July 5, 2013

The following are proposed IOU amendments to the July 3, 2013 version of AB 327 (Page and section references are to document RN 13 22209).

I. Page 2. Add the following to Section 739.1, as subdivision (b)(3):

(3) That the income eligibility for one-person CARE households shall be based on two-person household income guidelines.

II. Page 3. Delete last sentence of Section 739.1(c)(1)

The average effective CARE discount shall not be less than 30 percent or more than 35 percent of the revenues that would have been produced for the same billed usage by non-CARE customers. The average effective discount determined by the commission shall reflect any charges not paid by CARE customers, including payments for the California Solar Initiative, payments for the self-generation incentive program made pursuant to Section 379.6, payment of the separate rate component to fund the CARE program made pursuant to subdivision (a) of Section 381, payments made to the Department of Water Resources pursuant to Division 27 (commencing with Section 80000) of the Water Code, and any discount in a fixed charge. The average effective CARE discount shall be calculated as an average of the CARE discounts offered to individual customers.

III. Page 5. Revise Section 739.9(c), as follows:

The commission may authorize fixed charges that do not exceed ten dollars (\$10) per residential customer account per month. <u>Beginning January 1, 2015, the</u> The maximum allowable fixed charge may be <u>adjusted increased</u> by no more than the annual percentage <u>change increase</u> in authorized residential class revenue requirements <u>the Consumer Price Index for the prior year</u>. This section does not require the commission to approve any new or expanded fixed customer charge.