

**Ballot Simplification Committee
DRAFT for Consideration
Tuesday, July 29, 2008**

Creating the Office of an Independent Rate Payer Advocate

THE WAY IT IS NOW:

The San Francisco Public Utilities Commission (PUC) oversees the City's water, sewer and electric power utilities. The PUC provides water and sewer services to all San Francisco residents and businesses and supplies water, sewer and electricity to City government and some others. The PUC sets the rates paid by users of these utilities, subject to the Board of Supervisors' rejection.

The PUC uses the money generated by these rates to cover the costs of providing its services. The PUC also uses this money to repay bonds the City has issued to build and improve these utilities.

At least once every five years, the PUC must hire an independent consultant to review rates and ensure that the utilities' costs are allocated equally among users.

The PUC must annually adopt a five-year forecast of its future rates and fees. A Rate Fairness Board reviews the PUC's forecasts, holds public hearings, and makes recommendations to the PUC about its proposed rates. The Rate Fairness Board consists of seven members: the City Administrator, the Controller, the Director of the Mayor's Office of Public Finance, two residential retail customers, and two business retail customers.

THE PROPOSAL:

Proposition ___ is a Charter Amendment that would create an Office of the Independent Ratepayer Advocate (Advocate). The City Administrator would have the sole authority to appoint or remove the Advocate.

The Advocate would examine PUC rates from the viewpoint of the PUC customers.

The Advocate would also review the PUC's use of its revenues. The PUC would be required to cooperate with the Advocate in its analysis.

The Advocate could hold public meetings and provide recommendations to the PUC about its findings. The Advocate could also comment on the rates proposed by the PUC at meetings of the Rate Fairness Board, the PUC, and the Board of Supervisors.

The Advocate could also accept inquiries from the PUC's customers, provide explanations about the PUC's rates, and conduct customer outreach activities.

The Advocate would be funded from the PUC's utility revenues, subject to the Charter's budgetary and fiscal provisions.

A “YES” VOTE MEANS: If you vote "yes," you want to change the Charter to create a new Office of the Independent Ratepayer Advocate to make recommendations about utility rates to the City's PUC.

A “NO” VOTE MEANS: If you vote “no,” you do not want to make these changes to the Charter.