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DRA Beats New Fees for California Ratepayers

SAN FRANCISCO, August 27, 2009 – The Division of Ratepayer Advocates (DRA), an independent consumer advocacy division of the California Public Utilities Commission (CPUC), applauds the CPUC’s decision to deny authorization for the state’s largest telephone carriers to add a new fee to customer bills.

The CPUC’s decision last week to deny the surcharge request was approved by a 5-0 vote as part of the CPUC’s fire safety standards proceeding, and concluded AT&T’s nine month long campaign to place a line-item surcharge on customer bills to cover its costs of meeting public safety standards. DRA successfully countered that safety regulations are a fundamental cost of business and the companies are obliged to implement regulations and to maintain their equipment in order to provide safe, reliable service.

The CPUC’s decision to require more stringent safety standards responds to the devastating fires in Southern California in 2007 and 2008, which may have been caused by electrical wires on poles shared by various utilities. DRA joined with the CPUC’s Consumer Protection and Safety Division (CPSD) and The Utility Reform Network (TURN) to support the need for increased inspection and maintenance standards to reduce the risk of fires and service outages.

“The CPUC’s decision to adopt more rigorous safety standards in areas at high risk for fires is an excellent start to ensuring that utilities properly maintain their equipment to reduce that risk,” said DRA Director Dana Appling. “People should not fear having their homes burned down simply because utilities are cutting spending on maintenance to increase profits. Customers should not have to pay extra fees for safe and reliable service.”

Director Appling noted that from the very beginning of the case, DRA opposed the telephone companies’ request for a surcharge and worked relentlessly to prevent this further economic hardship from being imposed upon customers.

With the first phase of this case now completed, DRA will continue to work with CPSD in the next phase to promote important statewide safety standards for consumers.

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

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