



DRA

*Division of Ratepayer Advocates
California Public Utilities Commission*

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JOSEPH P. COMO
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April 8, 2013

Honorable Jim Patterson
California State Assembly
State Capitol, Room 4102
Sacramento, CA 95814

RE: AB 922 (Patterson) - Oppose

Dear Assemblymember Patterson:

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

DRA respectfully opposes your AB 922, which would create prohibitive barriers to customer enrollment in the California Alternative Rates for Energy (CARE) program. The CARE program currently provides electricity and natural gas bill discounts to eligible low-income households. AB 922 would require utility program administrators to verify all program applicants. The bill also would allow a utility to assess a penalty that is three times the difference between the CARE rate and a customer's otherwise applicable electric rate when that customer is found to be ineligible.

DRA supports the CARE program and shares your commitment to minimizing the number of ineligible customers enrolled in CARE. However, AB 922 may result in unintended consequences such as deterring qualified and needy families from seeking CARE program protections, as well as creating a significant and potentially costly administrative burden. The utilities already have authority to seek documentation of income from high energy users, and the CPUC has directed the utilities to use best practices in using statistical sampling methods to review the eligibility of households that appear least likely to qualify for CARE. These targeted approaches strike a good balance between discouraging frauds while minimizing administrative costs.

CARE is necessary for more than four million households currently struggling in this tough economy, and it is important to not create policies that would inadvertently discourage qualified families from enrolling in CARE. For these reasons, DRA respectfully opposes AB 922.

If you have any questions or would like to discuss this matter further, please call DRA's Legislative Advisor Rebecca Tsai-Wei Lee, at (916) 327-1407 or me at (415) 703-2381.

Respectfully,

Joseph P. Como, Acting Director
Division of Ratepayer Advocates

By
Rebecca Lee
Legislative Advisor