

Resolution Calling on the California Public Utilities Commission (CPUC) and the Public Advocates Office (Cal Advocates) to better protect San Diego utility customers

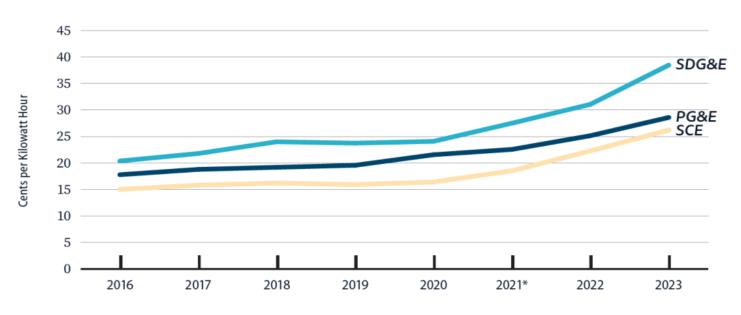
Environment Committee October 12, 2023



California Investor-Owned Utility Electricity Rates

Figure 5

Electricity Rates in California Have Increased by More Than 50 Percent During the Last Seven Years



Source: CPUC data used to generate its legislative report and utility advice letters.

Note: Further information on increases from January 2022 through January 2023 are shown in Table 2.

^{*} SDG&E's rate listed here is as of March 2021 because of additional rate increases filed in February 2021.



State Audit Notable Findings

- "SDG&E has earned more than the CPUC's authorized rate of return in nine of the last 10 years.
- "Although utilities may generally retain as profits the savings they generate from reducing operating costs below projections, SDG&E's consistently higher rate of return suggests that it may have overstated its forecasted costs during the general rate case." (State Audit page 35)



Notable Findings Continued

• SDG&E's and SoCal Gas's ability to earn higher-than-authorized rates of return for multiple years and through different general rate case cycles suggests that the CPUC's process for setting revenue requirements may not inherently self-correct, as the CPUC suggests." (State Audit Report page 38)



Notable Findings Continued

"[W]e are concerned that the CPUC is not providing sufficient safeguards to protect customers."



PROPOSED ACTION:

Request that the City Attorney's office work with Council Districts 1 and 5 to draft a resolution, to be presented to the full City Council, calling on the California Public Utilities Commission (CPUC) and the Public Advocates Office (Cal Advocates) to better protect San Diego utility customers through implementation of the California State Auditor's recommendations.



Questions?