

GENERAL PROVISIONS

- (1) Increases to rates and charges, including any reduction in the CARE discount, shall be reasonable and subject to a reasonable phase-in schedule relative to the rates and charges in effect prior to enactment of rate reform legislation.

FIXED CHARGES

- (1) The CPUC may not approve fixed charges for CARE customers.
- (2) Any fixed charges assessed on residential customers shall be differentiated based on both the size of the customer and whether the customer inhabits a multi-family or single-family dwelling.
- (3) Fixed charges or minimum bills may be differentiated based on whether the residential customer relies on any form of onsite generation.
- (4) No more than 5% of total residential class revenues shall be collected through fixed charges.
- (5) The CPUC shall take into account, when establishing a utility's cost of capital, any reduced risks to the utility associated with the establishment or continued existence of fixed charges.
- (6) The CPUC shall consider whether minimum bills are appropriate as a substitute for fixed charges.

BASELINE

- (1) CPUC may re-examine baseline zones and has authority to create additional zones if warranted.
- (2) The CPUC may consider modifying the seasonal and the applicable average use calculations for some or all baseline zones in a utility's service territory to better reflect seasonal usage patterns.

NON-CARE RATES

- (1) Eliminate existing restrictions in §739.9(a) and (b).
- (2) The CPUC shall approve default non-CARE rates with at least 3 tiers separated by a fixed ratio between the upper tier and the lower tier rates.

CARE RATES

- (1) Repeal restrictions on Tier 1, 2, and 3 CARE rates in §739.1(b)(2), (b)(3), (b)(4), and (b)(5), except as provided in (3) below.
- (2) The average effective CARE discount (on a class basis) shall be no less than 35% for each utility. CPUC is allowed flexibility in determining the design and level of the CARE discount for individual customers. The CPUC may consider discounts that decline with increasing usage.
- (3) The entire discount shall be provided in the form of a reduction in the overall bill for the eligible CARE customer. No portion of the discount may be provided in the form of services or equipment. The Commission may authorize additional benefits for CARE customers in the form of services or equipment.
- (4) Eligibility for one-person CARE households shall be based on two-person income guidelines.
- (5) The Commission may increase CARE income eligibility to 250% of federal poverty guidelines if it determines that such an increase is appropriate to preserve affordability.
- (6) Unless the Commission expands CARE income eligibility (as described in (5)), the Family Electric Rate Assistance Program shall be continued, with current eligibility criteria, and the CPUC shall approve the level of the discount based on the level of need as determined in the low-income needs assessment conducted pursuant to §382(d) and consistent with the method used to determine the CARE discount.
- (7) Preserve the following current statutory requirements:
 - a. Ensuring that low-income ratepayers are not jeopardized or overburdened by monthly energy expenditures (§739.1(b)(3)(A), §382(b))

- b. The level of the CARE discount shall correctly reflect the level of need as determined by the low-income needs assessment conducted pursuant to §382(d) and §739.1(b)(3)(B))
 - c. Varying levels of assistance may be provided to low-income customers with different household incomes or levels of need. (§739.1(b)(1), §382(b), §382(c))
- (8) Modify §382(d) to require that an assessment be conducted no less frequently than every three years to assess affordability and energy burdens for low-income customers.

TIME VARIANT PRICING

- (1) The Commission shall not establish a mandatory or default time variant pricing tariff for any residential customer except as provided in (2). Time variant pricing tariffs shall be available on an opt-in basis.
- (2) The Commission may establish default Time of Use rate schedules for residential customers beginning in 2020 subject to the following conditions:
 - a. All customers shall retain the ability to opt out of TOU in favor of a tiered rate structure.
 - b. Medical baseline, third-party notification customers and customers protected from remote disconnections due to a serious illness or condition (as detailed in D.12-03-054, Order 2.b.) shall not be placed on any Time of Use schedule without their affirmative consent.
 - c. The Commission shall ensure that the establishment of a default Time of Use rate schedule does not cause unreasonable hardship for senior citizens or economically vulnerable customers in hot climate zones.
 - d. The Commission shall ensure that the TOU periods are appropriate for at least the following five years.
- (3) Notwithstanding (2), the Commission may establish the following prior to 2020:
 - a. Default or mandatory Time of Use rates for customers with electric vehicles or customers with onsite generation.
 - b. Incentives or rebates for the reduction of peak period usage.

- (4) Each electric utility shall provide each residential customer, no less than once per year, using the delivery method of the customer's choosing, a summary of available tariff options with a calculation of expected annual bill impacts under each available tariff. The reasonable costs of providing this service shall be recovered in rates.