



The Public ADVOCATES OFFICE

The Consumer Advocate at the
California Public Utilities Commission



ANNUAL REPORT 2025

DIRECTOR'S LETTER

I am pleased to share the Public Advocates Office's 2025 Annual Report, which highlights our work to advocate for affordable, safe, and reliable utility services for California's ratepayers amid ongoing affordability challenges across the state.

I am honored to lead this dedicated team of analysts, engineers, lawyers, and policy experts as we work on behalf of customers of California's regulated energy, water, and communications companies.

Looking back on 2025, I am proud of our accomplishments, which include:

- Proposing reductions, where appropriate, to utilities' requests to raise customer bills and challenging spending that lacks adequate justification.
- Defending universal and reliable communications service as companies retire legacy landline networks and transition customers to broadband and wireless alternatives.
- Protecting water customers from unaffordable rate increases by opposing automatic surcharges, limiting unsupported capital costs, and safeguarding small rural systems from extreme bill impacts.
- Advancing key energy affordability reforms, including opposing billions of dollars in unjustified infrastructure cost recovery requests, strengthening wildfire cost accountability, and developing electric rate proposals that are more equitable and less volatile.
- Calling for clear guardrails to ensure that large new loads such as data centers pay their fair share of grid upgrade costs rather than shifting those costs onto existing customers.

Looking ahead to 2026, our work will continue to prioritize affordability and ratepayer needs.

Our key priorities for 2026 include:

- Scrutinizing utility requests to raise rates and challenging costs that are not necessary to provide safe, reliable service.
- Ensuring that new infrastructure and wildfire-mitigation investments – including grid upgrades and service to large new loads such as data centers – are prudent, cost-effective, and fairly allocated.
- Supporting the implementation of statewide affordability reforms, including water affordability measures and modernized Carrier of Last Resort protections.

I am confident in our office's ability to continue providing independent, data-driven analysis. We will remain a strong voice for ratepayers in proceedings affecting utility service, pressing for transparent decision-making, prudent investments, and fair outcomes that keep essential services affordable, safe, and reliable.

To learn more about our work and initiatives, I invite you to visit our website at <https://www.publicadvocates.cpuc.ca.gov>.

Linda Serizawa

Director, Public Advocates Office



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OVERVIEW

Who We Are

The Public Advocates Office is the independent consumer advocate at the California Public Utilities Commission (CPUC). We represent utility customers in CPUC proceedings and other forums, working to ensure that investor-owned utilities provide affordable, safe, reliable, and equitable service across energy, water, and communications.

For more than four decades, we have been a strong voice for utility customers – particularly residential and small business customers – in proceedings and decisions that directly affect utility bills and service quality.

Our Advocacy

Our team of analysts, engineers, and attorneys advances utility customers' interests through rigorous financial, technical, and legal analyses, with a consistent focus on affordability, safety, reliability, and equity.

One of our most critical roles is reviewing investor-owned utilities' rate increase requests. Utilities must seek CPUC approval for these increases, and we carefully evaluate their proposals for accuracy and reasonableness. Our recommendations, frequently incorporated into the CPUC's final decisions, have delivered significant savings for customers – often reducing the largest utilities' proposed increases by billions of dollars each year. At the same time, we recognize that utility bills remain high for many Californians. To meet the challenge of increasing utility bills, we are redoubling our advocacy efforts to address affordability pressures wherever possible within the regulatory framework.

Our Role

The Public Advocates Office provides independent analysis of the costs investor-owned utilities seek to recover from customers in regulatory proceedings and evaluates related policy proposals in legislative and other forums. We analyze utility operations, financial assumptions, and risk assessments to determine whether proposed spending is reasonable, necessary, and in the public interest.

Through these efforts, we strive to ensure that customers receive the lowest possible monthly utility bills by:

- Examining utility operations and projected costs.
- Reviewing utility accounts and related information.
- Forecasting and analyzing future customer rates.
- Assessing utility risk evaluations.
- Utilizing complex energy and geographic information system (GIS) modeling.

