected to participate in the pilot based on a list of key criteria, including:
 - (1) close geographic proximity to the target communities,
 - (2) ability to provide in-language support for customers,
 - (3) familiarity with energy programs and services, and
 - (4) ability to comply with customer data protection requirements.
- **CBO Payment Structure:** CBOs will be paid an up-front grant to cover pilot pre-planning and set-up costs, not to exceed 30% of the total contract amount. Thereafter, CBOs will receive up-front payments on a quarterly basis for its projected hours to be spent on conducting pilot services at a rate of \$50/hour.

CBO Pilot: Itemized Budget

Table 4: Proposed Pilot Budget

Category	PG&E	SDG&E	SCG	SCE	Total
Case Management Planning/Overhead	\$80,000	\$40,000	\$40,000	\$40,000	\$200,000
CBO Outreach, Customer Enrollment and Reporting	\$1,100,000	\$550,000	\$550,000	\$550,000	\$2,750,000
Case Management Services and Reporting	\$2,220,000	\$1,110,000	\$1,110,000	\$1,110,000	\$5,550,000
Total Arrearage Case Management CBO Services	\$3,400,000	\$1,700,000	\$1,700,000	\$1,700,000	\$8,500,000
EM&V	\$400,000	\$200,000	\$200,000	\$200,000	\$1,000,000
ME&O	\$185,000	\$50,000	\$60,000	\$60,000	\$355,000
Administration*	\$415,000	\$400,000	\$120,000	\$450,000	\$1,385,000
Total IOU Marketing, Evaluation and Administration	\$1,000,000	\$650,000	\$380,000	\$710,000	\$2,740,000
Grand Total	\$4,400,000	\$2,350,000	\$2,080,000	\$2,410,000	\$11,240,000

* Administration portion of the budget includes Single Point of Contact costs to support CBOs with specific customer account resolution issues

Initial Process Feedback from Evaluator (Verdant)

- General satisfaction with results but concerns raised about CBO selection process and level of bill payment assistance.
- The pilot experienced significant implementation difficulties from the outset – some of which were out of the IOU’s control – including the following:
 - Limited CBO interest
 - Compressed timelines
- The pilot was able to recruit six CBOs that had some experience working with the IOUs. Implementation challenges, as expressed by the CBOs, included:
 - Insufficient training
 - No centralized data system
 - Varied IOU support

CBO Pilot Case Management Delivery

- The pilot enrolled **3,813 participants** (about 10% of the eligible population)
- **Strong satisfaction:** 72% of surveyed participants expressed satisfaction with the pilot.
- **Perceived effectiveness:** 87% of surveyed participants felt the pilot helped or could help reduce their arrearages – the pilot's primary objective. Most CBOs achieved high rates (80-100%) of participants indicating a likelihood of continuing engagement. .
- **Program qualification issues:** Many participants did not qualify for programs they expected to access, leading to frustration.
- **Unmet initial expectations:** Despite relatively high satisfaction with initial interactions, only 55% of the participants surveyed reported the pilot fully met their initial expectations (i.e., those formed during the enrollment process). Twenty-two percent of respondents reported expectations were only partially met, and another 22% felt expectations were not met.
- **Varying service delivery across various CBOs**
- **Staffing limitations:** Case manager-to-participant ratios varied dramatically across CBOs, e.g., from one case manager for 58 participants (1:58) at one CBO to 1:400 at another. This large difference in the number of staff per participants may directly impact service frequency, personalization, and participant satisfaction.

Critical Success Factors and Disparities

- Several factors that distinguished successful implementation efforts from struggling implementation efforts:
 - **IOU Investment:** PG&E's ME&O budget was triple that of other utilities with better designed materials that used accessible language to reach the targeted population (e.g., no jargon, clear calls to action).
 - **CBO Experience and Capacity.**
 - **Data and Technology Capability:** CBOs with experience utilizing sophisticated CRM systems adapted more easily to data collection requirements, while those with basic tools or less experience struggled to pivot when receiving late guidance.
 - **Community Alignment:** Some CBOs' LIHEAP service area did not align with the pilot zip codes

General Issues Needing to be Addressed in the Home Stretch of the Disconnections Rulemaking

- **Disconnections Rate Caps:** Whether and to what extent to lift the caps, and if so, on what sort of interval or glidepath for CARE vs. Non-CARE, and should there be a process in place to monitor disconnections and arrearages going forward?
- **The Future of AMP, PIPP, and the CBO Pilot:** Should these be allowed to sunset without renewal over the next year (CBO Pilot sunsets April 2026, AMP October 2026 and PIPP in Feb 2027), or should one or more be renewed for further data collection? Should AMP be renewed with modifications given its somewhat shaky record of attrition? Should further evaluation of the CBO pilot be conducted in a new procedural venue? Should rules be established for prioritizing disconnections by customer segment?
- **Succession Planning for Disconnections Policy:** Should a working group and/or new procedural home be established to evaluate some of these issues and for ongoing support for customers at greatest risk of disconnection?