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CALIFORNIA DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT

CALIFORNIA ARREARAGE PAYMENT PROGRAM (CAPP)

CAPP PROGRAM NOTICE NO. 2021-07

The purpose of this official correspondence is to provide implementation information and guidance to the general public and state energy utility service providers regarding the California Arrearage Payment Program (CAPP) administered by the Department of Community Services and Development (CSD).

## **CAPP PROGRAM NOTICE NO. 2021-07**

**TO:** ALL ENERGY UTILITY COMPANIES

**SUBJECT:** CALIFORNIA ARREARAGE PAYMENT PROGRAM (CAPP) APPLICATION, USER GUIDE, AND GENERAL TERMS AND CONDITIONS

**DATE:** November 8, 2021

**REFERENCE:** Government Code Section 16429.5  
Assembly Bill 135 (Chapter 85, Statutes of 2021)  
**CAPP-PN 2021-01 through CAPP-PN 2021-06-E2, inclusive, as published at: <https://csd.ca.gov/Pages/CAPP.aspx>**

The purpose of this CAPP Program Notice (CAPP-PN) 2021-07 is to advise state energy utilities on the implementation of the CAPP Application Phase, marking the period wherein state energy utility companies can submit application requests for CAPP funds. This CAPP-PN provides an overview of the CAPP Application process, key information and documentation requirements, CAPP General Terms and Conditions, and other core responsibilities that accompany the administration of CAPP funds by state energy utility companies.

### **BACKGROUND**

As outlined in CAPP-PN 2021-01, there are four phases of CAPP implementation: Utility Survey Phase, CAPP Application Phase, CAPP Awards Phase, and Outcomes Reporting Phase. This CAPP-PN communicates the initiation of the CAPP Application Phase and the official release of the CAPP Application on the CSD CAPP Portal. In addition, this CAPP-PN provides important information to assist state energy utility companies' understanding of the CSD CAPP Portal environment and process for completing CAPP Application requests for funding.

California Government Code Section 16429.5 instructs CSD's administration of CAPP and provides specific requirements regarding the process for receiving and approving CAPP funding requests from state energy utility companies. The following highlights statutory requirements applicable to the CAPP Application Phase:

- Energy utilities must submit both a completed CAPP Utility Survey and CAPP Application to be eligible for CAPP.
- There shall be a 60-day application timeframe in which an energy utility applicant may apply to CSD for CAPP funds.
- When applying for CAPP funds, energy utilities must submit all necessary data and information to support its request for CAPP funding. Energy utility applicants must provide a calculation of and specified documentation to support the total

amount of outstanding customer arrearages incurred during the COVID-19 pandemic bill relief period of March 4, 2020 through June 15, 2021.

- Energy utilities must ensure all available active and inactive residential and commercial accounts are included in CAPP Applications. If CAPP funding is not sufficient to meet applicant requests, energy utilities must prioritize the issuance of CAPP assistance in the following order: 1) eligible active residential customers who are past due and who, absent CAPP assistance, might be subject to service disconnection due to nonpayment of balances; 2) eligible active residential customers with delinquent balances; 3) eligible inactive residential accounts with delinquent balances; and 4) eligible commercial customers with delinquent balances. (*Note: See CAPP-PN 2021-06 for specific requirements regarding the distribution of CAPP benefits using the “Waterfall” method.*)
- Investor Owned Utilities (IOUs) that partner with Community Choice Aggregators (CCAs) or other Load-Serving Entities (LSEs) shall credit CAPP funding against customer charges in proportion to the CCAs’ and LSEs’ respective share of customer arrearages.
- The appropriate individual at each energy utility shall certify that the CAPP Application is true and accurate, and offer agreement on CAPP Application benefit delivery, reporting, and post-audit review requirements.
- CSD shall review CAPP Applications for completeness and confirm that submissions support the total amount of financial assistance requested by the energy utility on behalf of its customers and that the total amount of CAPP assistance does not exceed the energy utility’s CAPP Allocation.
- CSD shall contact any energy utility that does not respond during the initial application period to inquire as to the status of the energy utility’s CAPP Application.
- CSD shall return incomplete CAPP Applications to CAPP Applicants for corrections or amendments.
- While CSD reviews and approves all pending CAPP Applications, an energy utility is prohibited from discontinuing service due to nonpayment for customers who are eligible for a CAPP Benefit.
- CSD must disburse CAPP funds to energy utilities within 30 days of completing the review and approval of an energy utility’s CAPP Application.
- CSD must disburse all CAPP funds no later than January 31, 2022.

