



ORA

*Office of Ratepayer Advocates
California Public Utilities Commission*

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JOSEPH P. COMO
Acting Director

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January 9, 2014

Honorable Kevin Mullin
California State Assembly
State Capitol, Room 2163
Sacramento, CA 95814

RE: AB 427 (Mullin) – Oppose

Dear Assemblymember Mullin,

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

ORA respectfully opposes your AB 427 which would exempt utility customers using bottom-cycle cogeneration technologies from paying the State's non-bypassable charges, as specified. While ORA appreciates the bill's intent of promoting more efficient generation technologies to capture waste heat toward productive uses, your bill would unfairly burden other utility customers to pay for the resultant revenue shortfall. It also would set a precedent for other customer groups to seek similar exemptions to non-bypassable charges.

Currently, non-bypassable charges are collected from all customers to fund programs that benefit *all* utility customers and society as a whole. These include costs on nuclear decommissioning, Department of Water and Resources bonds to finance costs from the energy crisis, and other public purpose programs. By allowing a subset of customers to escape this cost responsibility, your bill may have the unintended consequence of adding cost pressure on all other customers.

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

Respectfully,

Joseph P. Como, Acting Director
Office of Ratepayer Advocates

By
Rebecca Lee
Legislative Advisor