DRA

DIVISION OF RATEPAYER ADVOCATES

2012 Annual Report

Submitted to the Legislature
January 10, 2013

DRA's Statutory Mission

To obtain the lowest possible rates for service consistent with reliable and safe service levels. In fulfilling this goal, DRA also advocates for customer and environmental protections.

Edited by Cheryl Cox

Graphics Dan Hartmann
with contributions by Charmian Desales

DRA 2012 Annual Report

For full highlights of DRA's 2012 work, please visit:
www.dra.ca.gov/AR2012.aspx

Submitted to the Legislature
January 10, 2013

DRA

Division of Ratepayer Advocates
California Public Utilities Commission

JOSEPH P. COMO
Acting Director

505 Van Ness Avenue
San Francisco, California 94102
Tel: 415-703-2381
Fax: (415) 703-2057

http://dra.ca.gov

Honorable Jerry Brown, Governor of the state of California, and distinguished members of the California State Legislature:

I am pleased to present to you the Annual Report of the Division of Ratepayer Advocates (DRA) of the California Public Utilities Commission (CPUC). This Annual Report highlights the major accomplishments and DRA activities in 2012 and offers our insight, from a consumer advocate's prospective, of the challenges and issues facing California's utility ratepayers.

This year's Annual Report is more streamlined than in past years. In an effort to be more "green" we have chosen to limit the information on paper to what is necessary to conform to statute and inform lawmakers and the public of DRA's major activities. This Annual Report fulfills DRA's legislative requirement to provide the following information:

1. The number of personnel years assigned to DRA and a comparison of the staffing levels for a five-year period.
2. The total dollars expended by DRA in the prior year, estimated total dollars expended in the current year, and the total dollars proposed for appropriation in the following budget year.
3. Workload standards and measures for DRA.[1]

For anyone interested in more depth of topic, they are encouraged to visit our online Annual Report at http://www.dra.ca.gov/AR2012.aspx.

DRA's statutory directive is to represent and advocate on behalf of the interests of public utility customers and to obtain the "lowest possible rate for service consistent with reliable and safe service levels." DRA plays a critical role in ensuring that public utility customers are represented before the CPUC and in other forums that affect how much customers pay for utility services and the reliability and quality of those services. In the evolving landscape of California's energy, water, and communications policies, DRA's role is as an important partner in helping to shape state policies that affect utility customers.

As in the past, DRA has been a cost-effective organization in its representation of utility customers. For every dollar spent by DRA, utility customers have saved at least $153. Not all of that savings is due to DRA efforts alone, but as the largest utility customer advocate in the state, DRA has been instrumental in achieving that level of savings. Savings have occurred in many different areas, as highlighted in this Annual Report. The utilities' General Rate Cases (GRCs) continue to be a central area of focus for DRA because it is through a GRC application that the utilities obtain the CPUC's approval for most programs and customer charges. In addition, the four largest investor-owned utilities each filed a Cost of Capital application, requesting an update to their individual Return on Equity (ROE).

A major energy activity for DRA in 2012 was to scrutinize and evaluate natural gas transmission pipleline safety plans. In the wake of the San Bruno natural gas pipeline explosion of 2010 the CPUC ordered gas utilities to submit gas safety plans. DRA reviewed the plans and the CPUC released a decision in December that took many of DRA's recommendations. DRA will continue to expand its focus on the utility safety-related programs.

[1] Public Utilities Code Sections 309.5 (g).

In the area of energy policy, DRA actively supported the goal of increasing renewable resources in California. DRA has been a critical consumer advocate in helping to find ways for the state to meet its goals to reduce greenhouse gases, to increase energy efficiency, and to keep the energy system reliable. It is important to meet these goals in ways that do not unnecessarily burden utility customers, especially low-income customers.

The Governor's Clean Energy Jobs Plan includes a specific target of 12,000 megawatts of distributed generation, targeting localized energy, in order to spur investment in renewable energy and help meet the state's ambitious climate goals. An area of much energy policy activity in the past year has been trying to achieve the right balance between encouraging more distributed renewable energy investment and finding ways to prevent unfair cost shifting to nonparticipating customers. DRA is committed to helping the state achieve this goal with the least impact on ratepayers. To this aim, DRA has been active at the CPUC, with other state agencies, and the legislature to find equitable solutions.

There is upward pressure on energy costs that will drive up rates in the coming years. This includes costs to modernize the energy delivery systems and costs to replace aging fossil fuel power plants. While renewable energy generation provides different cost challenges than does traditional fossil fuel generation, it will provide additional benefits as California transforms to a more stable long-term energy economy. DRA's analysis shows that, while replacing aging infrastructure will be the major cost driver over the next 8 years, the part of rates attributable to renewable energy should only be in the range of 5% to 9% of total rate increases. California is a leader in coming to terms with the reality that energy production needs to be sustainable and safe. While the challenges to get us to a renewable energy economy are not easy, DRA is committed to helping making this transition as reasonable as possible.

To complement our advocacy work, DRA has published research reports on specific issues that affect consumers' pocketbooks. In January 2012, DRA released The Renewable Jungle, a guide designed to aid the public, potential renewable developers, and policymakers. DRA also published a case study of Southern California Edison's smart meter program, examining the utility's funding requests and presenting findings and recommendations for ensuring ratepayer benefits.

In the area of Water Policy, DRA has advocated for cost-effective conservation, recycling, and recapture programs and encouraged associated energy savings measures. DRA also advocated to expand low-income programs and sought out the best solutions to address long-term water supply needs. In 2012, DRA worked on 5 general rate cases and 6 cost of capital proceedings in which water utilities requested to increase their revenues by nearly $167 million. DRA negotiated more than $44 million in reduced revenue requests for water customers, which will result in an averaging monthly savings of $6 per customer.

DRA is also working with other state agencies to find ways of reducing greenhouse gases through less energy intensive water processing and delivery. Moving and treating water is the single largest use of energy in California. Programs or techniques that can reduce water production (i.e., conservation, leak detection, more efficient pumps) can lessen the energy footprint of water. Conservation and leak elimination also save precious water.

