



DRA

*Division of Ratepayer Advocates
California Public Utilities Commission*

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April 2, 2010

Honorable Christine Kehoe
California State Senate
State Capitol, Room 5050
Sacramento, CA 95814

RE: SB 1437 (Kehoe) – Support if amended

Dear Senator Kehoe:

The Division of Ratepayer Advocates (DRA) is the independent consumer advocacy arm 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 supports if amended your SB 1437 which would require the CPUC to determine the appropriate ratepayer surcharge for subsidizing electricity for plug-in hybrid and electric vehicles.

DRA recognizes the environmental benefits of promoting plug-in hybrid and electric vehicles. It is an effective way to reduce our reliance on fossil fuels and achieve our greenhouse goals. At the same time, we are concerned that some infrastructure that encourages charging during daytime hours may result in the need for new powerplants. This may lead to increased costs to all ratepayers and may diminish the environmental benefits of plug-in hybrid and electric vehicles.

Therefore, DRA suggests the following minor amendment to ensure that plug-in hybrid or electric vehicle surcharges are approved by the CPUC only if they find and determine the surcharge is in ratepayer's best interest.

PU Code Section 740.2

6(b) The commission, for each class of ratepayers, shall determine the portion of the billings that are used for subsidizing electricity for plug-in hybrid and electric vehicles. This determination shall identify those costs for electrical infrastructure improvements that are borne by each class of ratepayers that are incurred in order to accommodate plug-in hybrid and electric vehicles. ***“The surcharge shall only be passed through to electric or gas ratepayers if the commission finds and determines that plug-in hybrid and electric vehicles are in the ratepayers' interest.”***

DRA looks forward to working with you and other interested parties to promote plug-in hybrid and electric vehicles cost-effectively.

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) 703-2544.

Respectfully,

Dana S. Appling, Director
Division of Ratepayer Advocates