



Apple Valley Choice Energy

Clean Power Alliance

CleanPowerSF

Desert Community Energy

East Bay Community Energy Authority

Lancaster Choice Energy

MCE

Monterey Bay Community Power Authority

Peninsula Clean Energy

Pioneer Community Energy

PRIME

Redwood Coast Energy Authority

San Jose Clean Energy

Silicon Valley Clean Energy Authority

Sonoma Clean Power

Valley Clean Energy Alliance

March 12, 2018  
CPUC Energy Division  
ED Tariff Unit  
505 Van Ness Avenue, 4th floor  
San Francisco, CA 94102  
EDTariffUnit@cpuc.ca.gov

**Subject: Protest of PG&E Advice Letter 3939-G/5235-E Proposing Revisions to Billing Services Under Electric Rule 23, Community Choice Aggregation**

Dear Tariff Unit and Mr. Randolph:

The California Community Choice Association (“CalCCA”) on behalf of its members, particularly the Community Choice Aggregators (“CCAs”) within Pacific Gas and Electric Company’s (“PG&E”) service area, provides this protest, pursuant to General Order (“GO”) 96-B Energy Industry Rule 7.4, of Advice Letter 3939-G/5235-E submitted by Pacific Gas and Electric Company (“PG&E”) (“Advice Letter”). CalCCA respectfully requests the California Public Utilities Commission (“Commission”) reject the Advice Letter, without prejudice, because the relief requested by PG&E: (1) would violate GO 96-B; (2) would harm CCAs; and (3) is not supported by any data.

In addition, the Advice Letter raises a number of important policy issues that warrant the Commission’s attention. Approving PG&E’s Advice Letter, without addressing these issues, would harm CCAs as they are disadvantaged relative to IOUs in debt collections. This Advice Letter is not the proper forum for the Commission to look into these matters.

**I. The Relief Requested Would Violate GO 96-B**

PG&E’s advice letter violates GO 96-B in two ways: (1) PG&E’s advice letter raises important policy questions related to its statutory role as exclusive billing agent;<sup>1</sup> and (2) PG&E fails to cite authority for the requested change.

**A. PG&E’s Advice Letter Raises Important Policy Questions Related to Its Role as Exclusive Billing Agent**

GO 96-B General Rule 5.1 provides that “Matters Appropriate to Advice Letters...are expected neither to be controversial nor to raise important policy

---

<sup>1</sup> PG&E’s proposed tariff changes are only “informational versions of the actual tariffs.” (Advice Letter at p. 2.) PG&E seeks to have the Commission approve the implementation of the placeholder language only to submit a new Tier 1 advice letter at a later date to implement the specific revisions. For this reason, the Commission could reject the Advice Letter as not actually showing or requesting any specific changes to its tariffs in violation of General Rule 4.7.

questions.” As discussed below in Section II, PG&E’s proposed change to its statutory role as exclusive billing agent raises important policy questions due to the disadvantage CCAs have in performing collections relative to PG&E. This difference will also result in ratepayer impacts if the amount of uncollectable debt increases and must be recovered in rates.

#### B. PG&E Cites No Authority for the Requested Change

GO 96-B Energy Industry Rule 5.2., which governs Tier 2 advice letters, requires tariff changes to be “consistent with authority previously granted by the Commission to the Utility submitting the advice letter....” Despite this requirement, PG&E’s Advice Letter does not cite any previous authority for the requested tariff changes and, therefore, is inappropriate for Tier 2 disposition.

Energy Industry Rule 5.2 also provides that an advice letter otherwise appropriate to Tier 1 may be submitted by the utility for Tier 2 disposition. GO 96-B Energy Industry Rule 5.1 governs Tier 1 advice letters and requires the wording of tariff changes to be non-substantive (e.g. typographical errors) or follow directly from a statute or Commission order. PG&E’s proposed change is substantive and PG&E does not cite any authority for the specific wording in the informational tariff. Further, the previous Commission authority for adoption of the tariff language PG&E seeks to modify is silent on the specifics of PG&E’s proposal.<sup>2</sup> Thus, no proposed tariff language could follow from that authority and PG&E’s Advice Letter is inappropriate for Tier 1 disposition.

In fact, PG&E’s proposed tariff change conflicts with State law, which seems to prohibit PG&E from including such language in its tariff: “Electrical corporations shall continue to provide all metering, billing, collection, and customer service to retail customers that participate in community choice aggregation programs.”<sup>3</sup> That language does not suggest or imply, let alone authorize, PG&E to abandon its collection duties after a certain period of time and “reverse the unpaid balance” to the CCA.

### **II. PG&E’s Proposed Tariff Changes Would Harm CCAs Due to the Inherent Advantage IOUs Have in Performing Collections**

PG&E’s Advice Letter proposes significant changes to the debt recovery process for generation billing by instituting a debt reversal process for customer debt for Core Transport Agents, Electric Service Providers, and CCAs (hereinafter “Service Providers”). PG&E claims that Service Providers may be more successful at collecting the debt.<sup>4</sup> The proposed revisions have direct bearing upon CCA debt service and collection operations. CalCCA and its members, have specific concerns about the potential impacts these proposed changes would have on CCA operations. These changes involve important policy questions and would harm CCAs if approved.

