



ORA

*Office of Ratepayer Advocates
California Public Utilities Commission*

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JOSEPH P. COMO
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April 21, 2015

Honorable Anthony Rendon
California State Assembly
State Capitol, Room 5136
Sacramento, CA 95814

RE: AB 895 (Rendon) Support

Dear Assemblymember Rendon:

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

ORA supports AB 895, which would require the CPUC to direct proceeds resulting from any litigation or settlement regarding the 2001-02 electricity crisis directly to ratepayers.

During the electricity crisis, unscrupulous entities such as Enron strategically withheld electricity supply among other fraudulent activities to drive up wholesale prices. California's investor-owned utilities were unable to pay these exorbitant electricity prices in order to serve their customers. As a result, the State took several unprecedented actions such as directing its Department of Water Resources to enter into long term power purchase contracts in order to provide electricity to customers, and incurred significant debt to pay for the costs of the electricity crisis. While the crisis is long since over, allegations of market abuse and violations of the Federal Power Act are still being litigated before the Federal Energy Regulatory Commission. Even today, cost impacts to California ratepayers resulting from the crisis are yet to be fully mitigated.

ORA looks forward to working with you on ensuring that funds paid to the state as result of electricity crisis litigation are used to reduce costs for those ratepayers negatively impacted during the 2001-2002 energy crisis.

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

Respectfully,

Joseph P. Como, Acting Director
Office of Ratepayer Advocates