



DRA

*Division of Ratepayer Advocates
California Public Utilities Commission*

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JOSEPH P. COMO
Acting Director

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June 27, 2013

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

RE: AB 922 (Patterson) - Oppose

Dear Assemblymember Patterson:

The 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, as amended on May 24, 2013. AB 922 would require income verification of participants in the investor-owned utilities' California Alternate Rates for Energy program (CARE) for low income customers, regardless of the method by which a participant was first enrolled.

AB 922 would effectively require income verification of CARE customers enrolled through "categorical eligibility". Categorical eligibility currently permits CARE customers who have already provided income verification to another qualified state or federal agency and use this as proof to qualify for CARE. These state and federal assistance programs have more stringent income verification requirements than the utilities' CARE applications. Therefore AB 922 would be duplicative; increase the CARE cost burden on all non-CARE customers; and require qualified CARE customers to jump through one more hoop to continue receiving the CARE discount.

DRA shares your goal of ensuring that CARE remains available to eligible households while minimizing fraud. DRA is fully supportive of strategies to ensure that the four million households estimated to qualify for the CARE discount are the beneficiaries.¹ However, AB 922 would create unnecessary barriers for those customers who are most likely to qualify for CARE, and would not address the segment of enrolled CARE customers least likely to qualify for CARE.

In August 2012, the CPUC had set in motion a vigorous assessment of strategies to pinpoint eligible and ineligible CARE customers. The utilities are currently directed to provide the first report of this assessment by September 1, 2013. AB 922 would likely undo the progress made by the CPUC and the IOUs to deliver the CARE program to a larger number of qualified households, and to create a probability modeling system that will more efficiently identify likely ineligible customers.² For these reasons, DRA respectfully opposes AB 922.

¹ When counting customers of Southern California Gas and Southern California Edison separately, the number of households is 5.1 million.

² CPUC Decision 12-08-044, Ordering Paragraphs 89-96 directed all IOUs to create probability modeling for post-enrollment verification. Using a range of variables, IOUs would identify customers least likely to qualify for CARE. Three of the IOUs have already been using this type of system to cost effectively verify eligibility. All IOUs must present their plan for PEV by September, 2013.

If you have any questions or would like to discuss this matter further, please call DRA's Legislative Advisor Rebecca 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