In the field of Communications, DRA advocated for equitable treatment of wireline and wireless services, including keeping it available, high-quality, reliable, and affordable. DRA advocated for improvements to low-income Public Purpose Programs, cost-effective broadband deployment and adoption, and enhanced rules to protect limited English speakers. DRA successfully advocated for changes to CPUC's definition of "Basic Service" to be more flexible and to accommodate new technologies that can better serve customers' communication needs.

DRA also plays an active role outside of the CPUC. Most importantly, DRA provides informational briefings as requested by members of the State Legislature and the Governor's office.

DRA has a dedicated and talented staff of professionals, including accountants, economists, engineers, and scientists. DRA will endeavor to continue its role as an important resource for decision-makers and utility customers.

Joseph P. Como

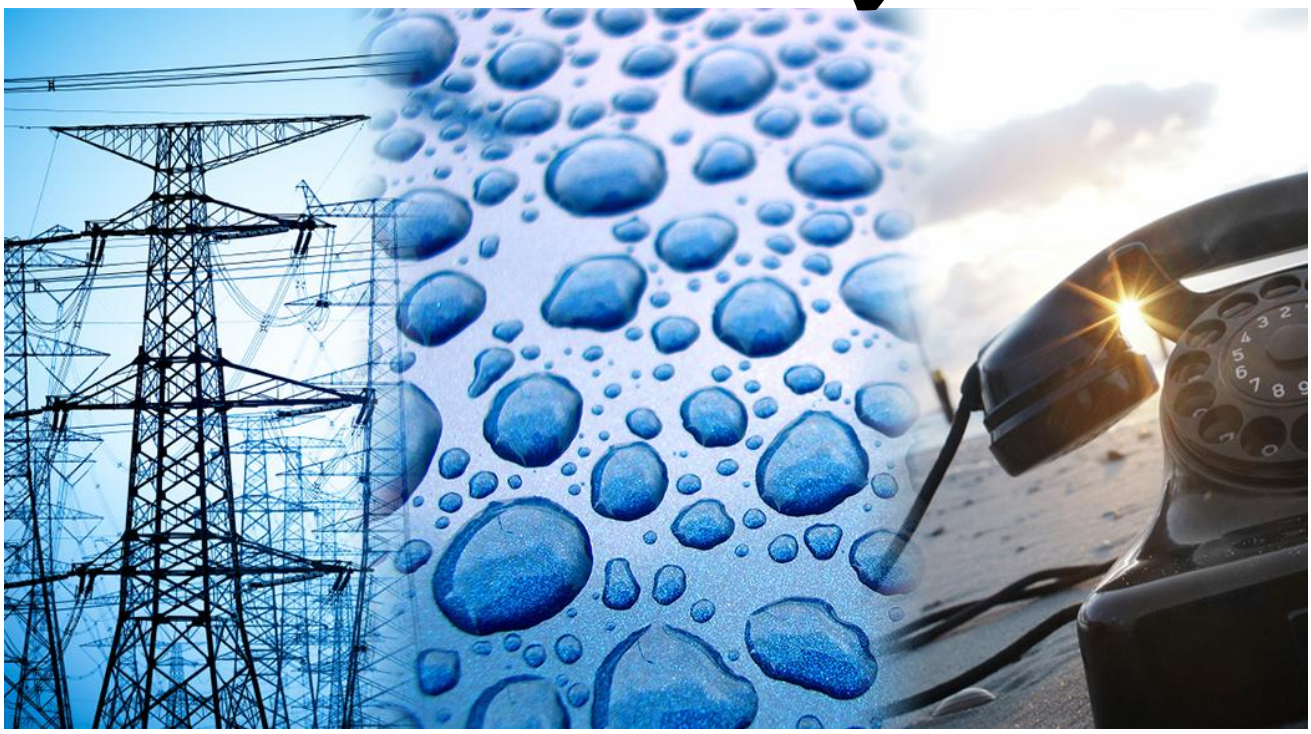
Table of Contents

1 Executive Summary

4 Report to the Legislature

12 Lobbying in Sacramento

Executive Summary



The **Division of Ratepayer Advocates (DRA)** is the independent consumer advocate within the California Public Utilities Commission (CPUC) that advocates solely on behalf of investor owned utility ratepayers. As the only state entity charged with this responsibility, DRA plays a critical role in ensuring that the customers of California's energy, water, and telecommunications utilities are represented at the CPUC and in other forums that affect consumers' utility bills and services, and the reliability and safety of those services.

DRA has a staff of 137 professionals consisting of engineers, economists, scientists, and auditors with expertise in regulatory issues related to the electricity, natural gas, water, and telecommunications industries in California. DRA's staff of experts performs detailed review and analyses of regulatory policy issues and utility proposals for funding that total in the tens of billions of dollars. DRA determines whether utility requests are in the interest of the ratepayers who fund utility activities through their utility bills. DRA also supports environmental policies that benefit customers and seeks to ensure that utility actions comport with CPUC rules, and California environmental laws and policy goals. In 2012, DRA participated in 176 CPUC proceedings and filed more than 600 pleadings to aid the CPUC in developing the record from which Commissioners formulated their final decisions. DRA lobbied decision-makers on behalf of ratepayers nearly 250 times in 2012 to ensure that the consumer perspective was heard. DRA's $27,535,000 budget represents a small fraction of ratepayer's investment compared with the nearly $4 billion in savings DRA's work was instrumental in achieving for Californians in the form of lower utility rates and avoided rate increases. For every dollar customers spent on DRA in 2012, they saved approximately $153 across their utility bills. Although DRA is not solely responsible for this savings, as the largest utility customer advocate in California, it was instrumental in achieving this level of savings. Additionally, DRA influenced the outcome of numerous CPUC policies, decisions, and state legislation that impacted utility bills and services.

In support of California's climate change goals, this year DRA's Annual Report has been published in more green manner that utilizes less natural resources, yet still provides full highlights of DRA's work in the past year. DRA's required Report has been submitted to the Legislature in hard copy, while DRA has also produced an online Report which features highlights of DRA's 2012 work and accomplishments. The online Report can be found at: www.dra.ca.gov/AR2012.aspx.

