

Comparison of the Florio Alternate Residential Rate Design Proposal With the Decision Adopted on 7/3/2015

The Alternate Proposed Decision of Commissioner Florio proposed a 3-tier rate structure to ensure that customers with electricity usage well above the residential average pay a higher rate for electricity used in excess of 200% of their baseline electricity allocation. The revised PD creates a Super User Electric (SUE) Surcharge to achieve a similar result. The SUE Surcharge will apply only to customers who use an extreme amount of electricity, over 400% of baseline usage. The SUE Surcharge rate will result in a higher rate than the APD third tier, but will apply to a smaller number of customers and a smaller proportion of those customers' usage.

The APD rejected the application of a fixed charge for the foreseeable future. The revised PD makes it clear that the utilities' request for a fixed monthly charge is rejected in this proceeding, and requires the utilities to wait several years and meet certain conditions (including the implementation of default time-of-use rates) before they can make a new request for a fixed charge.

For CARE rates, the revised PD matches the APD by extending until 2020 the glidepath for reducing the effective CARE discount to 35%.

Both the Revised PD and APD include the following:

- Continue the tier consolidation process, including adjusting California Alternate Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) discounts to reflect tier convergence.
- Implement a minimum bill for the remainder of 2015.
- Institute a special outreach program to educate lower tier customers on no-cost and low-cost conservation measures.
- Promptly begin the process of improving rate comparison tools and educational materials so that customers can more readily understand their energy bills.
- Promptly begin the process of designing TOU pilots (both opt-in and default), as well as study design for TOU opt-in rates.
- Require the IOUs to provide regular updates on progress toward rate reform, including an annual update, regular workshops, and quarterly reporting.