

DOCKETED

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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
- IOUs continue to submit monthly data on disconnections, arrearages by category (amount, age, etc.), and payment plans
- **Arrearages:** Roughly stable since mid-2024, hovering around **\$2 billion statewide** and around \$800 million each for PG&E and SCE. SDG&E and SoCalGas arrearages are proportionately lower, closer to pre-pandemic baselines.

Procedural Next Steps:

- We held a workshop on March 11 to discuss the following interrelated issues:
 1. Whether to raise disconnections rate caps; if so, how to control unintended impacts on customers and communities;
 2. Whether to allow existing pilot programs (AMP, PIPP, and CBO) to sunset over the next year, extend them, and/or modify the program structure, either by modifying pilot designs or making the programs permanent with updated rules
 3. Other issues that may require ongoing work beyond the conclusion of the proceeding, such as ongoing monitoring of arrearages and disconnections impacts on customers, opportunities to work with IOUs, public entities, and other stakeholders to support vulnerable customers, integrating lessons learned into related Commission proceedings
- Parties will submit comments responding to the workshop and questions on March 25th, reply comments on April 1st
- Considering holding a Public Participation Hearing around the time a PD is issued and an All Party Meeting following issuance
- **Draft Final PD resolving open issues and closing the proceeding anticipated for mailing by end of June.**

Disconnection Rate Caps and Residential Uncollectibles

Large IOUs Disconnection Rate Caps:

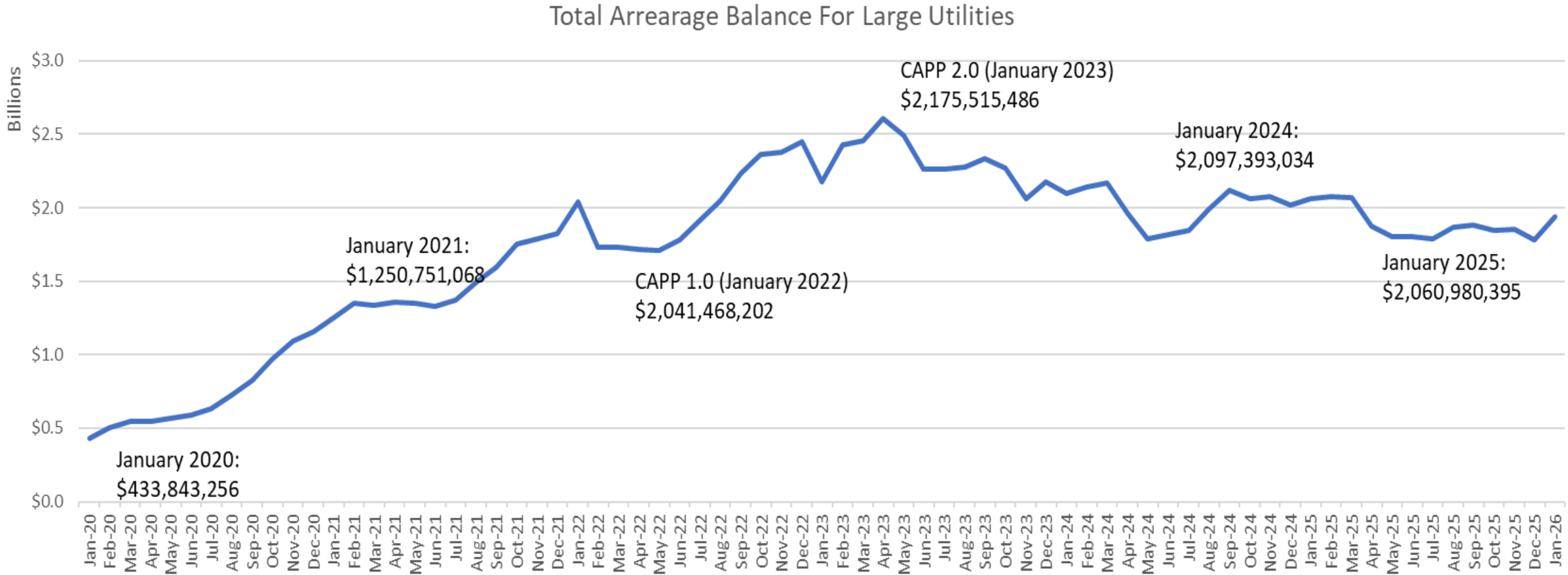
- PG&E: 3.5%
- SCE: 4.0%
- SDG&E: 3.0%
- SoCalGas 2.0%

