

PUBLIC UTILITIES COMMISSION

320 W. 4th STREET, SUITE 520
LOS ANGELES, CA 90013



January 21, 2015

File No:341539

Thomas Swysgood
PO Box 1419
Julian, CA 92036

Dear Mr. Swysgood,

California Public Utilities Commission (CPUC) recently received your letter regarding utility baseline allowances.

CPUC jurisdiction does not extend to all aspects of a utility's operations. Baseline was established by the California legislature in 1982, and provides residential electric and natural gas customers with an energy allowance for basic energy needs at a lower rate. The rate is designed to promote conservation, so increased usage results in higher rates. The statutory guidelines for the baseline program are included in §739 of the Public Utilities Code and can be reviewed on-line at: <http://www.leginfo.ca.gov/calaw.html>.

Baseline values are updated periodically and are determined by several factors, some of which include:

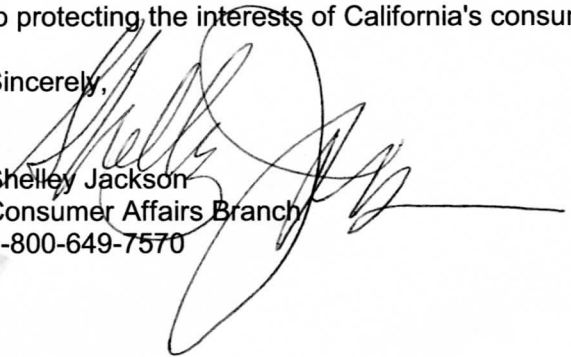
- * **The average energy usage of all residential consumers in specific climate zones.**
- * **The climate zone in which the customer lives. (Different climates create different energy needs, so allowances vary.)**
- * **The season (winter or summer)**

Baseline allowances account for **approximately 50% to 70%** of the average residential consumption within a baseline zone. Individual household usage varies, and the use of extra appliances or equipment -- such as a water pump, spa and pool heaters, etc. - may result in energy usage levels rising above the average baseline limits established for the climate zone.

With the exception of state-approved increases for consumers with specific, certified medical needs and for consumers with "all electric" homes, each residential consumer within a specific climate zone receives the same the baseline allowance, an amount determined by geographic and seasonal variations within that zone. Seasonal changes to the allowance generally occur on May 1st and November 1st. **The entire baseline program is reviewed by the CPUC about every five years, and any changes must adhere to state statutory guidelines.**

Although baseline allowances can not increased on an individual basis, your concerns regarding the program have been documented and included in the Commission's records. Please be assured that our staff is dedicated to protecting the interests of California's consumers.

Sincerely,


Shelley Jackson
Consumer Affairs Branch
1-800-649-7570