

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on the  
Commission's Own Motion to Conduct a  
Comprehensive Examination of Investor  
Owned Electric Utilities' Residential Rate  
Structures, the Transition to Time Varying and  
Dynamic Rates, and Other Statutory  
Obligations.

Rulemaking 12-06-013  
(Filed June 21, 2012)

**COMMENTS OF THE UTILITY REFORM NETWORK  
REGARDING COORDINATION OF PROCEEDINGS**

November 21, 2012

Marcel Hawiger  
Staff Attorney

**The Utility Reform Network**  
115 Sansome Street, Suite 900  
San Francisco, CA 94104  
Phone: (415) 929-8876  
Fax: (415) 929-1132  
E-mail: [marcel@turn.org](mailto:marcel@turn.org)

## COMMENTS OF THE UTILITY REFORM NETWORK REGARDING COORDINATION OF PROCEEDINGS

### I. INTRODUCTION

On November 6, 2012, the Administrative Law Judge issued a Ruling inviting comments responding to certain questions “pertaining to the coordination of electric proceedings affecting rates” (“ALJ Ruling”). The ALJ Ruling asks parties to respond to six questions pertaining to the coordination of this rulemaking with other proceedings. TURN appreciates the opportunity to provide input to these questions. Due to various resource constraints, TURN provides only limited responses to the six questions.

### II. RESPONSES TO COORDINATION QUESTIONS

#### Coordination Among Proceedings

TURN recommends that the following actions be taken to coordinate among existing proceedings addressing residential rate design issues:

- The updated needs assessment for CARE customers, scheduled for completion in 2013 pursuant to D.12-08-044 (issued in A.11-05-017), should be admitted into the record of this proceeding and used to inform any policy decisions concerning CARE rates.
- The monthly disconnection reports filed in R.10-02-005 should be admitted into the record of this proceeding to consider as evidence guiding any policy decisions concerning affordability of utility bills.
- The legal briefs concerning the interactions of Public Utilities Code sections 739.9 and 745(d) and the policy comments concerning residential rate design filed on March 30, 2012 in proceedings A.10-02-028 and A.10-08-005 should be admitted

into the record of this proceeding. These documents are relevant to the legal and policy issues that are within the scope of this rulemaking.

- The Net Energy Metering cost effectiveness study, being conducted within the umbrella of R.10-05-004, should be admitted into the record and the methodology of the study should be used to compare the impacts of alternative standard residential tariffs on the costs and benefits of the NEM bill crediting tariff.

TURN has not evaluated the status of any ongoing rate design proceedings (GRC Phase 2) to determine whether there are overlapping issues that should be addressed in this proceeding versus the rate case proceeding. In general we believe that existing rate design proceedings should continue, and that any major policy initiatives undertaken in this rulemaking should be implemented in the subsequent rate design proceeding for each respective utility. However, the Commission should closely consider timing issues to prevent unnecessary duplication of efforts.

#### Outreach and Education

Any decisions concerning outreach and education should be coordinated for both substance and cost accounting with the residential customer outreach and education activities previously authorized in AMI decisions, demand response program decisions, and energy efficiency program decisions.

According to our rough calculations, the Commission has authorized over \$300 million for various outreach and education programs linked to “dynamic pricing” and interval meter deployment. However, we have not seen any specific authorizations for education concerning tiered rates. The argument is often made that customers can understand time-varying prices, but

cannot understand higher prices for greater total usage. The arguments are often supported by data obtained specifically from customers enrolled in pilot dynamic pricing tariffs who have received targeted information concerning time-varying energy costs and rates.

The Commission should, as part of any eventual funding for education and outreach, require one of the utilities to fund a focus group study that evaluates the potential of residential customers to understand and act upon different forms of pricing tariffs, including both time-varying prices and inclining block prices.

#### PG&E CPP and PTR proceedings

There has been a stop-and-start quality to PG&E's proceedings designed to implement default PTR (A.10-02-028) and voluntary CPP (A.10-08-005). Parties have filed testimonies concerning both tariff proposals. TURN suggests that if the Commission intends to comprehensively re-evaluate residential rate design, it should officially close both proceedings. As noted above, at least the March 30, 2012 filings in those applications should be incorporated into the record. TURN strongly believes that residential rate design policy should not be based purely on theory, but should be grounded in actual bill impact analyses. We are hopeful that the rate calculator tool that will be developed in this proceeding provides sufficient granularity and specificity to evaluate ratepayer impacts of different rate design choices. However, it is too early to determine whether this proceeding will allow the type of data analysis necessary to evaluate the impacts of specific tariffs.

### **III. CONCLUSION**

The present and future records of several ongoing proceedings have data that may be useful to consider in any future policy decisions concerning residential rate design. TURN

suggests that several of the pleadings, and future reports, in those proceedings be admitted into the record of this proceeding. The extent to which this proceeding can inform specific residential rate design outcomes will depend somewhat on the nature of the data analysis performed to evaluate detailed tariff bill impacts on various segments of the residential customer class.

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Respectfully submitted,

By: \_\_\_\_\_ /s/  
Marcel Hawiger  
Staff Attorney

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San Francisco, CA 94104  
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