



ORA

*Office of Ratepayer Advocates
California Public Utilities Commission*

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January 5, 2016

Honorable Cristina Garcia
California State Assembly
State Capitol, Room 2013
Sacramento, CA 95814

RE: AB 1180 (Garcia) – Oppose unless amended

Dear Assemblymember Garcia:

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 respectfully opposes unless amended AB 1180, as amended on January 4, 2016, which would authorize specified water corporations to create a pilot program to allow their customers to pay their monthly bills by various payment options without paying a separate transaction fee.

While ORA recognizes the bill's intent to provide customers with choice and convenience, AB 1180 would potentially allow water utilities to create bill payment option pilot programs for its customers and recover associated expenses without a thorough CPUC review. Such a review is necessary to make sure these pilot programs are reasonably constructed and provide the CPUC with the information it needs to evaluate the payment option for cost-effectiveness, and if they are in customers best interest.

ORA respectfully suggests the intent of AB 1180 can be better achieved by clarifying (i) that the only vehicle for seeking approval of a pilot program under this bill is the water company's periodic general rate case and that (ii) such a pilot has a duration and termination date approved by the CPUC, for reasonableness and to ensure it does not inadvertently become a permanent program.

Consideration solely in a general rate case is critical. General rate cases are virtually the only water company proceeding in which all customers receive notice. It is the proceeding in which every aspect of a water company's operations, including its costs and methods for bill collection, are reviewed.

If you have any questions or would like to discuss this matter further, please call ORA's Legislative Advisor, Mikhail Haramati at 916-445-5071, or me at 415-703-5259.

Respectfully submitted,

Linda Serizawa, Interim Director
Office of Ratepayer Advocates