Energy

DRA represents the residential and small business customers of California's investor owned energy utilities, most notably Pacific Gas and Electric Company (PG&E), Southern California Edison Company (Edison), San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company (SoCalGas). DRA also represents the customers of California's smaller investor owned utilities. Investor-owned utilities serve approximately 80 percent of all California's energy customers. DRA evaluates utilities' and other stakeholders' proposals, as well as legislative bills, for both electricity and natural gas in the areas of Customer Rates, Procurement, Renewables, Transmission and Distribution, Demand-side Resources, and Consumer Protection. In 2012, DRA reviewed utility requests for revenue increases and programs that totaled more than $35 billion statewide. DRA's advocacy efforts aided in saving ratepayers nearly $3.7 billion.

DRA's 2012 activities focused on achieving California's progressive energy goals in the most affordable manner for residential and small business customers. DRA worked on rate cases in 2012 for the four largest utilities. DRA efforts led to saving Edison customers $2.3 billion and cutting rates for its residential customers in half compared to Edison's proposal. DRA showed that SDG&E did not need any of its $1.8 billion revenue increase request and that SoCalGas revenues should be decreased by $50 million compared with the utilities' $2 billion increase request. DRA has begun to review PG&E's latest General Rate Case (GRC) revenue request of $2.2 billion which would take effect in 2014. In the wake of the San Bruno explosion, DRA closely examined PG&E's $2.2 billion request to upgrade its natural gas transmission pipeline system for enhanced safety, recommending shareholders, not customers, should pay most of the costs due to PG&E's mismanagement. DRA also examined proposed safety upgrades to SDG&E's and SoCalGas' pipeline systems and recommended that shareholders should pay for the majority of the upgrades to pipelines to bring their systems up to current safety standards. DRA's efforts to reduce utility requests for the rate at which they can earn a profit resulted in reduced returns on equity for the four largest energy utilities that will save customers $320 million. With the January 2012 shutdown of the San Onofre Nuclear Generating Station, DRA proactively advocated that the Commission should remove the monthly cost of $54 million from customer rates since that facility is providing them with no service.

DRA advocated for rate design improvements including renewal of PG&E's Peak-Time Rebate program in time for summer 2013 and Economic Development Rates to support businesses at-risk of leaving the state. DRA supports Time-of-Use rates to encourage customers to reduce energy use via price signals, yet opposes defaulting customers to Critical Peak Pricing because it is difficult to understand and can lead to rate shock.

DRA supports California's climate change goals and key strategies to reduce GHG emissions. DRA's participation was influential in persuading the Commission to return the majority of Cap and Trade auction revenues to residential and small business customers to off-set indirect cost increases they may face as a result of the program. In January 2012, DRA issued the *Renewable Jungle* intended to aid policy-makers and renewable developers in understanding the numerous complex and innovative renewable programs in California.

DRA was instrumental in providing technical support for the Governor's 12,000 megawatt distributed generation renewable energy goal. DRA's analysis was used to shape the legislative dialogue on how to improve expansion of renewable energy while minimizing cost to ratepayers. DRA also advocated for community based renewable energy programs. DRA was successful in preserving sensible low-income program enrollment policies for customers and keeping program administration costs low. Additionally, DRA aided in affecting low-income energy efficiency programs so that they achieve greater energy savings and help to lower customer bills. DRA also persuaded the Commission to require that all utilities apply best practices in order to keep utility service disconnections low.

About DRA

In 1984, the CPUC created DRA, formerly known as the "Public Staff Division," in a reorganization plan to more efficiently use staff resources. In 1996, SB 960 (Chapter 856, Statutes of 1996) renamed the Division the "Office of Ratepayer Advocates" (ORA), and while keeping the ratepayer advocacy function within the CPUC for mutually beneficial purposes, made it independent with respect to policy, advocacy, and budget. SB 960 made the DRA Director a gubernatorial appointee subject to Senate confirmation. In 1997, the CPUC implemented its reorganization plan, "Vision 2000," which significantly diminished the staff of ORA, but the ratepayer advocacy responsibilities and workload remained the same. In 2005, SB 608 (Chapter 440, Statues of 2005) renamed ORA as DRA – the Division of Ratepayer Advocates - and strengthened the division by providing it with autonomy over its budget and staffing resources and authorizing the appointment of a full-time Chief Counsel.

Water

DRA represents 1.3 million customers of investor owned Class A water utilities (more than 10,000 service connections) & Class B water utilities (more than 5,000 service connections), serving approximately 6 million people in the state of California. The CPUC has regulatory jurisdiction over approximately 20 percent of all of California's urban water usage customers. DRA scrutinizes water utility requests for additional revenues that will increase customer bills. DRA advocates on behalf of water ratepayers in CPUC proceedings and participates in statewide planning processes at the Department of Water Resources and Water-Energy Team of the California Action Team. DRA's efforts on Water issues are primarily two-fold: 1) Review and analyze water utility General Rate Cases (GRCs), which determine the amount of revenues a water utility may collect and that in turn will impact a customer's bill; and 2) Develop water policy positions which shape rules and water industry programs.

In 2012, DRA worked on 5 general rate cases and 6 cost of capital proceedings in which water utilities requested to increase their revenues by nearly $167 million. DRA negotiated more than $44 million in reduced revenue requests for water customers, which will result in an averaging monthly savings of $6.00 per customer. DRA achieved Commission adoption of its settlement with the Class A water companies that lowered their return on equity from 10.2% to 9.99%, saving customers $7.5 million annually. In its efforts to protect Cal Am customers, DRA sought a rehearing on the CPUC's decision to allow Cal Am to profit, at customers' expense, from the San Clemente Dam after it is removed from service, costing customers $148 million over a 20-year period. DRA also sought to protect water customers by influencing pivotal policies such as development of an improved long-term, reliable water solution for the Monterey Peninsula and shaping polices that may result in water rate consolidation for California's regulated water customers in the coming years.

Communications Policy

DRA represents the interests of customers for both wireline and wireless telephone service, as well as to ensure that all customers have equal access to broadband services at reasonable costs. DRA's advocacy efforts in 2012 focused on affordability, consumer protection, and service quality.

