

TESTIMONY before **ENVIRONMENT & ENERGY COMMITTEE**

by

Daniel Wiseman  
December 8, 2009

Honorable Members of the E&E Committee:

This testimony is accompanied by written documents to support my arguments.

1. The issues of a Rate Payer's Advocate or Ombudsman or Inspector General for the L.A. DWP comes from the concern and disappointment of Neighborhood Council stakeholders/activists who believe that the DWP has repeatedly, if not consistently, failed to fully inform the Public of the rationale and administration of its rate structures, infrastructure repairs and solar energy plans. The concept was introduced over two years ago by Jack Humphreville, who is now the President of the (NC) DWP Committee. The three motions in question (C.F.'s #08-1967, #09-2544 and #08-1967-S1) are the City Council's recognition of the need for independent and thorough public notification of the DWP's proposals, intentions and impacts on its rate payers. Many NCs have deliberated on these issues and dozens of NC have made formal motions in favor of an office which will provide much needed information to the Public.
2. Over a year ago, when Nick Patsaouras, then President of DWP's Board of Commissioners, created a Sub-Committee to Review & prepare Recommendations for a Rate Payer's Advocate, he directed that Sub-Committee to include NC representatives in their deliberations. NC representatives were not included and the Sub-Committee did not support creating a Rate Payer's Advocate. Acts ignoring and suppressing NC input are too common.
3. However, it is the NCs and its two DWP-oriented committees that have brought important information to the Public that has not been but should have been forthcoming from the DWP ... if the DWP practiced "opened and transparent" public relations. Repeatedly, the role of the NCs has been ignored and suppressed but the NCs have been effective in their chartered role to deliver information to their communities and "advise our government agencies" of community concerns:
  - a. The NCs amplified the DWP's position and brought the more complete description of the impacts of the DWP's multiple rate increases;
    - the Base Rate Increase which was on the General Election in Spring 2008.
    - The March 7, 2009 Ballot Measure "B," which spoke of "Good Job" which were only for DWP workers and Solar Power which denied private citizens the opportunity to install solar power collectors, use that power as needed and sell "excess" power back into the DWP "grid."
  - b. On August 4, 2009, NC stakeholders brought a recent DWP attempt to "uncap the E.C.A.F." to the attention of City Council and City Council very promptly and very appropriately moved (C.F. #09-1980-S1) to assume jurisdiction (per Charter Section 245) over that proposal. Now, we ask for a public report of the progress to "**...conduct an independent third party fiscal review of the proposed ECAF cap modification proposal...**"

# GOVERNMENT RELATIONS REPORT

December 7, 2009

prepared by Daniel Wiseman

1. There are, now, at least FIVE PROPOSALS to create a DWP INDEPENDENT RATE PAYER's ADVOCATE (RPA):

- The "ORIGINAL," proposed by Jack Humphreville over 2 ½ years ago, has been supported by many NCs. It is the best defined.
- CD14/Jose Huizar proposed an "Ombudsman" (C.F. #08-1967) to assure Low Income/Lifeline customers AND decrease DWP uncollected accounts.
- CD12/Greig Smith proposed an "Inspector General" (C.F. #09-2544) modeled after the LAPD selection of their new Chief. The IG would analyze and report to the Council when it considers Rate Increases and other major proposals from DWP.
- CD13/Eric Garcetti proposed a "Rate Payer's Advocate" (C.F. #08-1967-S1) to review DWP progress repairing/replacing it "old" infrastructure. Mr. Garcetti asked the CLA if we need a Charter change to do this.
- Former DWP Board of Commissioners President, Nick Patsouras, proposed a City Charter Amendment (Initiative) to create the "Office of the Rate Payer's Advocate," again modeled after the LAPD Inspector General and LAPD Chief of Police contract.

2. DWP's ("post-Measure B") Solar Plan, called (by some) the "Son of (Measure) B," intends to install, maintain and own Solar Projects all around the City. This "Plan" needs financial assessment and explanation to the Public before implementation. Questions for this plan include:

- How much will be built? (?400 MegaWatts) Where? How will it impact our DWP rates?
- Will it exclude non-DWP labor in the proposed "jobs for our City?"
- Can we create an "Opened Power" plan in which permits private owners to install Solar Power, use (some of) that power and "sell their excess" back to the DWP's citywide power grid?
- When will technology make Solar Power installations efficient enough to be affordable by us?

3. Contract for DAVID NAHAI. Why does DWP & and its "new" Interim GM, S. David Freeman, need the advice of outgoing G.M. David Nahai? Mr. Freeman was GM for 5 years and knows the nature of that job and the organizational structure of the DWP. Further, both his "watch" and those before and after him have resulted in the poorly maintained DWP infrastructure and have been characterized by a consistently indirect and incomplete, sometimes frankly misleading, series of Public Pronouncements (rate increases, new programs, "greening" policy, "Good Jobs," etc.)