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DRA Urges Reforms as More Low-Income Customers Face Utility Service Disconnections

SAN FRANCISCO, March 17, 2011 – The Division of Ratepayer Advocates (DRA), an independent consumer advocacy division of the California Public Utilities Commission (CPUC), today released its updated report on energy utility service disconnections. DRA’s 2009 disconnection report found troubling trends for California’s low-income customers, who faced a rising number of utility shut-offs. The CPUC subsequently implemented temporary measures to slow the deluge of disconnections of low-income customers in 2010, which had a noticeable positive effect.

According to DRA’s new report, those temporary measures served to substantially decrease disconnections in 2010. But DRA analysis shows that the disconnection rate for low-income customers remains significantly higher than for other residential customers. Also, low-income customers’ unpaid bill debt is growing. DRA analysis further shows that the distribution of energy assistance dollars is not well-tailored to make energy affordable for the most vulnerable customers, those with the least financial means. Without CPUC action to better align the distribution of energy assistance dollars with customers’ need, and to set low disconnection benchmarks for Pacific Gas and Electric Company (PG&E) and Southern California Edison (Edison) customers, 2011 and beyond could bring another wave of disconnections.

“Recent CPUC measures helped to address the symptom -- disconnections -- but low-income customer’s access to essential energy services is still tenuous,” said DRA acting director Joe Como. “These customers face mounting past-due bills totaling more than \$55 million statewide. If additional policy changes are not made to make energy more affordable for those most at-risk, these customers will never catch up, and progress made in 2010 could vanish in 2011.”



In its report, DRA presents a number of disconnection policy changes targeted to limiting utility shut-offs for low-income customers, including:

- Linking energy discounts, like those provided by the California Affordable Rates for Energy (CARE) program, to a customer's degree of ability to pay.
- Instituting programs to help customers retire utility bill debt.
- Devising policies to make energy bills more predictable month-over-month.
- Establishing low-income disconnection benchmarks for PG&E and Edison.
- Determining the underlying factors that lead to chronic disconnection issues.

“Customers depend on safe and reliable energy service, and we must do all that we can to ensure all Californians receive such service from their utility without risk to their families’ health and safety,” Como said. “California can do a better job keeping all of our residents connected to essential energy services.”

[The report is available on DRA's website](#), or you can receive a copy by emailing Tom Hall at tbh@cpuc.ca.gov.

For more information on DRA, please visit www.dra.ca.gov.

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