

The organizations listed above ask for your support of AB 327 (Perea) as proposed to be amended by RN 13 XXXXX which would reform the residential electric rate structure of investor owned utilities. Our support is the outcome of extensive, good faith discussions in which all of us have agreed to significant compromises on our respective positions in order to support a bill that is balanced, fair and fixes the significant inequities in the current residential electric rate structure in California.

The bill would remove the restrictions in law today that limit the California Public Utilities Commission's (CPUC) ability to address the inequities of the current rate design. As you may know, the CPUC has an open proceeding where we have presented our respective opinions on the optimal rate design. AB 327 would allow for the CPUC to move forward with their proceeding and adopt a decision balancing the opinions of all interested parties while at the same time providing certain principles and conditions are applied namely:

- Eliminate the outdated restrictions on rate design that was enacted during the energy crisis;
- Preserve and expand statutory protections for low-income customers enrolled in the CARE program providing discounts of between 30 and 35 percent off their electric bill
- Expand the eligibility provisions for CARE to better target assistance to those most in need of assistance;
- Restrict the imposition of fixed monthly charges to \$10 for residential customers and \$5 for CARE customers to cover fixed costs of service;
- Ensure a reasonable transition period providing customer education and outreach on implementation of the rate design reforms; and
- Allows for Time of Use rates for residential customers in 2018 on an optional customer-choice basis.

Rate design is a very complex and contentious issue at the CPUC but through months of good faith negotiations, consumer groups and utilities have reached a historic agreement on the principles for rate design that we believe will serve residential customers well.

We are united in our strong support for AB 327 as proposed to be amended and ask for your Aye vote without additional changes.