

# State utility consumers may get stronger voice

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The consumer will be getting a strong voice in decisions affecting utility rate increases if a bill passes the state legislature this session.

Two sister bills, one introduced to the assembly last December, the other introduced to the Senate this week, call for the formation of a Consumer Utility Board.

Under the cuddly acronym of CUB, this organization promises to be tough — doing battle with representatives from public utilities such as PT&T and PG&E over rate hikes.

Sen. Herschel Rosenthal, D-Los Angeles, author of the Senate bill, says although a similar bill was introduced to the legislature last year, it was waylaid in committee.

"Consumers need to be professionally represented," he said. "They need to be able to hire out of their own funds the best people to present their case in opposing rate increases."

The legislators who feel the bill is needed say that consumers are not equally represented in Public Utility Commission hearings.

Major utilities, they claim, have political clout. One source says major California utility companies have spent more than \$18 million over the last five years in political campaigns and lobbying efforts to maximize their efforts in the Legislature and before the Public Utilities Commission.

The way rate hikes are currently handled, say officials, is that public utilities submit an application to the Public Utilities Commission. The

PUC then hears the reasons behind the utilities' request for the rate increase, while at the same time keeping consumer interests in mind.

Legislators say this puts the burden on the PUC to be an advocate for consumers at the same time it acts as a judge of the utilities' requests for higher rates. They say it is absurd.

Rep. Sam Farr, D-Monterey, co-author of the house bill, says the Public Utilities Commission officers would welcome a consumers board. "Most public officials like to have access to all viewpoints," he said.

"I don't think the public is aware of what kind of increases are in store for the consumers over the next several years," Farr said. "What this bill allows us to do is be a participating voice in the rate decision, rather than reacting after the fact, as was done last year."

Farr said, "It's going to be cheaper to call New York than Watsonville next year," dramatizing the fact that "telephone rates in the state of California are going up 10 percent next year."

The legislature, Farr says, will suffer. With an \$85 million telephone bill already, according to Farr, this means a \$10 million increase for the state budget. He says the budget is not going to be able to cover this amount in this time of financial crisis.

Doug Kindrick, district staff manager of public affairs for PT&T in San Jose responded, saying the rate hike is a reality.

"We have an application for a rate increase before the PUC right now," he said. "There's no doubt about it. We need the rate increase. Like anyone else, we are affected by inflation."

Kindrick says an increase in excess of \$800,000 for the state would go into effect this coming December or January, representing an increase in both residential and business base rates.

The increases, he said, would break down to a residential base rate increase from \$6.50 or \$7 per month to \$15, and the flat business rate of \$14 would increase to \$19 per month.

When asked why business rates would not be increased more than residential rates, to help the individual consumer in these hard times, Kindrick said, "We discuss at length where increases will fall. The business community received the greater burden in the last rate increase in August, 1981."

He admits the present rate increase request is "the largest percentage increase we've ever asked for."

Sen. Rosenthal's concern for utility rate increases encompasses both the state budget and the individual customer. He feels that when Gov. Deukmejian begins to replace PUC members who will be retiring within the next four years, "the kind of people he would appoint would be more apt to be business oriented than consumer oriented."

For this reason, Rosenthal says, the formation of CUB becomes more important for future consumers.