SMJUs Disconnection Rate Caps:

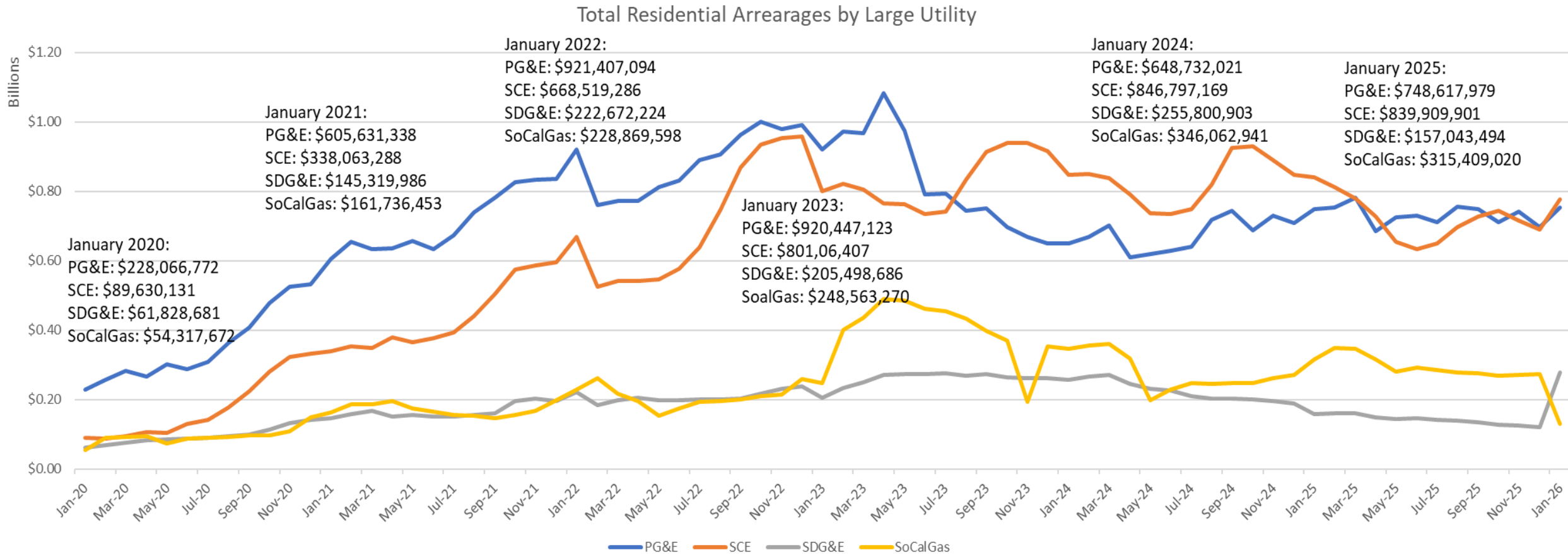
- Southwest Gas: 3.5%
- PacifiCorp: 2.5%
- Bear Valley: 2.5%
- Liberty: 2.0%
- West Coast Gas: 3.0%
- Alpine Gas: 0.5%

- 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 somewhat variable 2025 impacts to their Residential Uncollectible Balancing Accounts (RUBA).
- Implementation of the base service charges will help distribute RUBA balance recovery more equitably.