California Government Code Section 16429.5 informed many of the requirements and responsibilities outlined in the CAPP General Terms and Conditions. State energy utility companies are strongly encouraged to review the CAPP General Terms and Conditions in [Appendix 1](#) to gain a thorough and complete understanding of general requirements and responsibilities related to the administration of CAPP funds, including the statutory requirements for the CAPP Application Phase summarized above, as well as additional requirements outlined in CAPP-PNs and other guidance from CSD.

## **ACCESSING THE CAPP APPLICATION**

The CAPP Application is now available on the CSD CAPP Portal and state energy utility companies shall utilize the portal to apply for CAPP funds. The CAPP Application is accessible via the following link:

<https://cacsdforce.com/csdportal>

Please be advised that access to the CSD CAPP Portal is limited to registered Main Points of Contact (MPOCs) for each state energy utility company. As part of the registration process, MPOCs were provided portal login credentials. Upon accessing the portal, MPOCs can navigate to the “CAPP Application” tab appearing on the utility landing page to gain access to the CAPP Application.

CAPP Application Guidance and User Guide: To assist state energy utility companies with accessing and completing the CAPP Application, CSD will release a “CAPP Application User Guide” offering step-by-step instructions for completing each section of the CAPP Application. The “CAPP Application User Guide” will be issued directly to state energy utility companies within a week of releasing the CAPP Application via a separate communication.

## **CAPP APPLICATION – OVERVIEW**

The CAPP Application is comprised of seven sections and requires the submission of two customer datasets: 1) dataset #1 - containing information that supports customer arrearages reported in response to the CAPP Utility Survey; and 2) dataset #2 – containing information to support the CAPP Application funding request. The following offers a further description of each section:

### **Section 1: General Utility Information**

This section captures basic information for the energy utility applicant such as utility name, utility type, business name, and address where the issuance of requested and approved CAPP funds will be mailed.

*ACTION ITEM*: Identify an Authorized Representative responsible for signing the final CAPP Application and attesting to the accuracy of the information provided in the application, including attachments and supporting datasets. Please be advised that the Authorized Representative must possess the organizational authority to accept and provide a wet signature binding the utility to CAPP General Terms and Conditions in Section 7 of the CAPP Application.

### **Section 2: Utility Survey Details**

This section summarizes specific information from the energy utility’s response to the CAPP Utility Survey and outlines dataset submission requirements.

NOTE: For IOUs with CCA partners, this section will also provide customer arrearage information reported by CCAs (directly to CSD) during the CAPP Utility Survey process.

***ACTION ITEM:***

Utility Survey Dataset:

- Utilities are required to upload a dataset containing customer account information through the Azure Data Lake Portal (ADLP) that substantiates customer arrearages reported in the CAPP Utility Survey.
- IOUs with CCA partners must also ensure that each of the CCAs operating in their service territory has independently uploaded supporting datasets to the ADLP.

Utility Survey Supplemental Information (applicable to Pacific Gas & Electric, San Diego Gas & Electric, and Southern California Edison):

- IOUs with CCA and Direct Access Electric Load Serving Entities (DAE LSE) partners are required to complete the Priority Group Detail – Attachment 1. The attachment is designed for IOUs to provide a specific breakout of utility arrearages for CCA and DAE LSE partners included in IOU-reported arrearages to the CAPP Utility Survey. Information submitted on the attachment will be used by CSD to determine CAPP allocation shares for CCA and DAE LSEs.

NOTE: The Utility Survey Dataset and Priority Group Detail – Attachment 1 are considered essential elements of Section 2. Therefore, a CAPP Application is considered incomplete without the submittal of these two elements.

