

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on the
Commission's Own Motion to Conduct a
Comprehensive Examination of Investor
Owned Electric Utilities' Residential
Rate Structures, the Transition to Time
Varying and Dynamic Rates, and Other
Statutory Obligations.

R.12-06-013

**PREHEARING CONFERENCE STATEMENT OF THE
COALITION OF CALIFORNIA UTILITY EMPLOYEES
ON PHASE 1 RATE CHANGES**

March 10, 2014

Marc D. Joseph
Jamie L. Mauldin
Adams Broadwell Joseph & Cardozo
601 Gateway Blvd., Suite 1000
South San Francisco, CA 94080
(650) 589-1660 Voice
(650) 589-5062 Fax
mdjoseph@adamsbroadwell.com
jmauldin@adamsbroadwell.com

Attorneys for Coalition of California
Utility Employees

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Pursuant to the Assigned Commissioner's Ruling Requiring Utilities to Submit Rate Change Proposals (ACR) issued February 13, 2014, the Coalition of California Utility Employees (CUE) offers this Prehearing Conference Statement.

1. The Specific Factual and Legal Issues that the Commission Needs to Decide in Phase 1 of this Proceeding

Phase 1 of this proceeding will decide the future of California's residential rate design. The decision in Phase 1 will have far reaching implications on the affordability of electricity, incentives for energy efficiency and customer side generation, and the equitable allocation of the costs of California's long term electric infrastructure investment needs. Because this is such a broad and complex task, there are many factual and legal issues that must be included in the scope of this proceeding. At a minimum, CUE believes the following must be included:

- 1) What standard will the Commission use to decide whether TOU rates should be available as an opt-in or opt-out rate option?
- 2) How many tiers should be in use in 2018 and beyond?

- 3) What should be the ultimate differential between tiers?
- 4) What are the income effects of different rate structures in different geographic regions during the transition period? In 2018 and beyond?

2. The possibility and/or status of settlement discussions.

CUE hopes that like in Phase 2, some, if not all, parties can settle some of their issues.

3. The need for discovery/data requests and the anticipated date that discovery will be completed.

N/A

4. The need for evidentiary hearings, including the estimated number of days required and type of testimony to be addressed at the hearings.

CUE believes evidentiary hearings will be necessary, but should only be limited to testimony containing issues of fact. Any testimony addressing policy concerns should be addressed in briefing.

5. Comments on the preliminary procedural schedule above.

None.

Dated: March 10, 2014

Respectfully submitted,

/s/

Marc D. Joseph
Jamie L. Mauldin
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