



DRA

*Division of Ratepayer Advocates
California Public Utilities Commission*

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JOSEPH P. COMO
Acting Director

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March 27, 2013

Honorable Henry Perea
California State Assembly
State Capitol, Room 3120
Sacramento, CA 95814

RE: AB 327 (Perea) – Oppose

Dear Assemblymember Perea,

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 opposes your AB 327, which would eliminate significant customer protections and give the CPUC broad discretion to establish a new electrical rate design. This bill would also repeal the current limitations, enacted in SB 695 (Kehoe, Ch. 337, Stat. 2009), on rate increases for low usage residential and California Alternate Rates for Energy (CARE) customers. AB 327 would also remove the current CARE statutory mandate which provides important energy rate protections for low income customers and replace it with a new mandate that lacks a clear directive regarding the need to ensure that low income individuals continue to have affordable access to essential electricity services.

DRA may not be opposed to further modifications to your AB 327 that address the concerns of your Fresno constituents' and others' throughout the State regarding high energy bills. However, the wholesale elimination of customer protections would create risks for many Californians, most specifically, the economically disadvantaged who are the most in need. The Legislature must provide clear direction to the CPUC to establish fair, affordable and understandable energy rates that prevent rate shock, provide rational price signals to reduce usage, and most important, continue to protect low income households.

DRA urges you to consider changes to the current rate structure that reduce the disparity between the highest and lowest energy service rates while maintaining essential protections for residential and low income customers. If you have any questions or would like to discuss this matter further, please call DRA's Deputy 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
Deputy Director