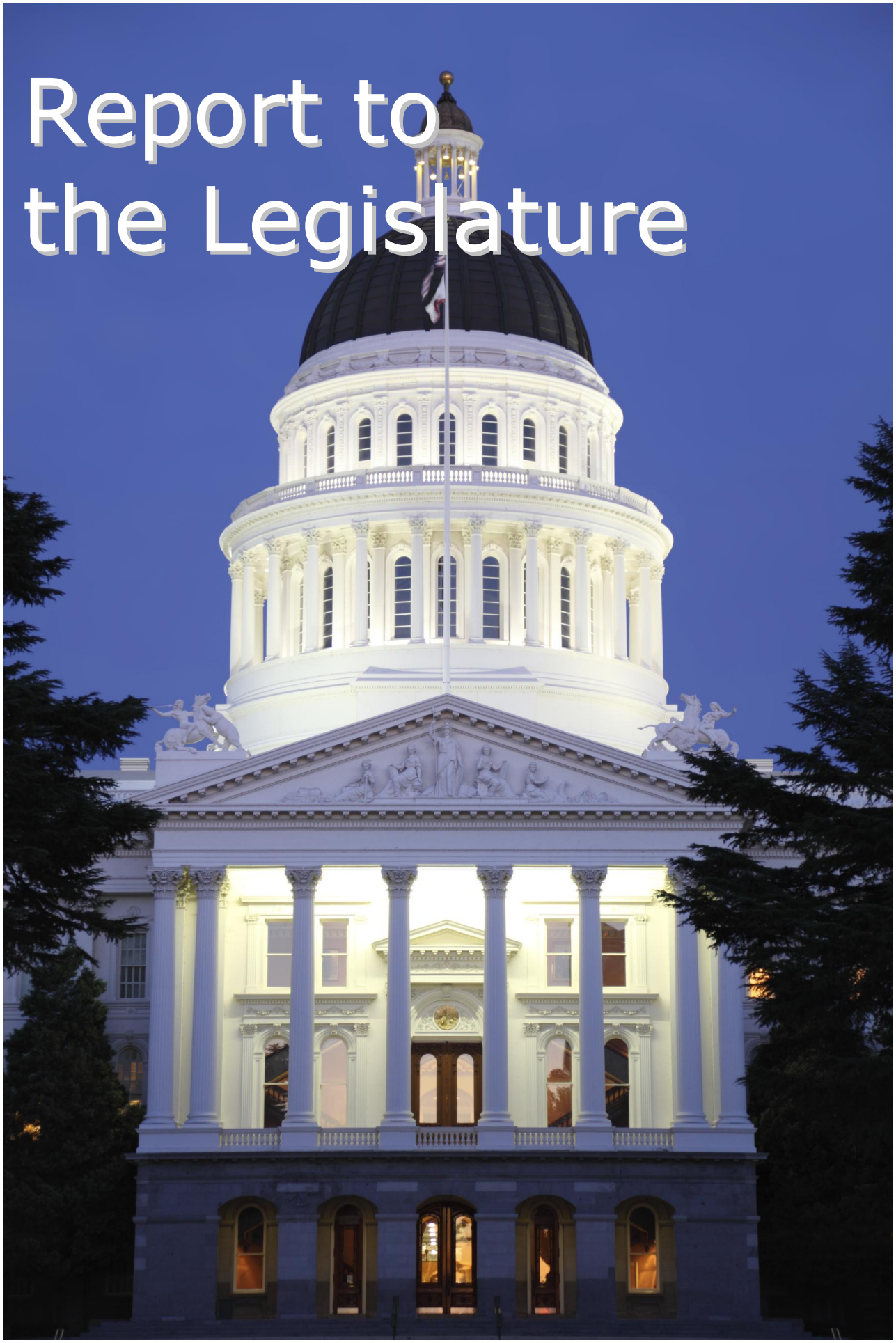
DRA successfully advocated to modernize the CPUC's definition of "Basic Service" in order to provide greater flexibility and to accommodate new technologies that can better serve customers' communication needs. Additionally, DRA proposed a comprehensive set of reforms for ensuring Service Quality, including measurement standards and new reporting requirements on the length of time to repair service outages.

DRA's advocacy sought to balance access to telecommunications services for all Californians with the required cost to all customers who subsidize reducing rate disparities between urban and rural customers. DRA advocated for reforms to increase efficiencies and reduce the size of the California High Cost Fund A which subsidizes small rural phone companies. DRA also advocated to increase LifeLine program subscription rates and remove barriers to enrollment, while also working to ensure cost-effective program implementation and program accountability.

DRA's efforts in 2012 resulted in key customer protections including: a substantial rate freeze and other customer benefits due to the Surewest Telephone/Consolidated merger; requirements that carriers must post performance bonds to operate in California; and rules that require utilities to be transparent and report corporate compensation and donations.

DRA supported broadband programs that emphasize adoption goals as well as deployment efforts. Accordingly, DRA promoted greater transparency and accountability in the California Advanced Services Fund subsidies in reaching unserved and underserved areas in California.

Report to the Legislature



On or before January 10 of each year, the Division of Ratepayer Advocates (DRA) is required to provide to the Legislature:[2]

- The number of personnel years assigned to DRA and a comparison of the staffing levels for a five-year period.
- The total dollars expended by DRA in the prior year, estimated total dollars expended in the current year, and the total dollars proposed for appropriation in the following budget year.
- Workload standards and measures for DRA.

Description of DRA Staffing

DRA currently has 137 authorized positions.[3] At its peak, DRA was comprised of eleven branches with over 200 employees. The table below provides a comparison of current staffing levels with those over the past five years.

DRA Staffing Levels for a 5 Year Period

Fiscal Year	Total DRA Staff	Explanation
2009 / 2010	140	2 positions added to Electricity Policy and Planning branch for Transmission issues
2010 / 2011	142	2 positions added to Electricity Pricing and Customer Programs Branch for Energy Efficiency and Low-Income Issues
2011 / 2012	142	2 positions were redirected to cover Natural Gas policy issues
2012 / 2013	137	Reduction by Executive Order
2013 / 2014	137[4]	

[2] This report is submitted in compliance with Section 309.5 (f) and (g) of the Public Utilities Code.
[3] Except for the Chief Counsel position which was authorized by Senate Bill 608, the CPUC Legal Division assigns attorneys to support DRA's staff in litigation matters. These attorneys are provided to DRA by the CPUC's legal division at a cost to DRA, but are not DRA staff. The cost for legal resources is included in DRA's budget.
[4] DRA has proposed the following positions in a Budget Change Proposal: 2 Financial Examiners for Water proceedings, 1 position for Natural Gas Safety, 2 Financial Examiner for Electricity Resource Recovery Accounting. This request is pending.

