

August 7, 2013

Senator Kevin de Leon, Chair
Senate Appropriations Committee
State Capitol, Room 5108
Sacramento, CA 95814

Re: AB 327 (Perea) as Amended July 8, 2013 - **SUPPORT**

Dear Senator de Leon:

Southern California Edison (SCE) is pleased to support AB 327 (Perea). As amended by Senate Energy Committee and by the author, AB 327 provides a framework to allow the California Public Utilities Commission to move forward with proceedings to meaningfully reform the residential rate structure and provide much needed rate relief.

The rate reform framework in AB 327 provides:

- A removal of the energy crisis era rate restrictions;
- An authorization to the commission to implement a fixed charge up to \$10 per month for non-CARE customers and up to \$5 for CARE customers;
- Discounts to CARE customers of not less than 30% and not more than 35%;
- Phasing in of any rate changes to mitigate bill impacts; and
- Allow for default Time of Use (TOU) pricing beginning in 2018.

SCE supports this framework and believes that rate reform and rate relief are urgently needed to provide balance to a current rate structure that no longer reflects costs to serve customers and has significantly overburdened many higher usage customers. Many of the customers that have been bearing most of the cost increases in rates since the tiered rate restrictions went into effect 12 years ago are lower to moderate income households. The current rate situation has reached a crisis point on affordability for these residential customers and may hamper our ability to continue to finance the distribution grid in rates. AB 327 will ensure the CPUC has the ability to establish a rate structure that equitably recovers some fixed costs from all residential customers while continuing to address rate affordability.

SCE strongly supports AB 327 which will allow the CPUC to set appropriate rates that are fair and equitable to all residential customers. We ask for your 'aye' vote on this urgently needed measure.

Sincerely,



Kelly E. Boyd
Director, State Public Affairs

cc: Assembly Member Henry T. Perea
Senator Mimi Walters, Vice Chair
Members, Senate Appropriations Committee