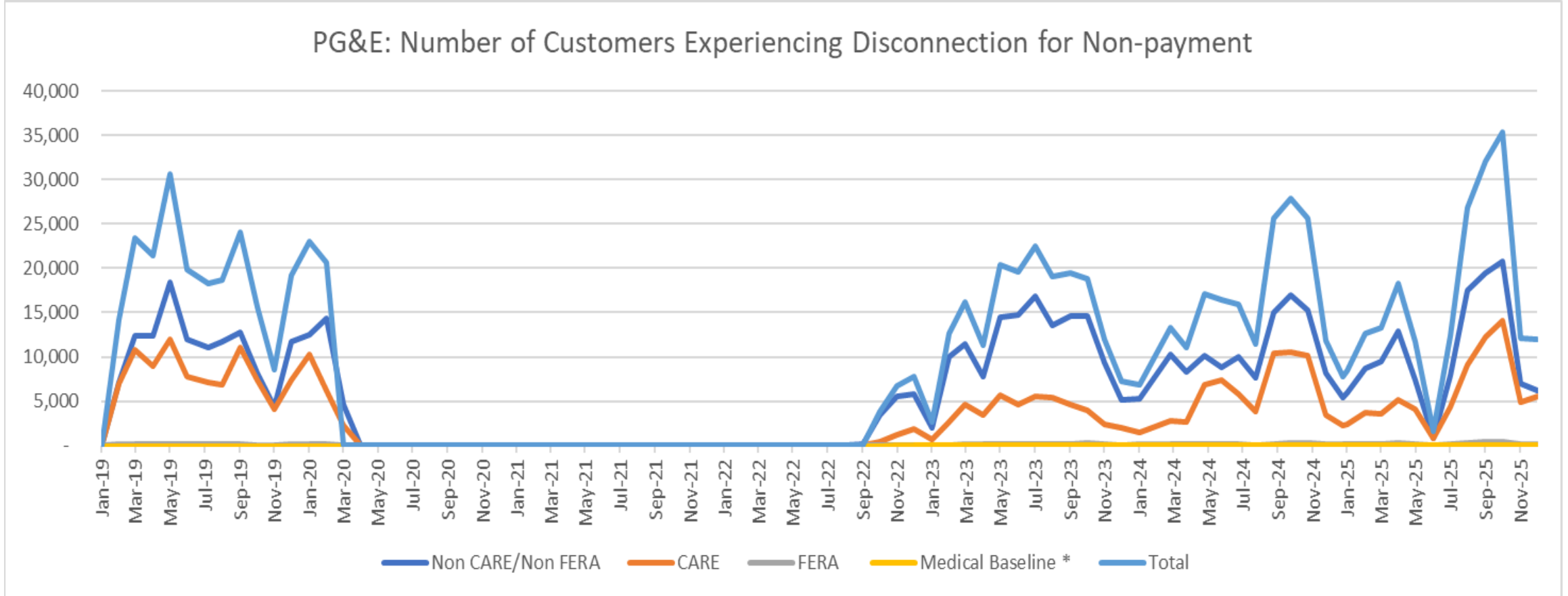
Year End 2025 Total Residential Arrearages Statewide