DRA is led by an executive management team, which oversees DRA's five branches covering the issues of energy, water, and communications. DRA is served by an acting director pending a decision of the governor on a permanent appointment.

Acting Director, Joseph P. Como: Joe Como has served as DRA's acting director since August 2010. The acting director manages the activities of three Energy branches, the Water branch, and the Communications Policy branch.

Deputy Director/Energy, Linda Serizawa: Linda Serizawa oversees the activities of DRA's three Energy branches: the Energy Cost of Service Branch, which works on ratemaking activities including Natural Gas; Electricity Policy and Planning Branch, which focuses 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 programs, and low-income assistance programs.

Deputy Director/Water, Communications, and Governmental Affairs, Matthew Marcus: Matthew Marcus oversees the activities of DRA's Water and Communications Policy branches. The Water Branch works on general rate cases and water policy. The Communications Policy Branch works on telecommunications and broadband issues related to customer protection, service quality, and small carrier rate cases. Matthew is also responsible for DRA's activities in Sacramento and leads DRA's legislative lobbying and educational efforts, as well as responding to inquiries from Assembly and Senate offices and the office of the Governor.

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 Communications. Cheryl works to educate the public through the media, internet, and working collaboratively with community stakeholders.

Acting Chief Counsel, Karen Paull: Karen Paull is responsible for overseeing all of DRA's legal issues and managing attorneys as assigned by the CPUC, pursuant to SB 608.

DRA's 137 authorized staff positions, including 10 management and administrative positions, are allocated across the five DRA branches in the areas of Energy, Water, and Communications Policy.

These DRA branches are managed by its program managers:

- **Energy Branches** (80 Staff)**:**
  - **Energy Cost of Service (ECOS),** Mark Pocta
  - **Electricity Planning and Policy (EPP),** Cynthia Walker
  - **Electricity Pricing and Customer Programs (EPCP),** Mike Campbell
- **Water Branch** (38 Staff)**,** Danilo Sanchez
- **Communications Policy Branch** (9 Staff)**,** Diana Brooks

DRA's staff consists of technical, policy, and financial analysts with professional backgrounds as engineers, auditors, and economists with expertise in the regulatory issues of electricity, natural gas, water, and telecommunications. DRA's staff decreased in 2012/2013 due to the Governor's Executive Order to state agencies to streamline their budgets. DRA is requesting authorization to increase its staff by 5 positions in 2013/2014 due to increased need for greater financial auditing expertise in the areas of natural gas pipeline safety, water rate cases, and true-up of electricity procurement.

DRA's Budget

Each year DRA reports to the Legislature the total dollars expended by DRA in previous years, estimated total dollars expended in the current year, and the total dollars proposed for appropriation in the upcoming budget year.

DRA's Budgets over the Past Five Fiscal Years

Fiscal Year	Total Budget Including Reimbursable Contracts[5]
2009 / 2010	$27,673,000
2010 / 2011	$28,554,205
2011 / 2012	$27,283,000
2012 / 2013	$27,535,000
2013 / 2014	$27,375,000

DRA's budget is statutorily designated as a separate account into which monies are annually transferred via the annual Budget Act to the CPUC Ratepayer Advocate Account, to be used exclusively by DRA in the performance of its duties. DRA's proposed $27.4 million budget for fiscal year 2013/2014 is slightly less than the previous year and includes staffing, legal services, and administrative overhead.

[5] The DRA annual budget includes an authorization for reimbursable contracts. DRA is reimbursed for these costs by the relevant utilities. For FY 2013/2014, the proposed amount is $3,000,000. Actual expenditures for reimbursable contracts occur only if there are proceedings that allow for reimbursable contracts. Examples include audits, mergers, and major resource additions, such as the construction of a transmission facility for which DRA may need to contract for expert consultant services to assist DRA in analyzing the utility request or application. In addition, the Department of Finance is currently auditing the CPUC and may have adjustments to the costs DRA is actually incurring that could impact the total budget requirements of DRA.

DRA Workload Standards and Measures

DRA measures its workload in three ways:

- The number of proceedings[6] in which DRA participates.
- The number of pleadings[7] filed by DRA with the CPUC.
- The number of outreach and education contacts.

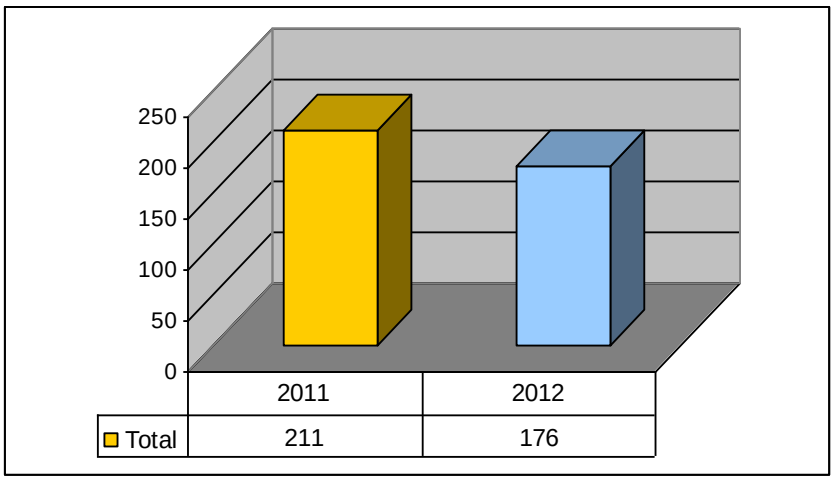
DRA's Proceeding Work:

In 2012, DRA participated in 176 formal CPUC proceedings. These numbers do not reflect the greater complexity of the issues being addressed by DRA in omnibus proceedings addressing greenhouse gas emissions, renewable resource development, procurement and transmission working groups, water conservation, and other major initiatives. DRA is often the only voice representing consumer interests in a number of these proceedings. Since the CPUC relies on a formal evidentiary record in rendering its decisions, DRA's participation is essential to ensure that the CPUC has a record that reflects the interests of California's consumers.

The following charts represent the total number of formal CPUC proceedings in which DRA participated in 2012 in comparison to 2011 proceeding participation, as well as broken out by industry group.