**Section 3: Funding Request Details**

This section will display the utility CAPP Allocation and total amount of arrearage for each customer priority group as reported in the CAPP Survey.

***ACTION ITEM:***

Customer Account – Benefit Disbursement Detail – Dataset:

- CAPP Applicants are required to upload a dataset through the ADLP identifying customer accounts and arrearages projected to receive CAPP Benefits.
- IOUs with CCA and DAE LSE partners must provide a dataset that is inclusive of all customer accounts (IOU, CCA, and DAE LSEs) projected to receive CAPP Benefits.

NOTE: The CAPP Application dataset is considered an essential element of Section 3. Therefore, a CAPP Application is considered incomplete without the submittal of the required dataset.

**Section 4: Low-Income Energy Assistance Program Information**

This section outlines the voluntary reporting requirement to help quantify CAPP impacts on low-income utility customers.

***ACTION ITEM:***

CAPP Applicants are instructed to:

- Indicate whether they offer energy assistance programs that specifically target low-income customers, the type of programs offered, and provide a brief narrative describing the programs and eligibility requirements; and
- Confirm willingness to participate in the voluntary reporting by identifying CAPP beneficiaries that are actively enrolled in a low-income energy assistance program.

**Section 5: Proportional Distribution (IOUs Only)**

This section outlines the statutory requirement instructing IOUs to credit funding received through CAPP against customer arrearages owed to the utility and other load-serving entities serving the customer in proportion to their respective shares of customer arrearages.

***ACTION ITEM:***

IOUs with CCA and DAE LSE partners are required to complete IOU CAPP Benefit Disbursement Summary – Attachment 2. The attachment is designed for IOUs to detail by specific customer priority group the projected amount of CAPP benefits to be disbursed to utility, CCA, and DAE LSE customer accounts. In completing the attachment, CAPP Applicants shall note the following:

- The total aggregate sum of all proposed IOU, CCA, and DAE LSE benefits to be disbursed to customer accounts must be equal to or less than the total CAPP Allocation awarded to the utility.
- The attachment, which includes directions for completion, will be provided to each IOU with CCA and DAE LSE partners by CSD.
- The completion of Attachment 2 requires review and wet signature approval by each CCA partner.

NOTE: The IOU CAPP Benefit Disbursement Summary – Attachment 2 is considered essential to the completion of Section 5, and signed copies must be uploaded to the CSD CAPP Portal prior to submitting the CAPP Application. Failure to complete and submit the required attachment will deem the CAPP Application submission incomplete.

**Sections 6 and 7: Authorized Representative Signature**

In Section 6, the Authorized Representative identified in Section 1 of this application must enter their name and the date of attesting to the accuracy of the information submitted in Sections 1 – 5 of the application, the attachments, and supporting datasets uploaded to the ADLP.

Please be advised that in Section 7, the Authorized Representative must possess organizational authority to accept and provide a wet signature binding the CAPP Applicant to the CAPP General Terms and Conditions. CAPP Applicants are required to review, sign, and upload this document to the CSD CAPP Portal.

## **CAPP APPLICATION SUBMISSION**

Once a CAPP Applicant completes its CAPP Application on the CSD CAPP Portal and uploads the required datasets and attachments, the MPOC may click on the “Save and Submit” button in the CAPP Portal to complete and submit the Application. If the CAPP Application is successfully submitted, the CAPP Applicant will receive an email confirming that the CAPP Application was received and will be reviewed by CSD.

While a CAPP Application is undergoing review by CSD, it is locked from further editing by the CAPP Applicant. However, the submitted CAPP Application remains viewable by the CAPP Applicant in the CAPP Portal.

