

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 for the purpose of collecting a reasonable portion of the fixed costs of providing services to residential customers. The Commission shall ensure that any approved charges:
 - a. Reasonably reflect an appropriate portion of the different costs of serving small and large customers.
 - b. Do not unreasonably impair incentives for conservation and energy efficiency.
 - c. Would not overburden low-income customers.
- (2) The CPUC may authorize total residential fixed charges of no greater than \$10 per month for non-CARE customers and \$5 per month for CARE customers. This provision shall not apply to optional, non-default, non-tiered residential rate schedules.
- (3) Starting January 1, 2015, the maximum allowable non-CARE and CARE residential fixed charges may be increased by no more than the annual percentage increase in the Consumer Price Index for the prior calendar year. For purposes of this section, the annual percentage change in the Consumer Price Index shall be calculated using the same form of Consumer Price Index previously used under Section 739.9(a).
- (4) Nothing in this section requires the CPUC to approve any new or expanded fixed charge.
- (5) The CPUC may consider whether minimum bills are appropriate as a substitute for fixed charges.

- (6) For purposes of this section, the term “fixed charge” is defined to include fixed customer charges, basic service fees, demand differentiated basic service fees, demand charges or any non-volumetric charge.

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 2 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. The average effective CARE discount shall be calculated as a weighted average of the discounts provided to individual CARE customers.
 - 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 January 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) CARE income eligibility shall be set at no more than 200% of the federal poverty level except that the CPUC may determine that gas and electric customers are categorically eligible for CARE assistance if they reside within the service territory of an electrical corporation or gas corporation and are enrolled in other public assistance programs with substantially the same income eligibility requirements as the CARE program consistent with the requirements of Section 739.1(b)(1) and (e)(1).
- (5) Eligibility for one-person CARE households shall be based on two-person income guidelines.
- (6) 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))
- (7) 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, with or without inclining block tiers, for residential customers beginning in 2018 subject to the following conditions:
- a. All customers shall retain the ability to opt out of TOU.
 - 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.), and other customers designated by the CPUC in its discretion, 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.
 - e. Additionally, the protections in existing Sections 745(d)(1) and (3) shall be maintained.
- (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.