The number of Proceedings that DRA worked on = 176

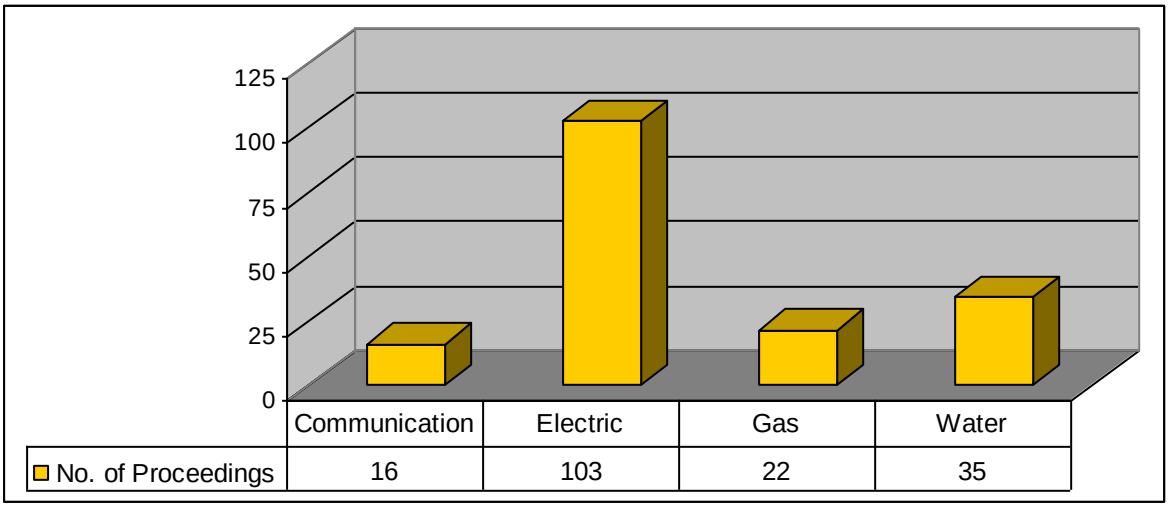
Number of DRA Proceeding Work: 2011 vs. 2012



[6] A Proceeding is a formal case before the CPUC in which a legal record is developed. It may include an evidentiary hearing with the opportunity to cross-examine witnesses.

[7] A Pleading is a legal document filed in a formal proceeding before the CPUC. The CPUC conducts proceedings regarding a wide variety of matters such as applications to raise rates, CPUC investigations, CPUC rulemakings, or complaint cases. In a typical proceeding, pleadings filed by DRA might include a protest to a utility application, a motion for evidentiary hearings, opening and reply briefs, and opening and reply comments on a proposed decision, CPUC rulemaking, or CPUC investigation.

Number of DRA Proceeding Work by Industry



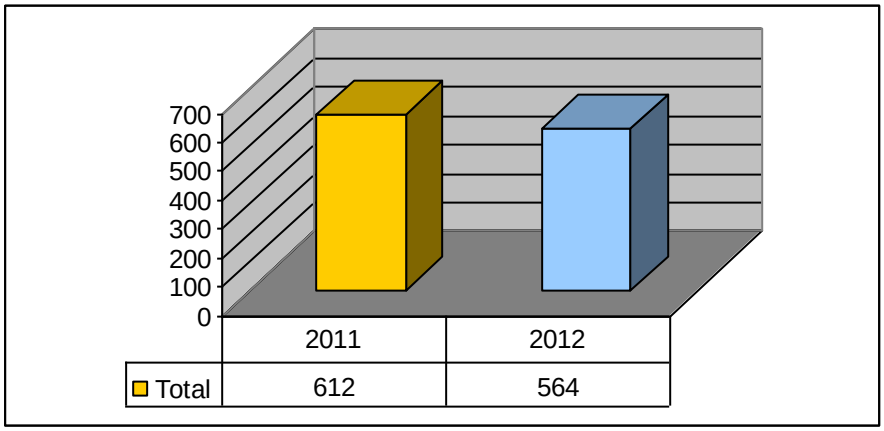
DRA's Pleading Work:

DRA staff and attorneys file hundreds of pleadings annually on behalf of customers covering issues related to electricity, natural gas, water, and communications. In 2012, DRA filed 564 pleadings in formal CPUC proceedings.

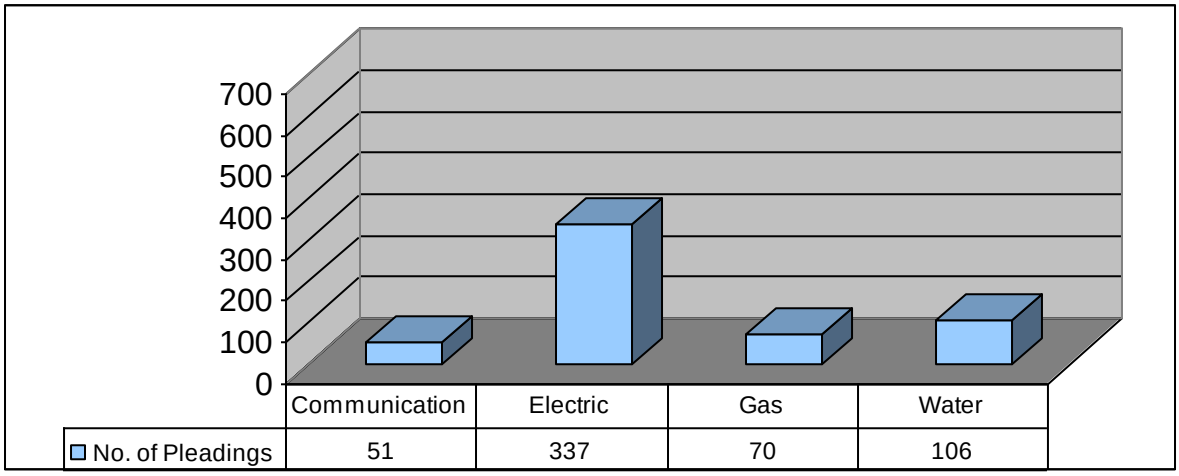
The following charts represent the comparison of the number of pleadings DRA filed in 2012 and 2011, in total and by industry group, respectively.

