

COMMISSION POLICY	
Category: Strategic Directive	Title: Rates and Affordability
Date of Adoption:	Policy Number: SD-?
Revision:	Resolution No.
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The CPUC will ensure that rates are just and reasonable, and strive to achieve the lowest possible customer bills for price-regulated services, consistent with the provision of safe and reliable infrastructure and service in an environmentally and economically sustainable manner. In pursuit of this objective the CPUC will:

1. Strive to minimize any necessary increases in system average rates for price-regulated services so that they do not exceed the rate of inflation on a five-year rolling average basis.
2. Strive to protect customers from rate shocks by ensuring that necessary increases in system average rates are approved in a timely manner and are fairly amortized over time.
3. Monitor average customer bills in California as compared to national data and strive to ensure that average bills remain within the same quartile of average bills across the nation as they were in 2015.
4. Seek to ensure that essential services remain affordable for all Californians by ensuring that economically vulnerable customers have access to ratepayer assistance programs.
5. Ensure that the Commission and the regulated entities effectively communicate with customers on how to minimize costs under current rate structures and on the impacts of changes to rate structures over time.
6. The Commission will represent the interests of California ratepayers before the FERC and the FCC to advance these directives.
7. For services where the commission does not directly regulate prices, the Commission will monitor market conditions and take appropriate action if it appears that rates are no longer just and reasonable.

Metrics: System average rate changes on a five year rolling average basis compared to the rate of inflation over the same period; Average customer bill compared to average bills in other states; Low-income energy costs as a percentage of household income; Rate decisions completed in a timely manner.

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Monitoring Method: **Management reports**

Frequency: **First quarter of each year for the prior year through January 1 of the current year**

SD Direct Links: **Safety, Reliability, Climate Change, Universal Access**

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