**GUESTS OF THE MONTH**

**August 2025**

**Timothy O’Conner, Executive Director, Office of Public Accountability (OPA)**

**Edith Morette, Deputy Executive Director. OPA**

**THOUGHTS AND COMMENTS FROM THE NEW RATEPAYER ADVOCATE**

**Summary by Robert Yoshimura**



Tim O’Conner was recently certified as Los Angeles’ second Ratepayer Advocate, replacing Dr. Fred Pickel who served in that capacity for twelve years. Tim has been on the job for 2 months and thus appreciates this opportunity to interact with people who have been on the inside of the utility he now oversees. He is hopeful that the Water & Power Associates can provide perspectives and guidance that will help him fulfill his role.

Tim will initially focus on current DWP issues that this Board has been discussing for some time such as the need for replacement of aging infrastructure and maintaining system reliability on the water side, and the challenges of climate-driven changes such as clean energy and electrification on the power side. A key component of his agenda will be sustaining affordability of water and power rates after the transition is complete. Tim strongly believes that we cannot fail in our efforts to accomplish these goals because of our leadership role in the worldwide effort to combat climate change. If we fail, we will become a shining example that skeptics will point out, to explain why climate goals can’t be achieved. If we succeed, our contribution to the mitigation of climate change on a global scale will be small, but our leadership in showing the way will encourage others to undertake similar actions.

Edith Morette added that another focal point of their work will be to address the inequitable distribution of cost being created by some elements of the transition to clean energy and the impact of future rate increases on low-income communities. While DWP moves forward with plans to expand residential rooftop solar, the OPA will be mindful to avoid situations where one customer class is subsidizing another. In order to effectively address these challenges, she and Tim are currently developing strategic priorities to optimize the use of their time. When completed, she would like to share them with the W&PA and solicit comments and suggestions.

Tim explained his plans for staffing and support functions of the OPA. He has hired four new individuals who will come on board over the next few weeks and fulfill specific functions of the office. One is from the US Department of Energy, the second is from the Environmental Protection Agency who is also experienced in utilities, the third is a current consultant for DWP who specializes in customer issues, and the fourth is an expert in stakeholder engagement. OPA will also sign contracts with two professional services firms, one that will assist with energy modeling, water accounting, and rate issues; and another that will help to oversee the rollout of DWP’s Advanced Metering Infrastructure project that will kick off in Lincoln Heights next month.

In Tim’s vision of the role of the OPA in the future, he sees the need for an increased public presence. Because of the inevitable rate increases that are coming, he will engage the public for their input in order to better represent the interests of all customer categories including residential, businesses, and large industrial users. A second reason for an increased public presence is to communicate earlier with customers regarding future rate actions and other customer issues, that he believes is not currently being done. Financial forecasts enable estimates of the direction of future rates, and he believes the communication of such information to the public is a core function of the OPA.

Communication of costs to the customer is not being thoroughly done and is complicated by the existing structure of the DWP bill, especially on the power side, because of the use of automatic cost escalators that can result in huge, variable passthroughs that substantially increase the size of some customers electric costs. Customers perceive such cost increases as de facto rate increases without the benefit of a review, feedback from customers, or a Commission vote. Previous efforts to simplify the bill are partially responsible for the lack of information therein. Tim noted that efforts are now underway in his office to “unpack” the electric bill and explain it to customers via Powerpoint presentations, explanatory documents, and videos.

DWP has not had a formal rate case to raise base rates in several years because of Covid and other distractions that changed the priorities of the decision-making process. The formal rate case process results in high levels of scrutiny by the City Council that would raise public awareness of proposed rate actions. One DWP customer who also sits on the W&PA Board mentioned that his power bill has increased 10% over the last year, again due to passthroughs and without approval from the Council or DWP Commission. Tim responded that in addition to restructuring the bill and education programs about the bill, he will be looking for ways to encourage conservation and shifting demand in order to reduce the bills when possible.

Tim was asked by a W&PA Board member if he would be willing to advise the DWP Commission to change course on LA 100 should it become apparent that its cost would dramatically increase by a factor of as much as triple or quadruple current rates as some have predicted. Tim responded that if affordability is threatened, he would eliminate unfair elements of the billing process and incorporate new processes to help customers control costs. As an example, he mentioned that at a recent DWP Commission meeting, he reported on the need for a reexamination of the net metering process which results in subsidization of rooftop solar owners by those who do not have solar.

Edith added that her background growing up in Spanish-speaking communities in Los Angeles and her strong belief in the importance of environmental issues will contribute to keeping climate issues in the forefront and defending the needs of low-income customers. She also added that her dialogue with Tim and his different background will keep them accountable and remain focused on achieving their overall goals.

Two other W&PA Board members argued against the feasibility of LA 100 because of its significant cost penalty. Current cost estimates being used by DWP show a tripling of power rates for LA 100 versus a mere doubling of power rates for SB 100. One Board member does not believe that those cost estimates consider the unique political and regulatory environment in the city of Los Angeles that causes construction projects to take longer and cost more than elsewhere in the country. He also noted that in the original directive from the City Council to proceed with LA 100, it states that the project shall have a minimal impact on the ratepayer. He believes the universal acceptance of LA 100 is based on that minimal cost impact mandate, which based on DWP’s own cost estimates cannot be fulfilled.

A guest at this meeting pointed out that California’s current average cost of energy is $0.32 per kWH vs. the neighboring states of Arizona, Nevada, and Oregon, where it is $0.15 per kWH, and nationwide, where it is $0.16 per kWH. Furthermore, average power cost in California has increased by 116% since 2008, while in the rest of the country it increased only 33%. On that basis, he believes we are on a path leading to energy costs that are unaffordable. It was clear from this meeting that several W&PA Board members feel that the accelerated schedule of LA 100 vs. SB 100 results in a severe cost penalty (roughly 50% additional cost) that can be avoided completely by simply reverting to SB 100.

In his response, Tim reaffirmed that he and OPA support LA 100 and that his support does not necessarily mean acceptance of the predicted cost of the project. He will be exploring public-private partnerships, socializing costs to those who will be coming to Los Angeles, reapportioning costs to those who are causing them, and rebalancing the entire system to improve the economic dynamics of the project. Also, DWP has not collected the more than $1 billion dollars in overdue bills that were deferred due to Covid, and does not charge for late payments, nor for interest on those late payments. All such revenues and other similar sources of income could help to reduce the size of future rate increases.



Tim expressed a desire to continue this dialogue at future Board meetings and other forums. He seems sincerely interested in this Board’s opinion about issues before him. The W&PA Board also expressed a desire to help him and the OPA to responsibly represent the interests of DWP’s ratepayers, particularly the cost of LA 100 and the perceived lack of transparency surrounding the program.