PG&E alleges the proposed revised tariffs will allow Service Providers to take action on delinquent debt and make debt collection better for Service Providers. In the case of the CCAs, effective debt collection would require that CCAs have access to customer credit information (e.g. Social Security

---

<sup>2</sup> See generally Decision 05-12-041 (directing IOUs to propose CCA tariffs); see also Resolution E-4013, filed November 9, 2006 (approving PG&E’s tariff and requiring revised tariffs).

<sup>3</sup> Pub. Util. Code, § 366.2(c)(9).

<sup>4</sup> PG&E Advice Letter 3939-G/5235-E at p. 1-2.

Numbers, PG&E deposit requirements). Such information is critical if CCAs are to perform collections efficiently. This information is available and used by PG&E to collect customer debts.<sup>5</sup> PG&E does not provide this information to CCAs even though PG&E is the billing agent for CCAs.

For active customers, certain account information is accessible, but it is not always accurate. Many customers today use online bill payment. This reduces the importance of the mailing address for billing purposes, but it does not eliminate its critical role in the debt collection process. CCAs have found that customers who pay online and have moved within PG&E territory often do not have current mailing addresses on file. When a customer moves, PG&E updates the service address, but the customer's mailing address often remains the same. In addition, PG&E does not provide CCAs forwarding addresses for closed accounts, even when PG&E has obtained that information from the customer. CalCCA requests that the Commission direct PG&E to address this information shortfall as part of the tariff to ensure that accurate customer records are maintained and provided to CCAs. For customers who terminate from CCA service, the availability of current and accurate customer information becomes more critical.

It is important to remember that CCAs do not have agreements directly with customers. Instead, PG&E serves as the conduit for access to customer information. This is an artifact of PG&E's statutory role as the exclusive billing agent for all CCAs in its service territory.<sup>6</sup> To date, PG&E has taken the position that customer credit information is confidential and will not be shared with the CCAs. Bridging this information gap with tariff changes will help CCAs provide effective and timely communication with customers, while also allowing CCAs to collect debts owed to them more efficiently and effectively. Ensuring CCAs are well situated to collect customer debt will reduce the risk of remaining customers absorbing a loss through increased rates.

Another issue related to PG&E's exclusive role as billing agent for CCAs relates to the PG&E bill itself. For example, PG&E is currently providing both MCE and PG&E outstanding balances on its final bill. However, if PG&E reverses charges to a CCA, the outstanding CCA charge will no longer show on the PG&E bill. This will result in customer confusion about the full balance owed. Additionally, if PG&E receives customer payment for all outstanding PG&E and CCA balances listed on the final bill, but has already reversed the CCA charges, PG&E will not forward the customer payments to the CCA. PG&E will instead issue a refund to the customer, further exacerbating confusion about the customer's outstanding balance with the CCA. CCAs will face significant and costly administrative challenges collecting past-due accounts if PG&E, the exclusive billing agent for CCAs, ends the billing relationship with the customer.

For these reasons, debt collection is difficult for CCAs. Under their debt collection practices, the CCAs must rely on calling the phone number of record and sending mailing notices to the last mailing address of record, which may not be current or accurate. Without access to updated customer and credit

---

<sup>5</sup> Marin Clean Energy ("MCE") has been working collaboratively with PG&E over the past several months to develop an approach that would improve the process of debt reversal and collections among PG&E and MCE. This process should be encouraged to continue such that the holistic outcome could be jointly presented to the Commission for consideration.

<sup>6</sup> Cal. Pub. Util. Code Section 366.2.

information, CCAs cannot effectively track customers with outstanding balances or utilize credit reporting as a tool. In addition, only PG&E's charges can result in service termination (disconnection) of the customer. Per PG&E Electric Rule 23, if a residential customer makes a partial payment, that payment shall be allocated first to delinquent disconnectable charges. This results in higher delinquent balances for CCAs than for PG&E.

While PG&E positions this Advice Letter as a solution for timely debt collection for Service Providers, the Advice Letter does not address many of the significant policy issues that remain outstanding in order for debt reversal to work successfully. Approving PG&E's Advice Letter without addressing these issues would unfairly harm CCAs as they are already disadvantaged relative to PG&E in debt collections.

### **III. PG&E Does Not Provide Any Data to Support the Requested Relief**

PG&E asserts that the proposed tariff change will address the significant amount of delinquent debt owed to Service Providers. Yet PG&E provides no documentation to support the assertion of the amount of debt Service Providers have accrued including: (1) number and type of customers currently under collection, (2) amount and aging of uncollected charges, (3) cost of carry for uncollected amounts, and (4) cost of the assignment.

The Commission should not consider this change in any forum until PG&E provides a cost/benefit analysis for each of the categories (gas, direct access, and community choice aggregation) to demonstrate the need for the change and to project financial impacts (either savings or costs) for each of the affected Service Provider categories.

### **IV. Conclusion**

CalCCA thanks the Commission for its consideration of this protest. For the reasons set forth above, the Commission should reject the Advice Letter without prejudice.

Respectfully,

/s/ Beth Vaughan  
Beth Vaughan  
Executive Director, CalCCA

/s/ Michael Callahan  
Michael Callahan  
Policy Counsel  
Marin Clean Energy  
1125 Tamalpais Avenue  
San Rafael, CA 94901  
Telephone: (415) 464-6045  
E-Mail: [mcallahan@mceCleanEnergy.org](mailto:mcallahan@mceCleanEnergy.org)

On behalf of the CalCCA

