

NEWS ALERT: Coalition for CPUC Water Rates Reform

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Stage set for clash between public, water monopolies at CPUC

SACRAMENTO, CA – Caught in the middle of a consumer rebellion against the state's highest water prices and four corporate monopoly providers demanding more profits, the California Public Utilities Commission is faced with a showdown decision here Thursday, March 15.

The hearing is in response to an administrative law judge's proposed decision to give San Jose Water, California Water Service, California-American and Golden State water companies lower cost of capitol increases than were sought in the consolidated case. The judge's decision was supported by the CPUC's Office of Ratepayer Advocate, which is tasked with protecting the public's right to reasonably priced and affordable water.

The decision to grant a lower amount didn't satisfy either protesting consumers or the companies. But the California Water Association, the investor-owned water utilities' trade association demanded that the five appointed commissioners take the unusual step of throwing out the judge's findings and granting the full increase.

In a strongly-worded six-page letter to commissioners on March 9, water association official John K. Hawks claimed the CPUC is unfairly favoring consumer interests over those of for-profit utilities, and stated, "CWA acknowledges that the Constitutionally Independent Commission is under political pressure from the legislature, the media, and certain activist groups (dominated by affluent and high-volume water users) to appear responsive to ratepayer interests." He added, "The (proposed decision's) stunning failure to apply the record in this proceeding suggests that external pressures played a large role in shaping this unjust outcome."

Response to Hawks' letter from leaders of the activist group was summed up by Lauren Karnstedt of Lancaster, who said: "Finally, we're starting to get their attention after six months of trying to get people in authority to understand there are 6.2 million Californians who are being gouged on pricing with the full approval of the CPUC."

The Coalition for CPUC Water Rates Reform was launched in Lancaster in early September 2017, and quickly aligned with its largest partner, Water Rate Advocates for Transparency, Equity and Sustainability (WRATES) in San Jose. Currently, the coalition claims supporters in nine California counties, all focused on not only their local issues, but on convincing their respective legislators to reform the CPUC's methods in granting water rate increases to monopoly providers.

Thursday's 3 to 4 p.m. public session of the Public Utilities Commissioners in the State Personnel Board Auditorium follows a series of private meetings between CPUC commissioners and their advisors and Class "A" water utility executives, attorneys and lobbyists.

Rita Benton of WRATES said the companies fighting the proposed decision on return rates for the Cost of Capital application requested an 80-minute oral argument meeting, but commissioners scheduled an all parties meeting. She said, "The commissioners have allowed the IOUs to turn this proceeding into a circus and disrespect the judge and the process by allowing these many ex parte meetings and letters after the presiding judge has rendered his decision."

As to the California Water Association's claim that the reform movement is led by "affluent, high-volume water users," Benton said, "We, the ratepayers, do not have the benefit of high powered attorneys, lobbyists, special interest groups and/or executives to advocate for us. We rely on the CPUC and the ORA to advocate on behalf of the ratepayers and it is the statutory obligation of the CPUC to ensure the protection of the ratepayer and that rates are just and reasonable."

Benton added, "There appears to be a double standard. It is OK if the water monopolies and their lobbyists influence the commission, but it's not OK if the ratepayers speak out. The private water utilities are saying the administrative law judges should not be trusted to do their job."

Karnstedt said, "This statewide coalition for reform started in a middle-income area of Lancaster, California, and is now spreading to other areas. Citizens, Ratepayers, and Communities are all working together to ensure that the CPUC is held accountable and that the public interest is protected."

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Karnstedt said, “This statewide coalition for reform started in a middle-income area of Lancaster, and includes partners in such communities as Chico, Bakersfield, Oroville, suburbs of Sacramento and Clear Lake. We met our 30-plus percent water conservation goals every month and continue to save water because we’re being charged more for using even less.”

She called the consumer uprising a classic David vs. Goliath rematch.

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