The number of Pleadings DRA filed in 2012 = 564

Number of DRA Pleadings Filed: 2011 vs. 2012



Number of DRA Pleadings Filed in 2012 by Industry



Additionally, DRA filed numerous responses to utility advice letters in which the utilities often seek CPUC authority via a more informal process.[8]

Beyond its participation in formal and informal CPUC proceedings, DRA is an active participant in proceedings at the California Energy Commission, the California Independent System Operator (CAISO), and the California Air Resources Board, where policy-making will impact ratepayers. DRA also provides consumer representation in other forums related to the CPUC's proceedings such as meetings to review utility procurement decisions, the Low-Income Oversight Board (LIOB), telecommunication public policy committees, industry committees of the National Association of State Utility Consumer Advocates (NASUCA), and the Pacific Forest and Watershed Stewardship Council.

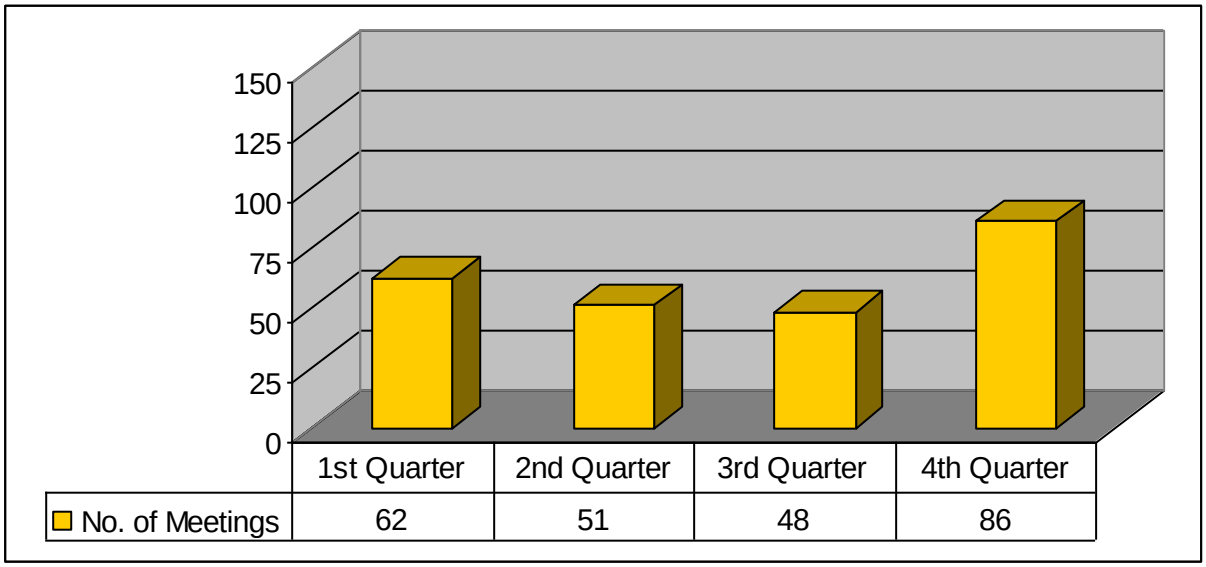
DRA Outreach and Education:

DRA has also developed measures to improve the quality of its work product and increase the effectiveness of its advocacy efforts. In this regard, DRA also measures its CPUC lobbying efforts by tracking the number of contacts it has with commissioners and their advisors in connection with CPUC proceedings.

[8] An Advice Letter is a filing by a utility seeking authority to spend ratepayer money or set/change policies which may have a significant impact on ratepayers. Utility requests via advice letters are typically authorized by a CPUC decision adopted in a formal proceeding, which sets certain parameters for determining whether the advice letter request is valid and should be granted.

DRA lobbied Commissioners and/or their Advisors nearly 250 times.

Number of DRA Lobbying Visits to Commissioner Offices in 2012[9]



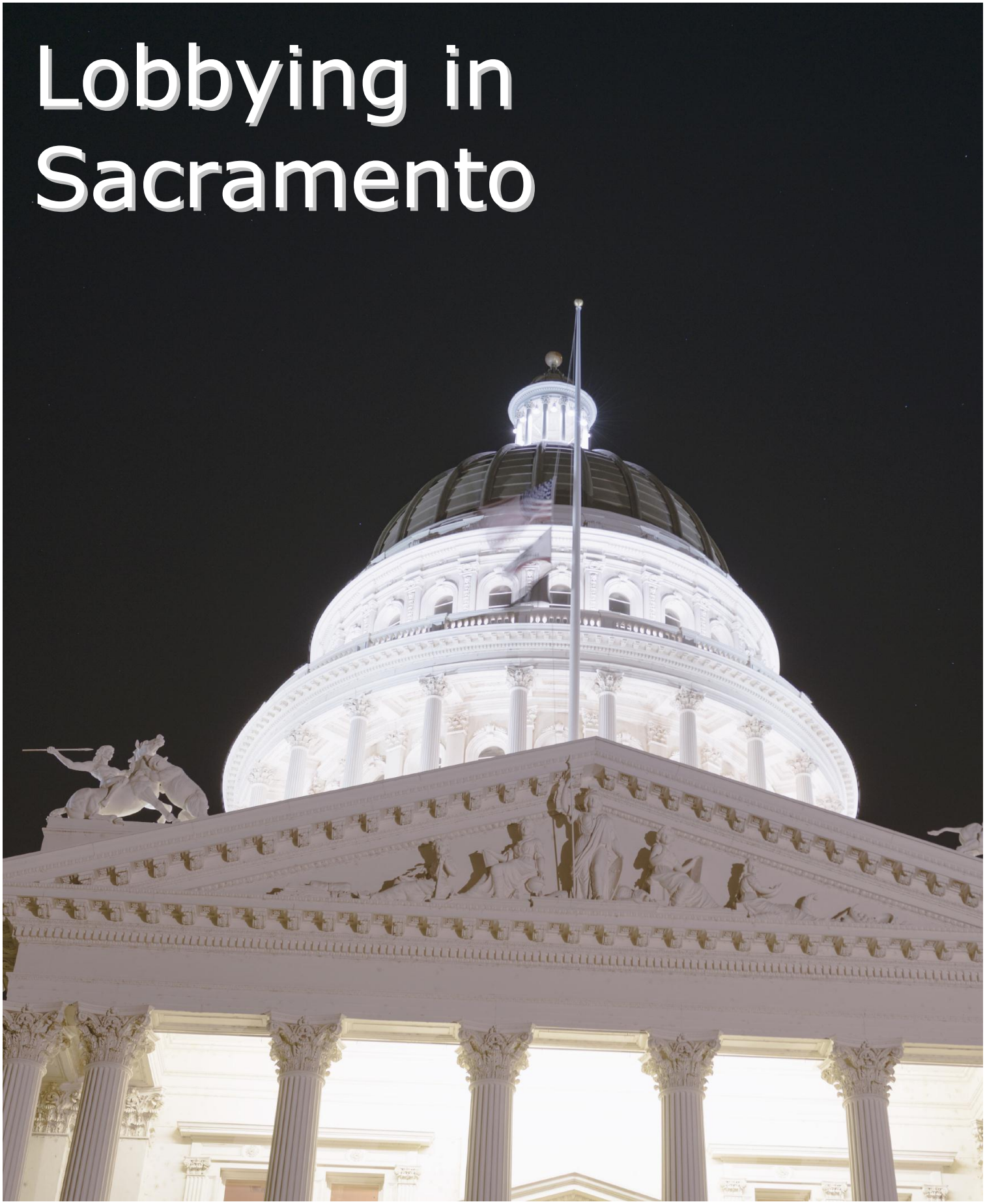
DRA reached the public through the media approximately 150 times.

