



DIVISION OF RATEPAYER ADVOCATES
2011 Annual Presentation

Assembly Utilities and Commerce Committee
March 14, 2011

Joseph P. Como, Acting Director

The Voice of Consumers, Making a Difference!



DRA STAFF

- ▶ **Joe Como**, Acting Director
 - ▶ **David Ashuckian**, Deputy Director for Energy
 - ▶ **Phyllis White**, Deputy Director for Water and Communications
 - ▶ **Cheryl Cox**, Policy Advisor
 - ▶ **Matthew Marcus**, Legislative Director
-
- ▶ **Authorized staff of 142 program managers, engineers, scientists, policy advisors and financial analysts**

The Voice of Consumers, Making a Difference!





Who We Are



- ▶ DRA is an independent consumer advocacy division within the California Public Utilities Commission that advocates on behalf of **electricity**, **natural gas**, **water** and **communications** service for residential and small business customers
- ▶ DRA's statutory mandate is to represent and advocate on behalf of public utility customers to obtain the lowest possible rates for utility service consistent with safe and reliable service levels
- ▶ DRA is the only state government entity charged with this mission
- ▶ DRA ensures that utility customers are represented at the CPUC, Legislature and in other forums that affect how much they pay for utility services and the quality of those services

The Voice of Consumers, Making a Difference!





Summary of Essential Facts

- ▶ **Funded exclusively through the PUC Ratepayer Advocate Account under PUC Code Section 309.5(f), and not the General Fund**
- ▶ **For Every \$1 customers spent on DRA, they saved nearly \$200 on their utility bills**
- ▶ **DRA's budget for 2010 representing only 1/10 of one percent of the revenues generated by California's regulated utilities**
- ▶ **DRA's budget for 2011 is unchanged from 2010**

The Voice of Consumers, Making a Difference!





What We Do

Before the CPUC

DRA is a party in CPUC proceedings and advocates on behalf of customers on electricity, gas, water and communications issues.

- ▶ Auditing & analysis
- ▶ Investigation & discovery
- ▶ Expert witness testimony in evidentiary hearings
- ▶ Legal briefings
- ▶ Oral arguments

Before other Forums

- ▶ DRA advocates for customer protections in policies adopted by other agencies
- ▶ DRA present the customer perspective in meeting before other entities such as the Low Income Oversight Board

Before the Legislature

- ▶ Take positions on bills
- ▶ Participate in bill and informational hearings
- ▶ Provide technical assistance to legislative offices
- ▶ Participate in working group meetings to resolve complex issues

The Voice of Consumers, Making a Difference!





2010 Ratepayer Savings & Protections

▶ DRA saved residential and small business customers more than \$5 Billion

- Energy Customer Savings: \$5 billion
- Water Customer Saving: \$73 million
- Communication Customer Savings: Extended the rate cap on lifeline rates for low income customers
- DRA saved customers nearly \$200 for each \$1 dollar allocated to DRA

▶ Customer Protections Increased

- Established stronger anti-cramming rules for phone users
- Increased enforcement of service quality standards for communications
- Advocated for multi-line telephone system E9-1-1 standards.
- Negotiated better options for energy customer disconnection rules
- Worked with small business groups on dynamic pricing rules for electricity
- Established consumer friendly deposit rules for small business energy customers

The Voice of Consumers, Making a Difference!





How Ratepayer Savings and Protections Were Achieved

DRA successfully represented utility customers

- ▶ Advocated in 205 CPUC proceedings
- ▶ Filed 667 pleadings in CPUC proceedings
- ▶ Advocated for customers before CPUC Commissioners and/or their staff over 300 times
- ▶ Participated in numerous CPUC informal meetings and workshops
- ▶ Represented consumers in other forums related to CPUC proceedings
- ▶ Advocated before the Legislature
 - Provided technical legislative assistance
 - Took positions on bills
 - Testified in informational and bill hearings
 - Participated in working groups





DRA Before the Legislature

DRA has been active on the following issues before the Legislature



- ▶ Renewable Portfolio Standard
- ▶ Advanced Metering Infrastructure (Smart meters)
- ▶ Energy Efficiency
- ▶ Greenhouse Gas Emissions/Cap and Trade
- ▶ Broadband Deployment and Adoption
- ▶ LifeLine Telephone Service
- ▶ Water Supply and Conservation

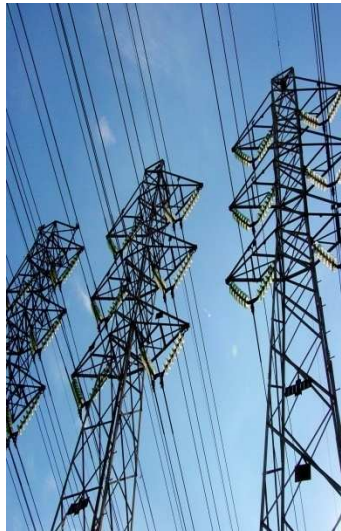
The Voice of Consumers, Making a Difference!





