

*****For Reporters: This is a copy of the letter today delivered to each Councilmember*****



February 6, 2023

City Councilmember -----
202 C Street
San Diego, Ca. 92101

Dear Councilmember _____:

We are writing to request public City Council hearings as soon as possible into the recent surge in natural gas prices.

No matter if rates quickly decline, January's enormous increase in natural gas charges from San Diego Gas & Electric amounted to a 114 percent rate hike, taking an additional \$120 from a typical customer, an additional \$100 million from all residents of our region.

Many are shivering in the cold and are certain to join the 340,000 customers already behind in paying their utility bills. Their credit ratings may be damaged, making transactions like apartment rental even more fraught.

San Diego Gas & Electric places "90 percent" of the blame on increases in the spot price of natural gas. But a survey of utilities along the West Coast, as well as in Nevada and Arizona, found no other utility imposing price increases on the magnitude of SDG&E's.

In fact, no regional utility is raising rates at even half the percentage of those imposed on San Diego. (Please see attachment.) Utilities in Oregon noted that financial tools and advance purchases have shielded their customers from the worst of the spot market price increase.

Data from the Federal Energy Information Agency, however, indicates that SDG&E's gas inventories – held by So Cal Gas, a sister company – declined dramatically just prior to the heaviest heating season. (See attachment.) Gas markets are complex but this raises questions that public hearings could begin to answer.

SDG&E's parent company, Sempra Energy, is also involved in exporting natural gas from the United States. It's another issue needing exploration, given that SDG&E has said market issues contributed to our January price surge.

So, we are asking the Council to conduct **public** hearings into this crisis for the purpose of answering three questions:

- Why did San Diego's natural gas prices more than double?
- What has been the impact of this surge on local utility customers and businesses?
- What can be done to reduce the likelihood this will happen again?

Through its vote in 2021 granting a 20-year franchise, the Council hired the SDG&E to provide energy to our region. The Council must also its responsibility of overseeing this franchisee and creating conditions that will make a repetition of this winter's price surge far less likely.

At the January 19th meeting of the Council's Environment Committee with representatives of SDG&E, councilmembers raised some of these questions. But the meeting did not allow for in-depth examination and there was no opportunity for independent outside experts to offer analysis and perspective.

Public hearings would provide a forum for those independent views, as well as for SDG&E to fully explain their preparation for this winter's heating season. Hearings with the public in attendance would also allow for a full assessment of the damage done to residents and businesses from this economic dagger.

In the interim, we urge the Council to press for a **continuation of the moratorium on utility service shutoffs, as well as for a ban on reporting customer delinquencies to credit agencies.**

We urge the Council to schedule the hearings as soon as possible.

For further communication regarding this letter, please contact Public Power San Diego, c/o Jerry Wanetick, 2906 Renault Place, San Diego, Ca 92122 or phone 858-967-4615.

Sincerely,

Craig Rose, Public Power San Diego

(more)

Edward Lopez, Utility Consumers Action Network
Yusef Miller, North County Equity and Justice Coalition
Lori Saldana, Protect Our Communities Foundation
Jerry Wanetick, Citizens Franchise Alliance
Barbara Jaffe-Rose, Citizens Franchise Alliance
Michael Brackney, Public Power San Diego
Valari Eastman, member, Democratic Socialists of America

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