In its effort to create greater transparency of the CPUC decision-making process and its outcomes that affect the daily lives of Californians, DRA's media outreach efforts resulted in approximately 150 press mentions in large and small California media outlets across the state. Additionally, DRA aided in providing the ratepayer perspective in numerous other news stories.

DRA works with a wide variety of stakeholders including small business organizations, community and environmental groups, and other consumer oriented organizations to augment the voice of customers.

[9] This figure reflects the number of meetings between DRA representatives and CPUC Commissioners or their Advisors.

Lobbying in Sacramento



DRA actively participates in the Legislative and Budget processes in Sacramento by working directly with the Governor's office, Legislature, Department of Finance, Legislative Analyst's Office, and other related entities. DRA achieves its statutory mission to represent and protect energy, gas, water, and communications investor-owned utility customers in Sacramento by:

- Taking positions on bills.
- Testifying in informational and bill hearings.
- Providing technical legislative and constituent assistance.
- Participating in working groups.
- Providing updates on CPUC and DRA actions.

DRA does this by maintaining a full-time presence in Sacramento. DRA worked directly with Legislative member offices and testified on many public utilities bills in 2012:

Energy

Bioenergy

AB 2390 (Chesbro) – Would have re-directed $20 million of annual ratepayer-funded research funding via the Electric Program Investment Charge (EPIC) toward an incentive program for biomass fuel collectors.

SB 1122 (Rubio) – Requires the three large investor-owned utilities to procure 250 megawatt of generation capacity using bioenergy sources.

Cost of Service

AB 861 (Hill) – Would have required utility shareholders, not ratepayers, to pay for stock- and earnings- based compensations to utility executives and employees.

AB 1694 (Fuentes) – Authorizes the CPUC to adopt a "risk-based inspection schedule" for inspecting mobile home park natural gas and propane distribution systems.

AB 1703 (Hill) – Would have required investor-owned utilities to report to the CPUC on the outcome of civil actions brought against utilities regarding safety issues that could jeopardize the lives or health of Californians.

AB 2235 (Hagman) – Would have allowed a property owner to seek claim against a utility company for any substantial reduction in the value of their property resulting from the building, expansion, or operation of a plant, line, or pipeline.

SB 1350 (Leno) – Would have authorized the CPUC to use safety-related fines or penalties collected from investor-owned gas corporation to offset the costs associated with implementing gas safety measures, as specified.

Distributed Renewable Generation

AB 1990 (Fong) – Would have required the CPUC to direct investor-owned utilities to procure additional distributed renewable electrical generating capacity located in disadvantaged communities, as specified.

AB 2135 (Blumenfield) – Would have authorized the California Building Standards Commission, as specified, to adopt building standards for solar distributed generation technology on residential and commercial properties.

AB 2249 (Buchanan) – Expands the program participant eligibility of California Solar Initiative's (CSI) Thermal Program to include multifamily residential, governmental, educational, and nonprofit solar pool heating systems, but not include single-family residential solar pool heating systems.

AB 2340 (Williams) – Would have required the CPUC to develop rules, as specified, for the reimbursement of distribution grid upgrade costs to developers of wholesale distributed generation facilities.

SB 843 (Wolk) – Would have created a new state-wide renewable distribution generation program. It would have allowed customers to obtain an interest in an off-site distributed renewable facility in exchange for receiving a credit on their utility bills.

Energy Efficiency

SB 998 (De Leon) – Would have established a residential “on-bill repayment” programs where a customer can repay a loan used to finance a home energy efficiency retrofits through the utility bills.

Low-Income Programs

SB 1207 (Fuller) – Ensures the California Alternate Rates for Energy discount program benefits apply to only those customers who meet the program eligibility requirements. The bill requires high-usage low-income customer to participate in the Energy Savings Assistance Program.

Retail Rate Design

AB 1755 (Perea) – Would have authorized the CPUC to establish a fixed customer charge for all residential electric customers, including low-income customers, for the purpose of reducing electric rates for high-tier, or high-usage, customers, as specified.

Communications

SB 379 (Fuller) – Expands the California High-Cost Fund-A (CHCF-A) program funding eligibility to include high-quality communications services, such as broadband and other non-regulated services.

SB 1161 (Padilla) – Prohibits the CPUC from regulating Voice Over Internet Protocol and Internet Protocol enabled service providers except as specified.

Water

AB 1830 (Perez) – Requires mobile home parks (MHP) that provide water service to reimburse current and former tenants when the CPUC finds water service quality and rates charged are unreasonable.

AB 2334 (Fong) – Would have required the Department of Water Resources to augment its California Water Plan with information on the lack of affordability of drinking water and wastewater services.

SB 1364 (Huff) – Requires investor-owned water utilities to be subject to many of the same account auditing and inspection requirements as other industry utilities regulated by the CPUC, as specified.