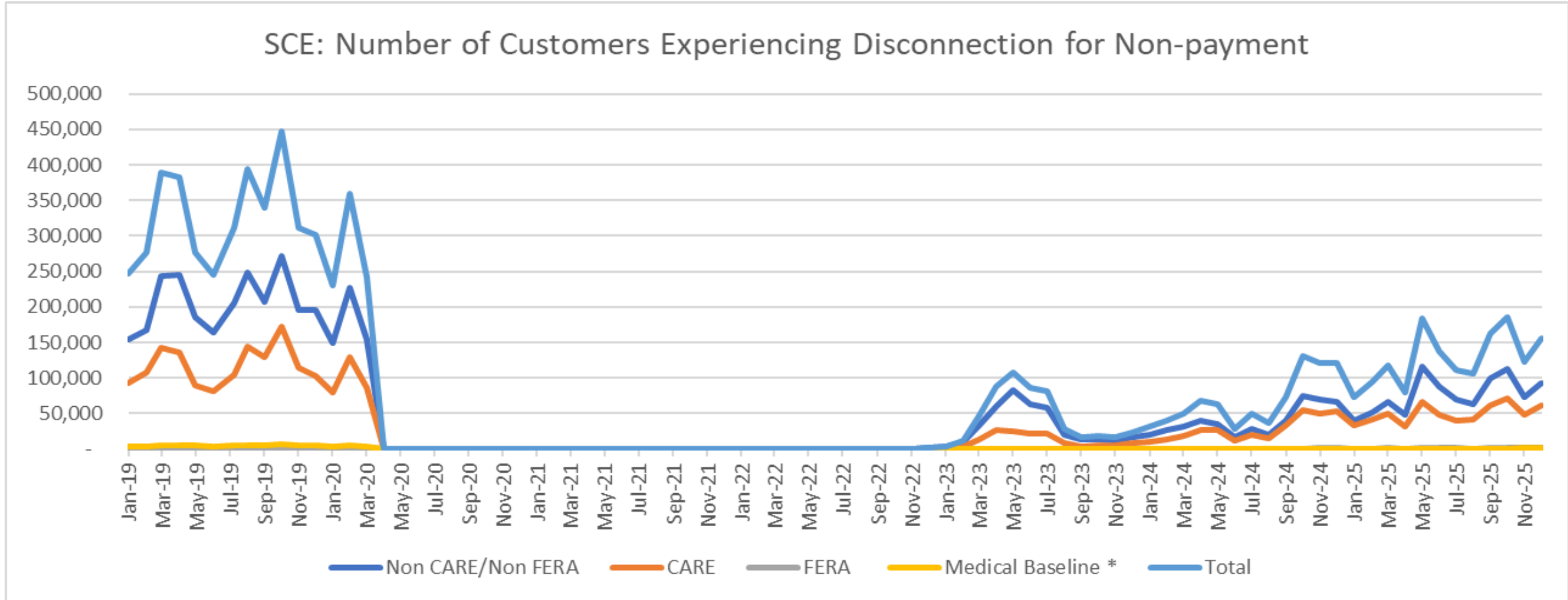
Year End 2025 Total Residential Arrearages by Large IOU



