## California High Cost Fund-B Administrative Committee (CHCF-B-AC)

June 30. 2016

Tim Sullivan
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California Public Utilities Commission
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# CHCF-B ANNUAL REPORT-
# 2015-16

This CHCF-B Annual Report for 2015-16 is submitted to the California Public Utilities Commission by the CHCF-B-AC in compliance with California Public Utilities Code Section 273(b). It includes the AC-adopted (and draft) minutes of the Administrative Committee meetings for:

- July 23, 2015 - Adopted
- October 21, 2015 - Adopted
- February 10, 2016 - Adopted
- June 9, 2016 - Draft

Due to high CHCF-B account balances, the CHCF-B customer surcharge was reduced on March 24, 2011 from 0.45% to 0.30%. It was reduced again, effective February 1, 2014, in Resolution T-17417, to 0.00%. Carrier claim payments, the Fund's most significant variable expense, were $17.47 million in FY 2014-15 and expected to be $16.8 million for FY 2015-16. Total program budgeted expenditures for FY 2015-16 are $22.4 million.

Between October 2008 and June 2012 the State of California General Fund borrowed a total of $134 million from the CHCF-B as a means of addressing the State's fiscal crisis. A portion of this loan, $75 million, was repaid with interest June 30, 2014. An additional $10 million was transferred from the Fund on June 26. 2015 to the Railroad Accident Prevention and Response Fund (RAPR), with repayment expected on July 1, 2017. Another $10 million loan is expected to be transferred in late June 2016, also to RAPR. . The remaining $59 million loan from the CHCF-B to the State's General Fund is currently expected to be repaid after the end of 2017-18, unless the CHCF-B requires the repayment earlier.

Sincerely,

Charlotte Chitadje, Chairperson
CHCF-B-Administrative Committee