



# City of Manhattan Beach

December 19, 2018

## **CITY COUNCIL**

**Steve Napolitano**  
Mayor

**Nancy Hersman**  
Mayor Pro Tem

**Richard Montgomery**  
Councilmember

**David J. Lesser**  
Councilmember

**Amy Thomas Howorth**  
Councilmember

## **CITY TREASURER**

**Tim Lilligren, C.P.A.**  
Treasurer

Commissioner Martha Guzman Aceves  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

Dear Commissioner Guzman Aceves:

The City of Manhattan Beach is committed to affordable, clean, and renewable energy choices for our residents and businesses, and we wish to express our deep concerns with Southern California Edison's (SCE) loss of nearly \$750 million in the power market. SCE's attempt to unfairly collect this loss from our constituents is unconscionable, and we urge the California Public Utilities Commission (the Commission) to stop SCE from placing that burden on our citizens.

The double-digit rate increase SCE has proposed is distressing for consumers who will likely see similar increases to their utility bills in the years to come. We urge you to hold SCE accountable for their losses instead of passing that overwhelming burden on to our constituents. The very important role that the Commission plays is vital to the way Californians access basic resources, such as electricity—and we thank you for being that safeguard. We urge the Commission to scrutinize SCE's request to recover these costs and prevent those costs from being unfairly passed on to our constituents who have supported Manhattan Beach in our decision to provide them with the choice of alternative energy providers at competitive rates through our Community Choice Aggregation (CCA). Ensuring accountability and transparency were key reasons our City has been supportive of establishing CCA programs in Southern California. The proposed rate increase is not affordable, does not have any precedent, and is unreasonable.

We understand the position that the Commission is in—having to fairly account for the losses that the utility providers face, while protecting the interests of the citizens who rely on them. However, until this year, no utility (including SCE), has ever proposed to charge their departing customers in this

Commissioner Martha Guzman Aceves  
California Public Utilities Commission  
Page Two  
December 19, 2018

way and notably, this issue was not raised during the PCIA rulemaking earlier this year. As such, we would like to propose solutions that we feel treat all ratepayers equally.

The first option would be to account for both undercollections and overcollections incurred in 2018. CCA customers in SCE territory overpaid their 2018 Power Charge Indifference Adjustment in brown power energy costs. We would suggest refunding that money to them in tandem with charging new CCA customers for SCE's undercollection. This would provide an equitable approach for ratepayers, both current and new.

The second option, should the Commission not wish to account for this 2018 brown power overcollection, should be to not allow SCE to collect for its 2018 losses from new CCA customers in 2019. Accounting for the undercollection, and not the overcollection, treats ratepayers in an inequitable manner simply because they chose to buy cleaner energy at competitive rates.

Both of these options account for fairness, while still protecting the interests of both the ratepayers and the utility company who is providing these necessary services. Thank you for your time on this matter.

Sincerely,



Steve Napolitano  
Mayor  
City of Manhattan Beach