Monthly Disconnection: PG&E

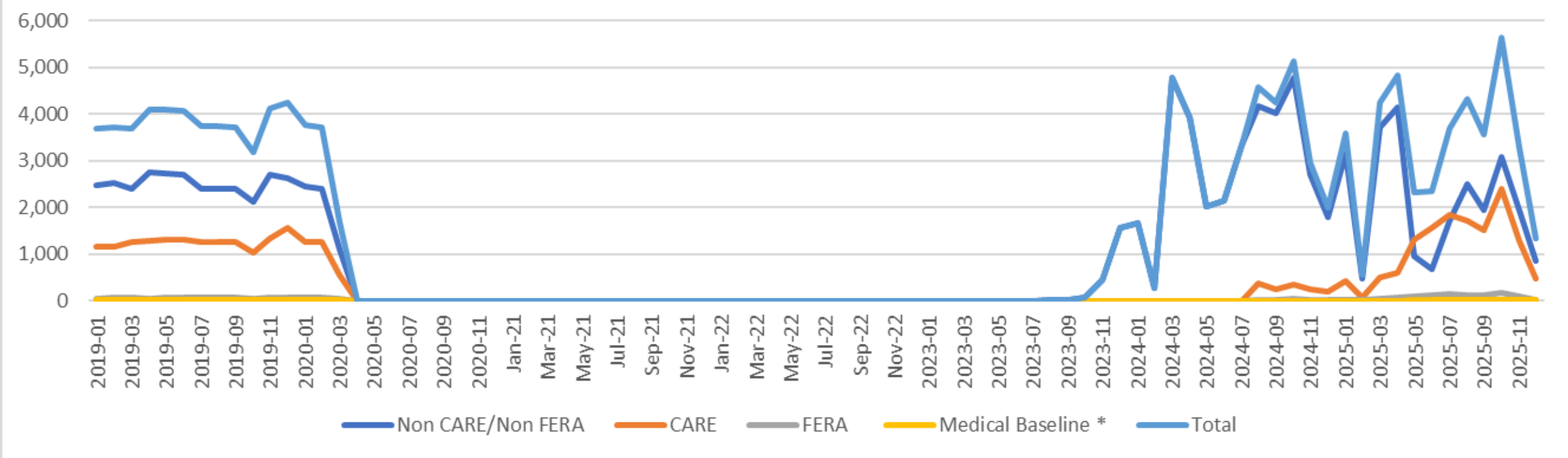


Monthly Disconnection Data: SCE

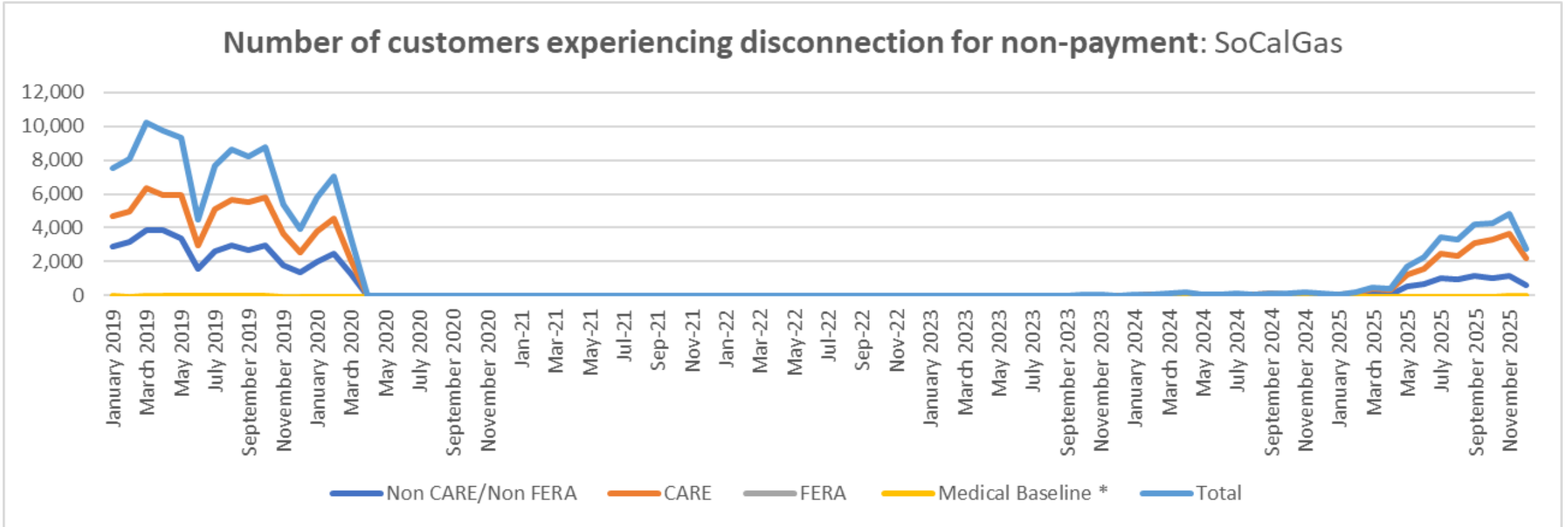


Monthly Disconnection Data: SDG&E

