

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)

OPENING COMMENTS OF THE CONSUMER FEDERATION OF CALIFORNIA TO THE ADMINISTRATIVE LAW JUDGES' RULING INVITING COMMENTS ON THE WORKSHOP IN R.12-06-013.

I. INTRODUCTION

Pursuant to the Administrative Law Judges' Ruling on Workshop, issued on January 31, 2013 ("Ruling"), the Consumer Federation of California ("CFC") submits the following comments.

II. SUMMARY OF POSITION

The CFC respectfully replies to the Commission's request for comments, focusing on the issues summarized below:

List Of Defined Terms: responding to the list of defined terms. CFC recommends keeping the wording simple, straightforward, and clear.

III. DISCUSSION

i. DEFINITIONS.

- A. Economic Efficiency: When the cost of producing a given output is as low as possible. IN the rate design context, when pricing reflects the marginal cost of generating and delivering electricity.
- B. Externality: A cost or benefit, arising from economic activity, that is not transmitted through prices in that it is incurred by a party who was not involved as either a buyer or seller of the goods or services causing the cost or benefit. Pollution is an example of externality cost when someone other than the producer suffers the damage.
- C. System Conditions: (examples are not a definition). The status of all components within a single system. For utilities, this could include wholesale electricity costs, reliability conditions, short-term environmental impacts, and the relationship between supply and demand.
- D. Fixed Credit: An annual bill credit established at the beginning of a customer's year

delivered as a monthly credit on each customer's bill. The fixed credit is the customer's full annual bill minus the customer's affordable percentage of income payment obligation on the full annual bill. A fixed credit allows the customer's payment to vary given changes in usage or price, with the monthly credit remaining constant.

Dated February 14, 2013 Respectfully Submitted,

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Nicole Johnson
1107 9th Street, Ste. 625
Sacramento, CA 95814
Phone: (916) 498-9608
Fax: (916) 498-9623
Email: njohnson@consumercal.org