



DRA

*Division of Ratepayer Advocates
California Public Utilities Commission*

505 Van Ness Avenue
San Francisco, California 94102
Tel: 415-703-2381
Fax: 415-703-2057

JOSEPH P. COMO
Acting Director

<http://dra.ca.gov>

April 9, 2012

Honorable Robert Huff
California State Senate
State Capitol, Room 305
Sacramento, CA 95814

RE: SB 1364 (Huff) – Support with exception

Dear Senator Huff:

DRA (Division of Ratepayer Advocates) is the independent consumer advocate within the California Public Utilities Commission (CPUC). DRA's statutory mandate is to obtain the lowest possible rate for utility service consistent with reliable and safe service levels. DRA also advocates for customer and environmental protections in connection with utility service.

DRA supports with one exception your SB 1364, which would require investor-owned water utilities to be subject to many of the same requirements as other industry utilities regulated by the CPUC, as specified. DRA limits its support position to all provisions in the bill except for the language re. a local government agency participating in a CPUC proceeding involving a water corporation (p.9, lines 2-5). Although the effect would be to increase intervenor participation at the CPUC, it may also drastically increase the financial burden on ratepayers to support intervenor compensation claims. That additional financial burden may have the unintended consequence of putting pressure on the Legislature to timely review the need for intervenor compensation all together.

Given that affordable water is a growing concern for many customers, steps must be taken to ensure all Californian's have access to safe, reliable and affordable water. SB 1364 would increase investor-owned water utility accountability and transparency by requiring regular audits, inspections, reporting requirements, and most important, notification to customers of rate increases proposed by advice letter.

SB 1364 would also delete the requirement that specified appeals of CPUC decisions can only be brought before the California Supreme Court. This bill would appropriately apply the same appeal standard applicable to other CPUC-regulated industry utilities to investor-owned water utilities.

DRA supports with one exception SB 1364 and looks forward to working with you to ensure this bill is enacted into law.

If you have any questions or would like to discuss this matter further, please call DRA's Legislative Director Matthew Marcus, at (916) 327- 3455 or me at (415) 703- 2381.

Respectfully,

Joseph P. Como, Acting Director
Division of Ratepayer Advocates

By
Matthew Marcus
Legislative Director