Energy Accomplishments for 2010

- ▶ DRA saved customers more than \$5 Billion in 2010 by challenging utility requests for rate increases



General Rate Cases	Pacific Gas and Electric	\$2.4 Billion
	PacifiCore	\$13 Million
	Natural Gas Trans/Storage	\$207 Million
Energy and Capacity Procurement		\$1.3 Billion
PG&E Cornerstone Improvement Program		\$1.0 Billion
Customer Rate and Demand Response Program		\$127 Million
Preventing Disconnections		\$119 Million

- ▶ Released **Solar PV Price Trends Report** – Price of solar panels and CSI systems have declined, but the utility bid prices are increasing



The Voice of Consumers, Making a Difference!



Energy Priorities for 2011



▶ **Four General Rate Cases**

- Pacific Gas and Electric
- Southern California Edison
- San Diego Gas and Electric
- Southern California Gas Co.



Cumulative Revenue
Request of greater than
\$11 Billion

▶ **Cost Effective Achievement of**

- Cap and Trade Program
- Energy Efficiency Goals
- Smart Grid
- Time Variable Rates for Residential and Small Business

▶ **Low Income Utility Affordability and Service Disconnections**

▶ **Renewable Contract Cost Containment**

The Voice of Consumers, Making a Difference!





Water Accomplishments in 2010

▶ **DRA saved ratepayers more than \$73 Million in Water Utility General Rate Cases**

General Rate Cases	Request Reductions	Savings
California Water Service Statewide Case	65%	\$44.0 million
California American Water Company (Larkfield, Los Angeles, Sacramento Districts)	26%	\$5.1 million
Valencia Water Company	80%	\$3.8 million
Golden State Water Region II and III	31%	\$15.6 million
Great Oaks Water Company	54%	\$1.0 million



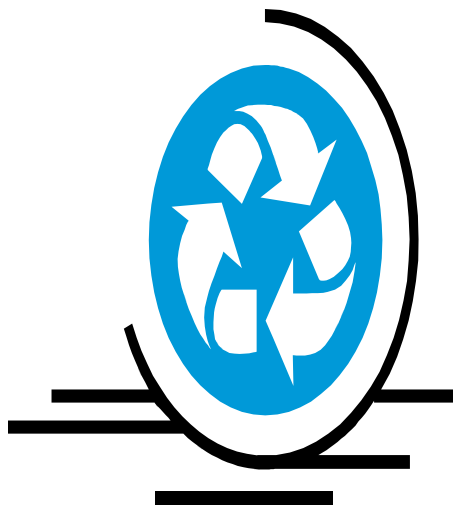
- ▶ DRA's advocacy efforts saved water customers an average of \$100 per customer annually
- ▶ DRA persuaded the CPUC to adopt consumer-favorable ratemaking treatment of monies utilities receive from contamination lawsuits.
- ▶ DRA successfully convinced the CPUC to initiate a rulemaking to consider new water recycling policy and guidelines

The Voice of Consumers, Making a Difference!





Water Priorities in 2011



- ▶ Advancing customer issues in General Rate Cases
 - California American Water Statewide Case (7 Service Districts)
 - Park Apple Valley and General Office (1 Service District)
 - Suburban Water (1 Service District + General Office)
 - Golden State Water Statewide Case (16 Service districts)
 - San Gabriel Water (1 Service District)

- ▶ Fostering cost-effective water conservation and associated energy-saving measures

- ▶ Identifying the best water supply solutions to address long-term water supply needs, such as water recycling and rain re-capture technologies

- ▶ Examining the effects on customers of proposed mergers and acquisitions

- ▶ Advocating for the CPUC to adopt water industry benchmarks and best practices to improve utility performance

The Voice of Consumers, Making a Difference!





