

PG&E's "Great Grab", and What You Can Do About It (And Do It Soon...)

If you were shocked and horrified by your December and January PG&E bills, you aren't alone; millions of California households, expecting a moderate 15% increase, were confronted with bills that 150%, 200%, even 300% of their bills for this same period last year.

When they called PG&E, it was "blame the victim" time: we had an unusually wet and cold winter, and you didn't conserve as well as you should have; you don't have enough insulation; your appliances are too inefficient.

The facts are that December 2016 and January 2017 in Sacramento were actually **warmer than 2015-16**, that you had the same insulation you had last year, and that your appliances hadn't become twice as inefficient over the year. The other facts are that PG&E went to the California Public Utilities Commission (CPUC) in 2015 and applied for a rate increase, to phase in over two years.

In that rate increase, they asked for a certain number of dollars (nearly half a billion dollars, as it turns out) but not a percentage increase in rates. They offered sample scenarios: the average customer with a bill of \$54 would see a fifteen per cent increase, bringing the bill to \$62.

Instead, ratepayers were seeing bills of \$250, \$300, \$400. Some seniors were spending their days away from home in heated places like malls and coffee shops, so they could leave the heat off all day and turn it on at night. Families were suddenly making hard choices about what bills to pay.

One of the things that happened as part of the rate changes was the "collapsing" of rate tiers. In 2015, there were four tiers of cost-per-therm, with 70% of what was considered average use being in the lowest (cheapest) tier. When you exceeded that, you were then billed at Tier 2, which was roughly 40% more per therm. Tier 3 was roughly 40% more than Tier 2, and if you hit Tier 4, you were considered a super-user and it got really pricey. Most households were expected to stay within Tiers 1 and 2 for their billing.

In 2016, PG&E eliminated one of the tiers, and as nearly as I can tell, reduced the amount of therms included in Tier 1. The average household was thrown into a higher tier (call it 2.5,

since it was more expensive than the old Tier 2) much sooner. In 2017, they will eliminate one more tier. Guess how much that remaining tier will cost?

There is a lot of frightening information about this; the scariest is that there is no longer any Federal oversight of what happens to utilities in California, because the agency that usually reviews things like this (Federal Energy Regulation Commission) lost a couple of commissioners. It no longer has a quorum to review anything, and the chances that new commissioners (seen by the current administration as “regulators”) will be appointed anytime soon are miniscule. Oddly enough, just before those commissioners left, FERC had submitted an order to PG&E that it be more transparent in its pricing plans. Timing is everything.

Without going into much more detail (but if you want more detail, email me!!), the CPUC is tasked with making sure that utilities have enough money to operate and show an appropriate profit to continue providing a reliable source of power to Californians. Part of that evaluation is to be sure that rate increases, while always unpopular, do not impose an undue burden on the ratepayers – that’s us.

In this case, one of three things happened:

- (1) PG&E provided false projections for billing increases to customers, thereby deliberately lying to the CPUC.
- (2) PG&E provided accurate numbers, but failed to disclose other factors that would increase rates.
- (3) PG&E told the CPUC everything, let them know what was going to happen to ratepayers, and the CPUC failed to act on behalf of customers it is supposed to protect.

IF WE DON’T DO SOMETHING NOW, IT WILL BE MUCH WORSE THIS WINTER. PG&E is relying on the fact that gas usage drops as it gets warm, our bills will go down, and we will grumble but forget, or think it’s too much trouble to take action – only to be hit with bills this winter that will make January 2017’s bill look like The Good Old days.

The only people who can change this are our legislators: but taking on the largest utility in the United States means we have to convince our Senator and Assemblyman, and in fact all the State Senators and Assemblypersons, that their political careers will suffer far more from ignoring the plight of their constituents than from opposing PG&E.

We have attached two letters to our legislators, as well as a direct complaint form to the CPUC. Complete and send these letters – send them to your friends and family throughout California,

take them to your neighbors, email everywhere you can. If you don't want to go through the hassle of mailing, call or email the Task Force and we will come pick them up.

Please, do this, and do it soon: the next increase hits this month, and the tier goes away this summer. Don't let them get away with it.