

I will not be moving my alternate because there's not support, but we also have a decision today that is very much a compromise.

None of us are entirely happy with the decision and none of the parties will be happy with the decision, certainly not the advocates (for) consumer and environmental interests and not the utilities. They're not getting what they want either.

I've heard PUC commissioners for years say, 'Well everybody hates our decision so we must have gotten it right.' I don't know if that's true or not, but we definitely have a decision today that is a compromise. That's how democracy works; nobody gets everything that they want. My alternate showed what I would do if I were king, but I'm not, and there are many people who are very happy that I'm not. We met as a group in legally authorized Ratesetting Deliberative Meetings five times for all of us to come together and come up with the best decision we could. We found that much of the information we have and the testimony that was presented over the course of the last three years is conflicting. Some of us believe very strongly that tiered rates encourage conservation; others believe that that's not true. The evidence is inconclusive. Some of us believe that tiered rates benefit lower income people; others dispute that. The evidence is inconclusive. So we end up with a situation where the best we can do is to work together with the information we have and come up with a compromise.

Now we live in a culture and a media environment that thrives on conflict, on winning and losing. We focus on 5-4 Supreme Court decisions, win-or-lose elections, red or blue, soccer matches that come down to a 2-1 score, but today this Commission is taking a different path. It's based on listening to each other, learning and sharing ideas. The deliberative process works to produce better and more stable results. That's what we have today. The revised Proposed Decision is very much a blend of the original Proposed Decision and my alternate. On fixed charges, the original Proposed Decision committed to adopting them, the alternate said not now, not ever; what we have today is we'll look at it again in four or five years. On the tiers, the original Proposed Decision had two tiers, 20 percent apart. The alternate had three tiers, 33 per cent apart. Today's decision has two tiers, 25 per cent apart and a Super User surcharge for usage over four times the baseline that is 75 per cent higher than the second tier; that's over double the baseline price.

Based on the numbers, we saw this outcome essentially splits the difference between the original Proposed Decision and the alternate. On the CARE program where we're required by law to reduce the discount to 35 per cent, we have extended the transition period from 2018 to 2020 as suggested in the alternate. And on the FERA program for large families, we've increased the 10 per cent discount in the Proposed Decision to 12 per cent. So overall this is very much a compromise. We're on the cusp of a new electricity world where zero marginal costs solar power may be plentiful at 2pm and quite scarce at 8pm. We need a rate structure that reflects that new reality.

I especially want to thank President Picker for his extraordinary leadership in setting the goal of a unanimous decision on these contentious topics and to all my colleagues for doing the uncomfortable work to get us there. It has not been easy. I don't think there's any decision in my memory that has received as much attention, debate and give-and-take as this one. There are a lot of people to thank, starting with our incredibly diligent ALJs, Jeanne McKinney and Julie Halligan. President Picker will have a longer list of thank-you's, but I particularly want to note Joyce Tom in our STAR unit for her heroic work on getting my alternate prepared, and my advisors Jessica Hecht and Matthew Tisdale for all their support. Thank you.