## **CAPP APPLICATION REVIEW PROCESS**

CSD’s internal review of CAPP Applications will focus on the following:

- Completeness of the CAPP Application, supporting datasets, and attachments;
- Verification that the CAPP Applicant’s dataset submission of customer accounts (residential and commercial) projected to receive a CAPP Benefit is complete and supports the total amount of financial assistance being requested in the CAPP Application;
- Confirmation that the CAPP funding request does not exceed the CAPP Applicant’s CAPP Allocation;
- Verification that IOUs with CCA and DAE LSE partners submit a proportional allocation disbursement narrative and supporting attachments demonstrating the proportional share disbursement of CAPP funding to CCA and DAE LSE customer accounts that correlates directly with arrearages reported in the CAPP Utility Survey;
- Verification that the CAPP Applicant’s Authorized Representative signed the CAPP General Terms and Conditions document and that it is uploaded to the CSD CAPP Portal; and
- If CSD determines a CAPP Application to be incomplete, the Department will return the Application to the CAPP Applicant for correction or modification consistent with CSD’s guidance and direction.

CSD will disburse funds to CAPP Applicants within 30 days of completing the review and approval of the CAPP Application. CSD encourages CAPP Applicants to submit CAPP Applications early in the Application 60-day window. Energy utilities that have not submitted a CAPP Application within the first 30 days of the application period will be contacted by CSD to inquire about the energy utility’s CAPP Application status.

**Critical Application Deadlines:**

Date / Timeframe	Event / Description
November 8, 2021	CAPP Application available on CSD CAPP Portal
January 7, 2022	Final date CAPP Applications may be submitted to CSD
January 8, 2022	CAPP Application is closed and no longer accessible via the CSD CAPP Portal
January 31, 2022	CSD must distribute all CAPP funds to approved CAPP Applicants

\* \* \*

All CAPP-PNs, along with release dates of crucial CAPP implementation phases and energy utility responses are posted on CSD’s public-facing [website](#).

If you have questions or need additional guidance regarding CAPP, please contact CSD at [CAPP@csd.ca.gov](mailto:CAPP@csd.ca.gov).

Sincerely,

***Original Document Signed By:***



DAVID SCRIBNER  
Director



APPENDIX 1  
CALIFORNIA ARREARAGE PAYMENT PROGRAM (CAPP)  
GENERAL TERMS AND CONDITIONS

# CALIFORNIA ARREARAGE PAYMENT PROGRAM (CAPP) GENERAL TERMS AND CONDITIONS

## ARTICLE 1 – OVERVIEW AND DEFINITIONS

### 1.1 OVERVIEW

A Utility's participation in the California Arrearage Payment Program (CAPP) shall be governed by these CAPP General Terms and Conditions. Failure to comply may result in suspension of payments under CAPP, termination of the Utility's eligibility for CAPP, and mandatory reimbursement of any or all of a Utility's CAPP Allocation.

### 1.2 DEFINITIONS

- 1.2.1 "Authorized Representative" means the person identified by the CAPP Applicant with authority to certify the information contained in the Utility's CAPP Application and agree to the CAPP General Terms and Conditions.
- 1.2.2 "CAPP" means the California Arrearage Payment Program as defined in Government Code Section 16429.5.
- 1.2.3 "CAPP Allocation" means the total amount a CAPP Applicant will receive in order to pay down customer Utility arrearages.
- 1.2.4 "CAPP Applicant" means the Utility submitting arrearage data on behalf of its residential and commercial customers in order to receive a CAPP Allocation.
- 1.2.5 "CAPP Application Period" means the period beginning November 8, 2021, continuing for 60 days, or until the close of business on January 7, 2022.
- 1.2.6 "CAPP Beneficiary" means the residential and commercial energy customers who are eligible for and receive CAPP benefits.
- 1.2.7 "CAPP Benefit" means the credit residential and commercial energy customers may receive as part of the CAPP Allocation.
- 1.2.8 "CAPP Benefit Close Date" means the date 60 days after a Utility receives its CAPP Allocation.
- 1.2.9 "CAPP Customer Information Toolkit" means the document, which provides Utilities with language to use when meeting the state's requirement for notating on customer bill statements that their bill credit is a result of CAPP funding and information resources that Utilities can use to inform customers of CAPP.
- 1.2.10 "CAPP Utility Survey" means the survey of Utilities administered by CSD to obtain data pertaining to the total number of residential and commercial customer accounts in arrears to determine the total statewide energy utility arrearage and individual Utility share of CAPP funds.

