GENERAL PROVISIONS

(1) Increases to rates and charges in rate design proceedings, 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 adopt new or expanded fixed charges provided that it determines that any charges:
   a. Reasonably reflect the fixed costs of serving customers, including any differences between the costs of serving small and large customers, and reasonably balance fixed charges with incentives for conservation and energy efficiency.
   b. Reasonably ensure that low-income ratepayers are not overburdened by monthly energy expenditures as a result of fixed charges.

(2) The CPUC may authorize fixed charges designed to collect no more than 20% of the annual residential class revenues of each utility, which residential class revenues shall be no less than such annual revenues in effect on January 1, 2014, for the purpose of collecting a reasonable portion of the fixed costs of providing services to residential customers.

(3) The CPUC may consider whether minimum bills are appropriate as a substitute for fixed charges.

(4) Any fixed charges assessed on CARE customers shall be discounted by no more than 50% from the fixed charges assessed on non-CARE customers.

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 no more than 3 tiers separated by a fixed ratio between the upper tier and the lower tier rates with an appropriate gradual volumetric rate differential between the tiers.

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) In establishing CARE discounts for the three largest electric utilities (IOUs) in California, the Commission shall ensure that:

   a. The average effective CARE discount may be no less than 30% and no more than 35% off the revenues that would have been produced for the same billed usage by non-CARE customers. The average effective discount determined by the CPUC shall reflect any charges not paid by CARE customers, including CSI, DWR Bond Charge, SGIP, CARE Surcharge and any discount in the fixed charge.

   b. Consistent with General Provision (1), above, and as determined by the CPUC, no IOU may reduce its average effective CARE discount by more than a reasonable percentage decrease per year below its average effective CARE percentage discount in 2013.

(3) The entire discount shall be provided in the form of a reduction in the overall bill for the eligible CARE customer. 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 consistent with the limitation on the average effective CARE discount in (2), above.

(5) Preserve the following current statutory requirements:

a. Ensure 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))

(6) 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 non-tiered Time of Use rate schedules for residential customers beginning in 2018 subject to the following conditions:

a. All customers shall retain the ability to opt out of TOU in favor of an alternate 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 strive for TOU periods that are appropriate for at least the following five years.

(3) Each IOU shall provide each residential customer, no less than once per year, using a reasonable 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 summary shall not be provided to customers who notify the utility that they choose not to receive the summary. The reasonable costs of providing this service shall be recovered in rates.

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