Communications Accomplishments in 2010

DRA achieved cost savings balancing subscriber benefits & needs with affordable rates



- ▶ **LifeLine Telephone Program** – Preserved affordable rates and expanded the program to include wireless service
- ▶ **Price Controls on Basic Residential Service** – Investigated and published a report demonstrating non-competitive rate increases and successfully petitioned the CPUC to extend price controls on Basic Rates
- ▶ **Protections from Cramming** – Achieved stronger rules against cramming and was instrumental in CPUC prohibition of fraudulent third party charges
- ▶ **Service Quality & Reliability** – Instrumental in shaping standards and metrics for delivery of improved customer services
- ▶ **CASF Broadband Program** – Advocated for increasing transparency, accountability and effectiveness of the \$225 million fund

The Voice of Consumers, Making a Difference!





Communications Priorities in 2011



- ▶ **Price Controls for Basic Residential Service** – Continuing to advocate for caps on basic rate and for robust investigation into whether the industry is or is not competitive.
- ▶ **LifeLine Telephone Program** – Implementing wireless service options and affordable landline rates for vulnerable customers
- ▶ **Broadband** – promoting ubiquitous access, cost effectiveness, accountability and transparency
- ▶ **Customer Protections** – Improving rules prohibiting abusive practices and ensure utilities face penalties for service degradation
- ▶ **Public Safety & Critical Infrastructure** – Participate in CPUC and other appropriate forums such that these crucial matters are resolved affectively and the cost to ratepayers is appropriate

The Voice of Consumers, Making a Difference!





DRA Facts

- ▶ **History:** CPUC created DRA (formerly known as the Public Staff Division) in 1984 - Legislature then codified DRA in 1996 (SB 960, Statutes of 1996)
- ▶ **Budget:** DRA develops its own budget which is funded by its own line item in the state budget
- ▶ **Staff Size:** DRA has 142 authorized positions, including economists, engineers, policy analysts, auditors and accountants
- ▶ **Legal Resources:** CPUC's Legal Division assigns lawyers to represent DRA in individual proceedings
- ▶ **Creation Of DRA's Chief Counsel:** SB 608 (Escutia, Statutes of 2005) authorized the DRA Director to appoint a Chief Counsel to represent the Division and to oversee the lawyers assigned by the CPUC to DRA

The Voice of Consumers, Making a Difference!





Executive Management Team

- ▶ **Acting Director/Legal Counsel, Joe Como:** Since Dana Appling's untimely passing in August, DRA's Legal Counsel Joe Como has served as DRA's Acting Director. The Acting Director manages the advocacy activities of three energy branches and the water and communications policy branches consisting of 142 staff. Mr. Como is also responsible for all of DRA's legal activities.
- ▶ **Deputy Director/Energy, David Ashuckian:** David Ashuckian oversees the activities of DRA's three Energy branches: Energy Cost of Service Branch, which works on ratemaking activities including Natural Gas; Policy and Planning Branch which works on electric procurement, transmission, and climate change activities including renewables; and the Electricity Pricing and Customer Programs Branch which works on rate design, demand-side management, and low income programs.
- ▶ **Deputy Director/Water & Communications Policy, Phyllis White:** Phyllis White oversees the activities of DRA's Water and Communications branches. The Water Branch works on general rate cases and water policy. The Communications Policy Branch works on issues related to the customer protection, service quality, communications infrastructure and small carrier rate cases.
- ▶ **Policy Advisor, Cheryl Cox:** Cheryl Cox is responsible for leading DRA's lobbying and public outreach efforts. She coordinates DRA's efforts to educate and persuade policymakers on ratepayer issues for energy, water, and telecommunications. Cheryl works to educate the public through the media and working collaboratively with community stakeholders.
- ▶ **Legislative Director, Matthew Marcus:** Matthew Marcus is based in Sacramento and leads DRA's legislative lobbying and educational efforts before the Governor's office, Legislature, Department of Finance, Legislative Analyst's Office and other entities.

The Voice of Consumers, Making a Difference!





DIVISION OF RATEPAYER ADVOCATES

Contact Information

Joe Como, Acting Director

JOC@cpuc.ca.gov

(415) 703-2381

Matthew Marcus, Legislative Director

MNM@cpuc.ca.gov

(916) 327-3455

The Voice of Consumers, Making a Difference!

