

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



FILED

01/17/23

04:59 PM

R1807005

Order Instituting Rulemaking to Consider
New Approaches to Disconnections and
Reconnections to Improve Energy Access
and Contain Costs.

Rulemaking 18-07-005
(Filed July 12, 2018)

**RESPONSE OF THE UTILITY CONSUMERS' ACTION NETWORK TO THE
MOTION OF THE PUBLIC ADVOCATES FOR EMERGENCY RELIEF FROM THE
EXTREME INCREASE IN NATURAL GAS PRICES IN CALIFORNIA**



January 17, 2023

Jason Zeller
Staff Attorney
Utility Consumers' Action Network
404 Euclid Ave, Suite 377
San Diego, CA 92114
619-696-6966
jazzell2@yahoo.com

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Consider New
Approaches to Disconnections and Reconnections
to Improve Energy Access and Contain Costs.

Rulemaking 18-07-005
(Filed July 12, 2018)

**RESPONSE OF THE UTILITY CONSUMERS' ACTION NETWORK TO THE
MOTION OF THE PUBLIC ADVOCATES FOR EMERGENCY RELIEF FROM THE
EXTREME INCREASE IN NATURAL GAS PRICES IN CALIFORNIA**

I. Introduction

As per the provisions of Rule 111.1(e) of the Rules of Practice and Procedure of the California Public Utilities Commission and the January 12, 2023, Ruling of Administrative Law Judge Stephanie Wang, the Utility Consumers' Action Network ("UCAN") submits its Response to the Motion of the Public Advocates for emergency relief from the extreme increase in natural gas prices in California. UCAN strongly supports the Public Advocates request for emergency relief and recommends that the Commission move with alacrity to grant the interim rate relief Public Advocates is seeking for California's residential natural gas customers.

II. Low-to-Moderate Income Californians Need Protection from Spiking Natural Gas Prices

A variety of circumstances have combined to create a short-term unprecedented increase in the spot price of natural gas in California that has led to an precipitous rapid escalation in the cost of wholesale natural gas. Among these circumstances has been a succession of severe winter storms, low underground gas storage inventories, continued cold weather in California, disruptions in the natural gas delivery market downstream from California, the on-going war in Ukraine and the continuing challenges associated with the Aliso Canyon Underground Storage facility. In addition, customer rates for some natural gas utilities rose beginning January 1, 2023, because of prior Commission rate decisions.

It should be noted that despite the Commission and the legislature's best efforts to shield low-to-moderate residential natural gas customers from high customer rates through programs such as the arrearage management plan, FERA, LIHEAP, and the pilot percentage of income pilot program, and COVID-related stimulus funds millions of California households have been unable to remain current on their electric and natural gas bills. Despite these measures to

ameliorate the high cost of utility service in California, many customers remain in peril of having their utility service terminated because they have been unable to afford their utility bills. The problem of large-scale arrearages burdening millions of California households existed before the unprecedented spike in natural gas wholesale prices that has arisen over the past month. Requiring low-to-moderate income residential natural gas customers to remain current on their natural gas bills will likely further exacerbate this arrearage crisis, and place hundreds of thousands more households in peril of service termination. It should be noted that high natural gas prices will also increase electric bills because a significant portion of California's electricity is generated by natural gas-fired power plants.

Public Advocates' Motion offers a variety of possible relief measures from the crisis including offering customers a chance to pay for spiking bills over several months, offering climate credits to customers before they ordinarily would have been dispersed, automatic enrollment in payment plans and the more widespread use of levelized payment plans to eliminate transient spikes in utility bills. It will take some time for the utilities to modify their billing and collection systems to provide one or more of these relief measures, however, accelerating the implementation of climate credits can be accomplished relatively quickly. Given the severity of the price spikes in natural gas and the on-going high level of arrearages in California, it is imperative that the Commission move with all deliberate speed to provide rate relief to ensure that large numbers of residential customers will not be facing service termination. UCAN reiterates its strong support for Public Advocates' Motion. The Commission must recognize that it has an obligation to ensure that natural gas rates are reasonable. Price spikes in excess of 100%--while allegedly attributable to the operations of the "free" market-- are anything but just and reasonable, and customers must be given an opportunity to spread the cost of these price spikes over time so that they will not be unduly burdened by wild spikes in wholesale natural gas prices in California while natural gas prices east of the Rockies have declined. The Commission should grant Public Advocates' request for emergency relief.

Date: January 17, 2023

Respectfully Submitted,
By: _____/s/_____
Jason Zeller
Utility Consumers' Action Network
404 Euclid Ave, Suite 377
San Diego, CA 92114
jazzell2@yahoo.com