

OFFICE OF THE GOVERNOR

SEP 27 2012

To the Members of the California State Senate:

I am returning Senate Bill 1537 without my signature.

This bill would prohibit the California Public Utilities Commission from adopting any demand charge, standby charge, customer charge, minimum monthly charge, interconnection charge, or other fixed charge that applies only to customers participating in a net energy metering tariff until January 1, 2014. Better than this piecemeal legislative ratemaking would be a more comprehensive approach.

I look forward to working with the Public Utilities Commission and the Legislature on broader rate reform next year.

Sincerely.

Edmund G. Hrown Jr.