



## **DRA**

*Division of Ratepayer Advocates  
California Public Utilities Commission*

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**JOSEPH P. COMO**  
Acting Director

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April 30, 2012

Honorable Henry Perea  
California State Assembly  
State Capitol, Room 4112  
Sacramento, CA 95814

**RE: AB 1755 (Perea) Oppose**

Dear Assemblymember Perea:

DRA (Division of Ratepayer Advocates) is the independent consumer advocate within 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 respectfully opposes your AB 1755, as amended on April 23, 2012, which would authorize the CPUC to establish a fixed customer charge only for all residential investor-owned energy customers, as specified.

DRA recognizes the need to address the concerns of your Fresno constituents and others throughout the State regarding high energy bills. However, the establishment of a customer charge would not effectively accomplish this laudable goal. AB 1755 would only benefit residential customers that consume the most energy, typically those with higher-incomes, at the expense of low-income customers. Given that over 45% of your constituents are low-income and are already enrolled in the California Alternate Rates for Energy (CARE) program to receive a discount on their monthly bills, coupled with one of the worst economic downturns, it does not seem prudent to increase low income customers' bills with a monthly charge that will likely continue to increase over time.

We would also like to highlight (i) the CPUC recently denied both a PG&E proposal to establish a customer charge and subsequent request to reconsider this issue - clearly recognizing the bill impacts CARE customers already face and (ii) AB 1755 would modify some of the rate protections for residential customers that were carefully negotiated in SB 695 (Kehoe, 2009).

At this time we regretfully oppose your bill, but would like to continue to work with you to help provide your high energy usage constituents lower monthly bills without unduly burdening CARE customers. This can potentially be done by amending your bill to include a cap on customer charges. We look forward to working with you further on this amendment.

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