- 1.2.11 "CSD" means the California Department of Community Services and Development.
- 1.2.12 "COVID-19 Pandemic Bill Relief Period" means the period from March 4, 2020, to June 15, 2021, inclusive, and includes any customer billing period that includes these dates.
- 1.2.13 "Department" means the California Department of Community Services and Development.
- 1.2.14 "Priority Group" means those four groups of Utility customers eligible for CAPP benefits identified in Government Code Section 16429(f)(1).
- 1.2.15 "Program" means the California Arrearage Payment Program.
- 1.2.16 "Program Notice" means official guidance issued by CSD regarding CAPP implementation and administration.
- 1.2.17 "Utility" means those entities outlined in Government Code Section 16249.5(b)(5), which may submit a CAPP Application in order to receive a CAPP Allocation.
- 1.2.18 "The Waterfall" means the process by which Utilities will serve customers in order of priority by distributing CAPP funds in a way that provides a meaningful benefit to all customers within a Utility's highest customer priority group before providing a CAPP Benefit to subsequent customer priority groups in the same manner.

### **1.3 PROGRAM NOTICES**

CSD has the authority to issue additional CAPP guidance in the form of Program Notices during the Department's administration of the Program. These Program Notices define Program requirements for Utility Applicants, CAPP Allocations, CAPP Benefit Disbursement, and CAPP reporting. All CAPP Program Notices will be made available on CSD's public facing website at <https://www.csd.ca.gov/>.

### **1.4 TAX APPLICATION TO CAPP BENEFITS**

Utilities should consult with tax professionals regarding potential tax liability and reporting requirements. CSD does not have the authority to provide federal or state tax advice to Utilities. A Utility's tax liability will depend on various factors and current federal and state tax laws. CSD will issue a Program Notice if the Department receives additional guidance from the Internal Revenue Service regarding the taxability of CAPP Allocations and benefits.

## **ARTICLE 2 – CAPP APPLICATION**

### **2.1 APPLICATION FOR FUNDING**

Utility represents it satisfies the definition of a Utility Applicant as set forth in Government Code Section 16429.5(b)(5) and has completed a CAPP Utility Survey, along with a CAPP Application, to be eligible for the receipt of a CAPP Allocation.

### **2.2 SUPPLEMENTAL INFORMATION AND REVISIONS**

Utility agrees to expedite the provision of any required supplemental information for its CAPP Application upon request by CSD during the Department's application review and approval process. If CSD returns an incomplete CAPP Application to Utility, Utility must provide corrections or amendments as soon as reasonably possible, but no later than the conclusion of the CAPP Application Period.

### **2.3 STATUTORY TIMELINES**

Utility acknowledges CAPP is subject to timeframes set by state and federal law, and Utility's failure to submit a complete CAPP Application before the expiration of the CAPP Application Period may result in disqualification from the Program.

### **2.4 CUSTOMER INFORMATION**

Utility agrees to comply with Government Code Section 6254.16 by providing customer name, Utility usage data, and address to officers or employees of CSD or other governmental agencies when necessary for the performance of official government duties arising from the administration of CAPP.

### **2.5 LEGAL COMPLIANCE**

Utility must abide by all applicable federal and state laws and regulations, including any CSD-issued guidance applicable to CAPP. Such guidance shall include Program Notices issued by CSD.

### **2.6 GOVERNING LAW**

These CAPP Terms and Conditions are governed by the laws of the State of California.

## **ARTICLE 3 – CAPP BENEFIT DISTRIBUTION**

### **3.1 BILLING NOTICE**

Utility shall provide notification on a CAPP Beneficiary's utility bill when applying a CAPP Benefit that the Benefit is a state credit consistent with the options available outlined in the CAPP Customer Information Toolkit. If Utility is unable to provide direct bill notification to CAPP Beneficiaries, it shall provide a bill insert that identifies the source of the bill credit consistent with the CAPP Customer Information Toolkit.