Number of customers experiencing disconnection for non-payment: SDG&E

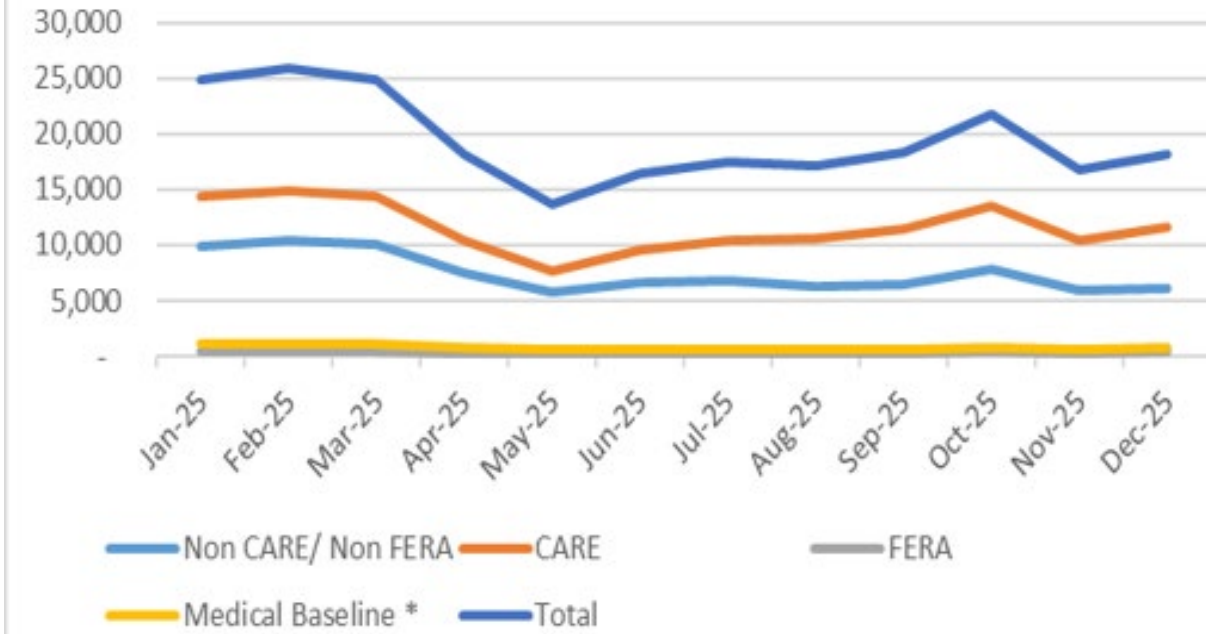


Monthly Disconnection Data: SoCalGas

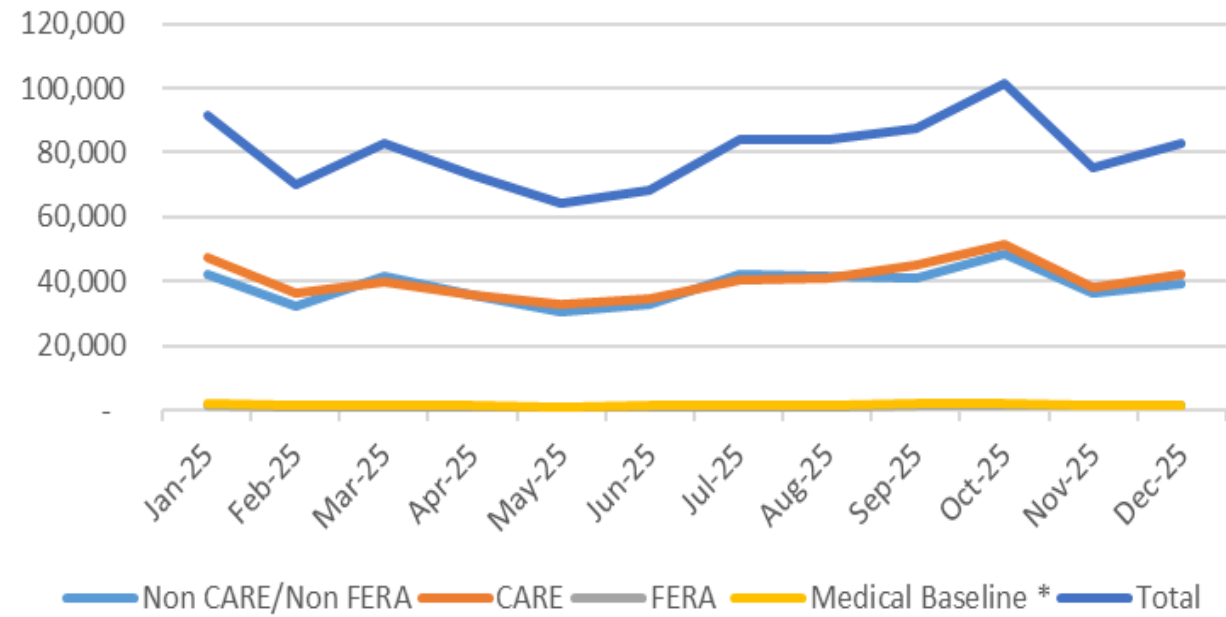


