

REVISED MOTION BY SUPERVISORS KATHRYN BARGER
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JANUARY 24, 2023

INVESTIGATING NATURAL GAS PRICE INCREASES

Residents in Los Angeles County are facing significant increases in their natural gas utility bills at a time when the rate of inflation has increased substantially year over year and the cost of basic goods and services has continued to escalate.

The Southern California Gas Company (SoCalGas) recently announced that effective January 1, 2023, the market rate per therm, the price of procurement of natural gas from wholesalers for residential customers, was set at \$3.45, a more than 300 percent increase from January 2022. In updated communications shared widely on January 5, 2023, SoCal Gas cited numerous factors affecting the price increase including widespread, below-normal temperatures, high natural gas consumption, reduced natural gas flows, and pipeline constraints. These public facing communications came shortly after bills were received by consumers.

In its efforts to assist consumers, SoCalGas has shared information with its customers and LA County about a number of programs to help customers reduce their natural gas usage and those who may have difficulty paying their bills. This includes a recent \$1 million contribution to its Gas Assistance Fund which provides limited one-time grants to customers who are unable to pay their bill. Additionally, their public facing website notes that 92% of customers' bills go towards products and services at cost. However, concerned constituents have contacted our offices to indicate that they are seeing large spikes in their monthly bills, some experiencing two- and three-fold increases from the prior year. These spikes come as usage remains relatively the same, indicating that consumers are facing the prospect of escalating costs due to market fluctuations that are beyond their control.

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As an investor-owned utility, SoCalGas is regulated by the State of California through the California Public Utilities Commission (CPUC). These price increases have direct impacts on our communities who learned about the increased costs after receiving their bill. Increasing costs have reduced consumer purchasing power, at a time when many households may become overburdened by these cost escalations and other inflationary mechanisms. Our most at-risk households need financial assistance to ensure that they can afford their most basic necessities.

According to the US Energy Information Administration, several factors are contributing to higher natural gas prices, including recent storms and weather patterns throughout the Western United States. It is critical that the State provide appropriate oversight and investigate the corresponding price fluctuations and their impacts to our residents. As such, at the CPUC's Voting Meeting on January 12, 2023, President Alice Reynolds stated that the CPUC would be convening an en banc to gather information from market experts, including the Federal Energy Regulatory Commission's Market Surveillance and Enforcement staff, to examine the possible drivers of natural gas price spikes and explore potential actions that can be taken to address impacts on ratepayers.

WE, THEREFORE, MOVE that the Board of Supervisors direct the Chief Executive Office-Legislative Affairs and Intergovernmental Relations, in consultation with County Counsel and relevant County Departments to:

1. Send a 5-signature letter to the Chair of the California State Legislature's Senate Standing Committee on Energy, Utilities and Communications and the Chair of the Assembly Committee on Utilities and Energy, asking they investigate the statewide spike of natural gas prices and requesting funding to harden and increase the resiliency of public utility infrastructure; and
2. Monitor and report back on the CPUC's en banc on high natural gas prices and the actions the CPUC is considering to address the impact on ratepayers.

WE, FURTHER MOVE that the Board of Supervisors direct the Chief Executive Office and ~~the Department of Public Social Services in consultation~~ the Department of Consumer and Business Affairs and in consultation with the Department of Economic Opportunity to:

1. Identify financial assistance opportunities that available to overburdened customers and households and report back in writing in 21 days; and
2. Work with SoCalGas to identify and publicize customer programs and financial assistance opportunities available to overburdened customers.

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