### **3.2 THE WATERFALL**

Given that CAPP funding will not cover the total reported statewide energy arrearages, Utilities will be required to prioritize the issuance of CAPP Benefits across the four priority categories outlined in Government Code Section 16249.5(f)(1). As detailed in CAPP Program Notice 2021-06, Utilities shall apply CAPP Benefits to customer accounts using the “Waterfall” method, which will: Serve customers in order of priority by distributing CAPP funds in a way that provides a meaningful benefit to all customers within a Utility company’s highest customer priority group before providing a CAPP Benefit to subsequent customer priority groups in the same manner; and treat customers equitably by ensuring that all customers within a particular priority group receive the same percentage of arrearage offset.

## **ARTICLE 4 – CAPP BENEFICIARY PROTECTION**

### **4.1 DISCONNECTION RESTRICTION DURING APPLICATION PROCESS**

Utility shall not discontinue service due to nonpayment for customers with arrearages accrued during the COVID-19 pandemic bill relief period while CSD processes and approves all CAPP Applications. CSD will issue a Program Notice once all CAPP Applications have been processed.

### **4.2 90-DAY DISCONNECT MORATORIUM**

Utility shall not disconnect a CAPP Beneficiary’s utility service due to nonpayment, regardless of balance owed after applying a CAPP Benefit, for 90 calendar days after a CAPP Benefit is applied.

### **4.3 NOTIFICATION OF PAYMENT PLANS/LATE FEES**

Utility must inform all CAPP Beneficiaries with a remaining balance after a CAPP Benefit is applied of the option to enter into an extended payment plan with late fees and penalties waived upon entering the extended payment plan. Utility may not discontinue CAPP Beneficiaries’ service due to nonpayment while they remain current on the extended payment plan.

## **ARTICLE 5 – IOU APPLICATION OF CCA CAPP BENEFITS**

### **5.1 APPLICATION OF ARTICLE 5**

This Article 5 is only applicable to Investor Owned Utilities (IOUs) that provide billing services for Community Choice Aggregators (CCAs) or Direct Access Electric Load-Serving Entities (DAE LSEs).

### **5.2 PROPORTIONAL PAYMENT TO CCAs**

IOUs shall ensure that total CAPP Benefits applied to offsetting CCA customer arrearages equal or exceed the CAPP Allocation for the CCA as provided in CAPP Program Notice 2021-06, CAPP Program Notice 2021-06-E, and CAPP Program Notice 2021-06-E2 detailing energy Utility CAPP Allocations.

### **5.3 PROPORTIONAL PAYMENT TO DAE LSES**

IOUs shall ensure that CAPP Benefits applied against customer charges owing all DAE LSEs are in direct proportion to those entities' respective share of eligible customer arrearages.

### **5.4 APPLICATION OF CUSTOMER BENEFITS**

IOUs shall use the Waterfall method (see Article 3.2) when applying CAPP Benefits to offsetting arrearages for eligible CCA and DAE LSE customer accounts. If a revised application of the Waterfall method is necessary to ensure proportional benefits are applied to CCA accounts, any such revision must first be approved by CSD.

### **5.5 SUPPORTING DOCUMENTATION**

IOUs shall provide all materials and data requested by CSD, and coordinate with their partner CCAs and DAE LSEs where necessary, regarding assessment of CCA and DAE LSE customer arrearages, application of CCA and DAE LSE customer benefits, and CAPP reporting requirements.

## **ARTICLE 6 – REPORTING, AUDIT, AND RECORD RETENTION**

### **6.1 UTILITY REPORTING**

Within six months after Utility's receipt of its CAPP Allocation, Utility shall submit all reporting and documentation required by CSD. Required reporting will be set forth in a CSD-issued Program Notice and will include the data outlined in Government Code Section 16429.5(j).

### **6.2 DATA COLLECTION/RIGHT TO ACCESS**

Any duly authorized representative or agent of the federal or state government and any entity selected by CSD to perform inspections, audit reviews, and investigations shall have the right to monitor and audit services, documents, and activities rendered by Utility pursuant to Program. CSD retains the right to conduct an investigative audit of Utility's records, files, and books of account or retain an audit firm for such purpose. CSD will treat as confidential all customer information, as well as other Utility-specific sensitive information, received during the Department's operation of CAPP to the extent permitted by law. Utility agrees to cooperate fully in any audit conducted and to ensure that Utility's agents, accountants, and subcontractors cooperate in the performance of such audit. A report of any audit conducted shall be shared with Utility, who shall be given an opportunity to respond to findings and to submit information and documentation in support of the response. If Utility fails to materially cooperate in the conduct of an audit, CSD may demand repayment of all unsupported CAPP funds paid to Utility within 60 days of request. Required monitoring and review processes and procedures will be detailed in a CSD-issued Program Notice.