2025 Monthly Broken Payment Plan Data

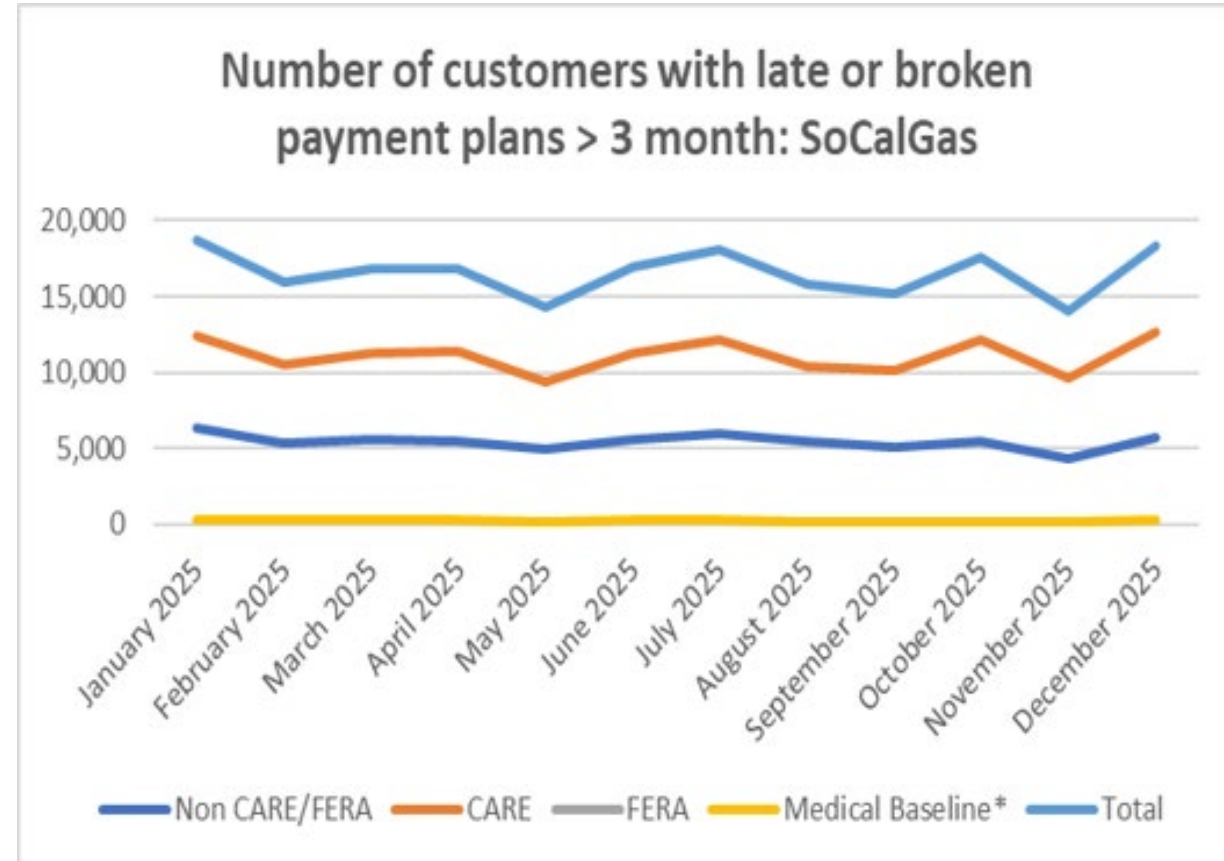
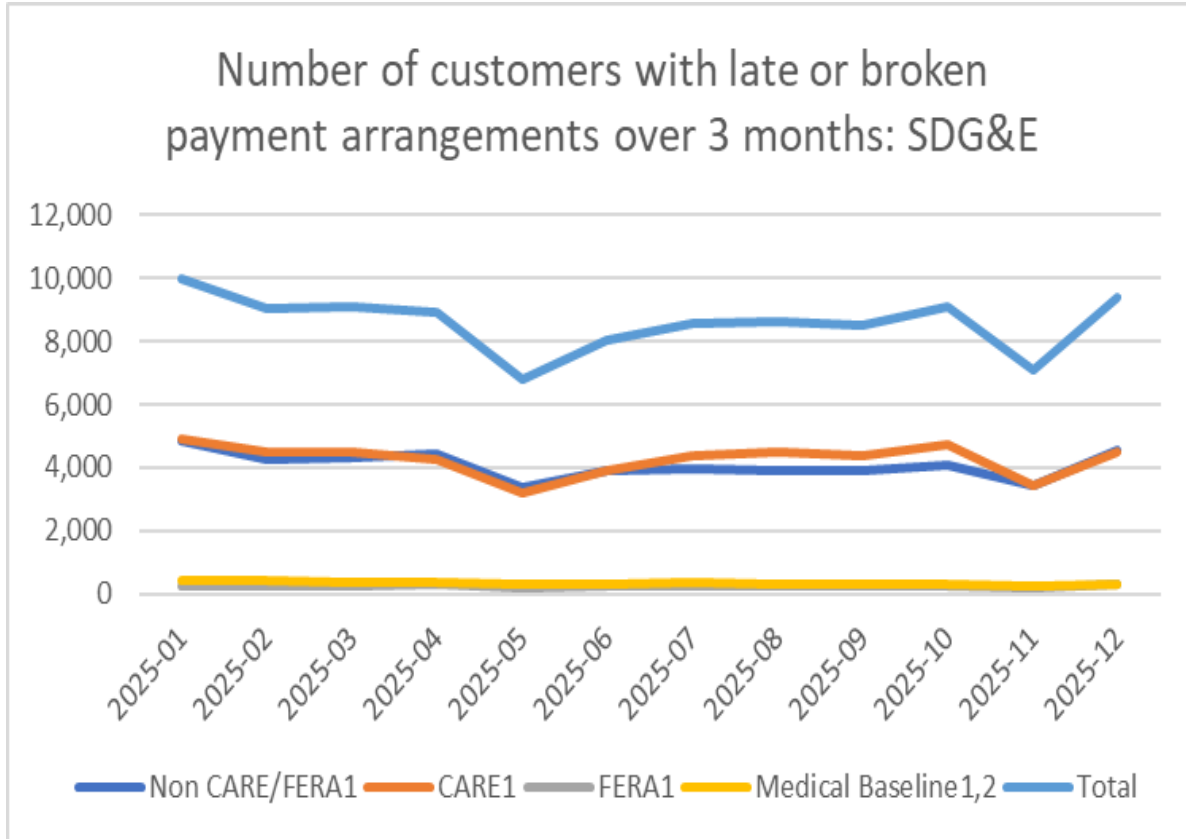
Number of Customers with Late or Broken 3 Month+ Payment Arrangements: PG&E



