



DRA

*Division of Ratepayer Advocates
California Public Utilities Commission*

505 Van Ness Avenue
San Francisco, California 94102
Tel: 415-703-2381
Fax: (415) 703-2057

JOSEPH P. COMO
Acting Director

<http://dra.ca.gov>

March 29, 2011

Honorable Michael Rubio
California State Senate
State Capitol, Room 2066
Sacramento, CA 95814

RE: SB 142 (Rubio) Oppose

Dear Senator Rubio:

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

DRA opposes your SB 142, which would eliminate rate protections for usage up to 130% of baseline for all ratepayers including CARE and non-CARE customers, and direct the CPUC to adjust the rates currently charged to customers for electricity usage in order to eliminate, by no later than January 1, 2015, the current tiered residential electricity rates.

Deleting these rate provisions would contradict the legislative intent of AB 1X (Keeley, 2001), and the more recently enacted, SB 695 (Kehoe, Wright, 2009), which was designed to keep an adequate level of energy usage at affordable and stable rates since energy service is essential. These provisions were also developed to minimize spikes in electricity rates and provide relative stability and predictability by restricting rate increases to an annual narrow range and controlling the increase within relatively small parameters.

DRA believes that SB 142 would result in significant bill increases for the vast majority of residential and low-income customers in California. Especially for those customers located in warmer climates such as the central valley and inland areas. DRA recently published a study that evaluates the growing concern of low-income customer disconnections and energy affordability in California. SB 142, if adopted, would likely result in more low-income customers being unable to afford their monthly energy bills.

To avoid such drastic bill increases to so many customers, DRA opposes this bill.

If you have any questions or would like to discuss this matter further, please call DRA's Legislative Director Matthew Marcus, at (916) 327-3455 or me at (415) 703-2381

Respectfully,

Joseph P. Como, Acting Director
Division of Ratepayer Advocates

By
Matthew Marcus
Legislative Director