### **6.3 ADDITIONAL DATA REQUESTS**

Utility, upon reasonable notice, will make available all information and materials for CSD to substantiate CAPP Benefits authorized under by the CAPP Application are allowable and were delivered to CAPP Beneficiaries. Utility has no obligation to provide access to the customer files, records, and documents of any kind not involved with the distribution of CAPP Benefits to CAPP Beneficiaries.

### **6.4 REVIEW, RISK ASSESSMENTS, AUDITS**

CSD shall perform risk reviews to confirm Utility's methods for handling and disbursing CAPP funds are sound and consistent with CSD Program Guidance, CAPP Application Terms and Conditions, and internal controls for ensuring accurate accounting and reporting of disbursed CAPP Benefits to eligible Utility customer accounts are present and administratively sound. In the event risk reviews identify the presence of significant risk, CSD will pursue an investigative audit to ensure the Utility's handling and disbursement of CAPP Benefits is in accordance with the CAPP Application Terms and Conditions and CSD guidance. CSD will treat as confidential all customer information, as well as other Utility-specific sensitive information, received during the Department's operation of CAPP to the extent permitted by law.

In the event an audit results in the identification of questioned costs and results in a determination of CAPP cost disallowance, CSD shall issue a final report confirming the decision. The final report shall reflect a description of the costs questioned, the reason why questioned costs are considered a cost disallowance, information and/or documentation to justify the repayment of the costs in question, and instructions for repayment.

Utility shall comply with any demand for repayment as specified in such final report. The Utility shall have no less than 30 calendar days from receipt of the final decision to tender payment to CSD or, alternatively, to provide CSD with complete and accurate information to resolve the cost disallowance. All statements, notices, responses, and demands shall be in writing.

Required review, risk assessment, and audit processes and procedures will be detailed in a CSD-issued Program Notice.

### **6.5 RECORD RETENTION**

Utility is required to maintain all documents related to its CAPP Survey, CAPP Application, CAPP Allocation, and CAPP expenditures for five years after CSD's approval of the Utility's Final CAPP Report submission confirming CAPP disbursements to eligible Utility customers.

**6.6 RETURN OF UNSPENT CAPP ALLOCATION**

Utility shall return any portion of its unspent CAPP Allocation to CSD within 30 calendar days of the CAPP Benefit Close Date.

**ARTICLE 7 – ATTESTATION AND SIGNATURE**

The CAPP General Terms and Conditions shall be deemed to form part of the Utility's CAPP Application and shall be read as if they are specifically incorporated herein.

The CAPP Applicant, by and through its Authorized Representative, has read, understands, and agrees to the CAPP General Terms and Conditions.

Utility certifies its CAPP Application for funding includes all residential and commercial energy Utility customers eligible for CAPP assistance that can receive a CAPP Benefit based on Utility's CAPP Allocation.

Utility certifies that all information submitted to CSD pursuant to its request for a CAPP Allocation, including responses in its CAPP Application and CAPP Utility Survey, is true and correct.

**Authorized Representative Signature**

My signature confirms I thoroughly reviewed and possess the authority to bind my Utility organization to all of the CAPP General Terms and Conditions summarized above. My signature furthers signifies my organization's acceptance of the CAPP General Terms and Conditions and our commitment to work cooperatively with CSD and any retained subcontractors to perform the Department's duties consistent with Government Code Section 16249.5 to ensure my organization's compliance with the CAPP General Terms and Conditions and stewardship of CAPP funds awarded to my Utility company.

<b>*** AUTHORIZED REPRESENTATIVE'S SIGNATURE ***</b>	<b>Date</b>