



DRA

*Division of Ratepayer Advocates
California Public Utilities Commission*

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April 20, 2012

Honorable Jean Fuller
California State Senate
State Capitol, Room 3063
Sacramento, CA 95814

RE: SB 1207 (Fuller) – Support if amended

Dear Senator Fuller:

DRA (Division of Ratepayer Advocates) is the independent consumer advocate at 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 if amended your SB 1207, as amended on April 16, 2012, which would focus on ensuring the California Alternate Rates for Energy (CARE) discount program benefits apply to only those customers who meet the program eligibility requirements.

Specifically, DRA supports the intent of Sections 739.1 (h) (1) and (h) (2), which would permit a stricter standard of qualification in order for customers who use large amounts of electricity or gas to receive the CARE discount. However, we encourage you not to adopt specific requirements for proof of income eligibility and program removal. We believe some flexibility is needed here to determine these requirements, and the CPUC is equipped to do so subject to evaluation of utility-specific data regarding high usage.

For example Pacific Gas and Electric Company reports 0.4% of its CARE customers using electricity in excess of 600% of baseline, while Southern California Edison Company reports only 0.1% of its CARE customers using electricity in excess of 600% of baseline. There may be good reason to vary the usage cutoff depending on the differences among utility service territories, such as climate or customer demographic data. Furthermore, there may be a need to change the usage cutoff over time as usage patterns may differ in the future. DRA similarly recommends that this bill not prescribe a number of days within which program administrators must take action, and instead allow program administrators to make this determination.

In addition, DRA recommends deleting Section (h) (3), which permits the utilities to charge or "back bill" customers when they are determined not to be eligible for CARE - energy utilities already have the authority to back bill customers found to be ineligible.

Finally, DRA recommends amending Section (h) (4), which would ban a CARE program participant found to be defrauding a utility program for two-years, as specified. Instead, the

CPUC should be required to determine the appropriate actions the utilities should undertake to prevent illegal access to deter fraud and misrepresentations of program eligibility.

DRA supports your efforts to ensure that the CARE discount is distributed to those most in need and looks forward to working with you on our suggested changes.

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