Number of Customers with Late or Broken 3 Month+ Payment Arrangements: SCE



2025 Monthly Broken Payment Plan Data Continued



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.

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.
- 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

Negatives:

- Positive impacts weakened significantly after 12 months, though still higher than the control group
- The majority of AMP participants were not successful in completing 12 months of qualifying payments and receiving full forgiveness of arrearages up to \$8,000
 - About 15-20 percent of participants had all arrearages forgiven, 37-46 percent had most of their arrearages forgiven (more than 75 percent), and 40-50 percent were estimated to have less than half of their arrearages forgiven
- The costs for utilities to perform needed customer engagement and program management activities were significant, making up between 3-9 percent of total costs for the program (approximately \$40 million across all IOUs)
- The evaluation found that disconnection caps and moratoriums limited the baseline risk of disconnection for all customers, so AMP did not result in the 5 percent reduction in disconnections set as the threshold for finding the program effective

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

- 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.
- **Following conclusion of the Pilot, APPRISE recommends consideration of continuing with a PIPP pilot that is available to CARE customers with high energy burdens.**
- **Consideration should be given to energy burden targets of 6%, with a 4.5% burden for electric and a 1.5% burden for gas.**
- **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.

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: 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:** 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.
- **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 Pilot Case Management Delivery

- **General Impression:** satisfaction with results but concerns raised about CBO selection process and level of bill payment assistance.
 - The pilot enrolled 3,813 participants (about 10% of the eligible population)
 - **Strong initial satisfaction:** 72% of surveyed participants expressed satisfaction with the pilot.
 - **Perceived initial 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.

- **Did the pilot meet expectations?**
 - **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).
 - **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.

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? Should the Commission revisit the rules for ZIP codes?
- **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 or rule changes? Should AMP be renewed with modifications? 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?