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	Rulemaking 12-06-013 (Filed June 21, 2012)

CENTER FOR ACCESSIBLE TECHNOLOGY'S COMMENTS ON DECISION ON PHASE 2 RATE CHANGE PROPOSAL SETTLEMENT AGREEMENTS OF PACIFIC GAS AND ELECTRIC COMPANY, SOUTHERN CALIFORNIA EDISON COMPANY, AND SAN DIEGO GAS AND ELECTRIC COMPANY FOR SUMMER 2014 RATE REFORM

CENTER FOR ACCESSIBLE TECHNOLOGY
MELISSA W. KASNITZ
3075 ADELINE STREET, SUITE 220
BERKELEY, CA 94703
510/841-3224
service@cforat.org

May 29, 2014

I. INTRODUCTION

In accordance with Rule14.3 of the Commission's Rules of Practice and Procedure, the Center for Accessible Technology (CforAT) files these timely comments on the Proposed Decision on Phase 2 Rate Change Proposal Settlement Agreements of Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas and Electric Company for Summer 2014 Rate Reform (the PD).

II. DISCUSSION

A. Long-Term Reform

While CforAT maintains our position, previously set forth in briefing, that the changes in rate design that would be adopted through the PD approving the proposed settlements do not adequately address concerns about affordability,[1] the PD recognizes that this issue will be addressed more directly in the ongoing phase of this proceeding addressing long-term changes in rate design. We look forward to such further review.

1. Affordability in Context

The PD properly recognizes the need to consider rates in context,[2] something that CforAT has long advocated.[3] In its discussion of context for rates, however, the PD gives only limited examples of contextual material.[4] As CforAT has stated previously, such consideration should also include other contextual matters concerning affordability, such as the high levels of unemployment and underemployment in California, the stagnation of

[1] *See* PD at p. 46.

[2] PD at p. 49.

[3] This issue, and the way it has been raised in multiple proceedings, was discussed at length in CforAT's Rate Design Proposal, filed in conjunction with the Greenlining Institute, on May 29, 2013 at pp. 27-31.

[4] The PD specifically identifies four elements as context for the settlements: (1) the fact that the settlements would go into effect at approximately the same time as all three IOUs are implementing higher revenue requirements; (2) the idea that evaluation of rates should consider both percentage increases and actual dollar increases; (3) that high usage customers are the most likely to request payment extensions and arrangements; and (4) that CARE and TIER 1 and 2 rates have increased little in recent years. PD at pp. 45-50.

wages (particularly for lower-income positions), the increased costs of other necessities, and the cuts or freezes to various forms of low-income support. The PD should be modified to make clear that the contextual examples it provides are not the sole relevant contextual elements for consideration of changes in rate design, and that parties are free to discuss other relevant elements of context.

2. No Primacy to Cost of Service

The PD as written places undue emphasis on the rate design principle of "cost of service," which is only one of the ten principles adopted for consideration of changes to rate design.[5] As CforAT previously argued in conjunction with the Greenlining Institute, "the cost-causation principle is only one of ten rate design principles set forth in the Scoping Memo – none of which is described as being paramount than any other."[6] The PD should not highlight this one rate design principle as having greater importance than any other rate design principle; at minimum, the PD should state explicitly that no single principle of rate design is more important than any other principle, and that the Commission will have to consider how to balance competing principles as part of its long-term review.

B. California Climate Credit

CforAT has reviewed the comments of the Greenlining Institute with regard to the PD's treatment of the California Climate Credit and supports them in full. Overall, the PD appropriately finds that the issue of how to treat the Climate Credit is ripe for review, and further appropriately finds that that the Climate Credit should be excluded from bill impact analysis and from the calculation of CARE discounts.

---

[5] Cost of service is repeatedly emphasized in the PD's description of the history leading up to this rulemaking (see pages 2-5) as well as the brief discussion of the identified rate design principles. PD at p. 45.

[6] *See* Motion of the Greenlining Institute and the Center for Accessible Technology to Strike Portions of the Assigned Commissioner's Ruling Inviting Utilities to Submit Interim Rate Change Applications, filed on November 8, 2013, at p. 7-8.

III. CONCLUSION

CforAT looks forward to the Commission's ongoing attention to the future of rate design and its efforts to ensure that adequate supplies of electricity are affordable for all customers.

Respectfully submitted,

/s/ Melissa W. Kasnitz

____

MELISSA W. KASNITZ
Attorney for Center for Accessible Technology
3075 Adeline Street, Suite 220
Berkeley, CA 94703
Phone: 510-841-3224
Fax: 510-841-7936
Email: mkasnitz@cforat.org

May 29, 2014