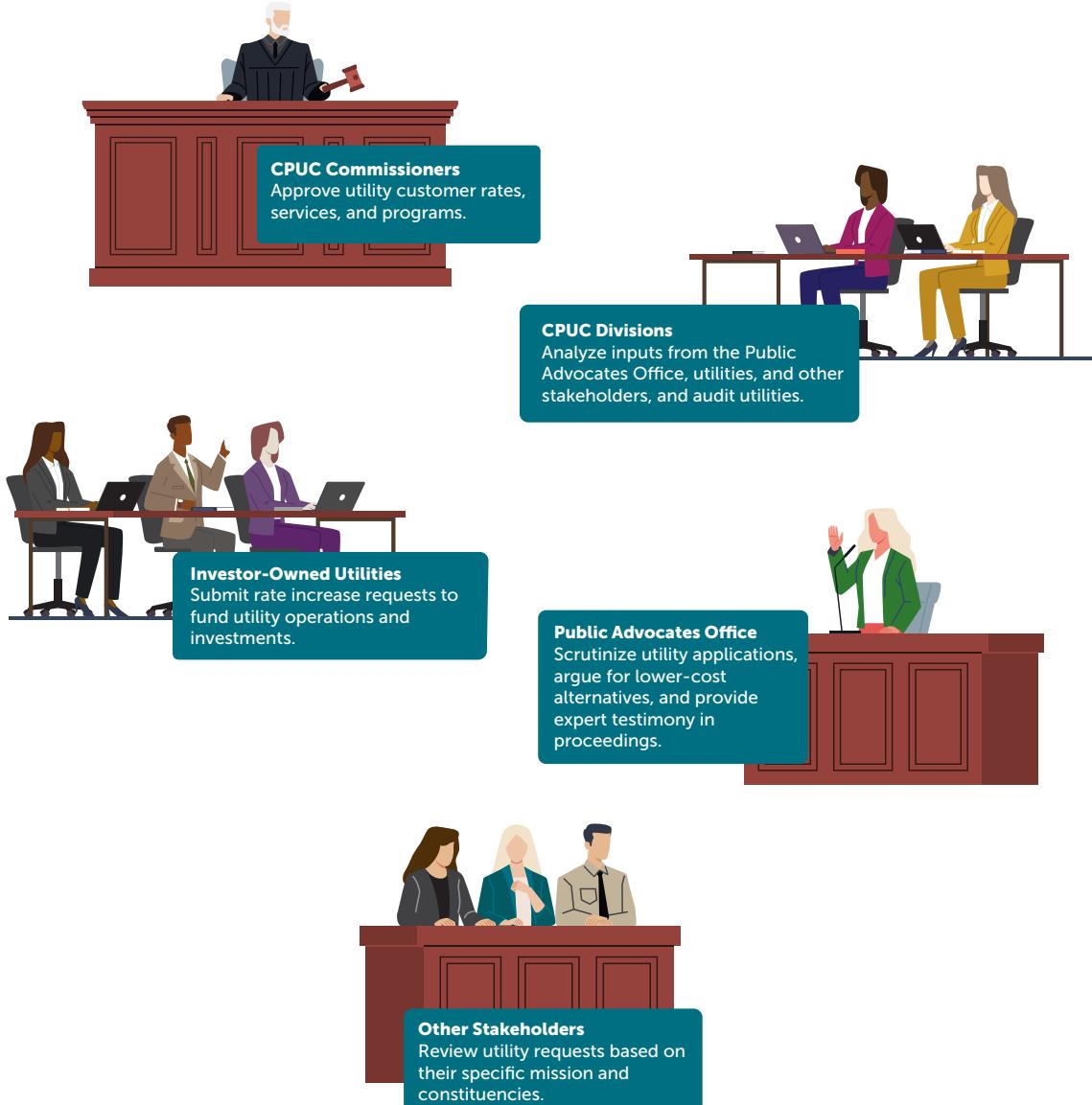
We bring this analysis to proceedings before the CPUC and to other policy forums, advocating for outcomes that lower customer bills while maintaining safe, reliable, and affordable service.

Photo: Public Advocates Office Staff Visit the California Independent System Operator (CAISO).



The CPUC's Role

The CPUC is the state agency tasked with regulating privately-owned energy, telecommunications, and water companies. During its proceedings, CPUC decision-makers evaluate our ratemaking and policy analyses alongside input from other stakeholders to guide their decisions on customer service rates and programs. Additionally, the CPUC conducts audits of utility accounts to ensure that customer funds are used in accordance with approved plans.



In 2025, we advocated in 160 proceedings and filed 756 pleadings at the CPUC on behalf of customers.

Our Impact

In 2025, the Public Advocates Office represented customers in 160 proceedings and submitted over 750 pleadings to the CPUC. Our advocacy addressed a broad range of issues across energy, water, and communications matters, including:

- Proposing measures to increase utility shareholders' financial responsibility for wildfire damages.
- Recommending policies to minimize unexpected surcharges for water utility customers.
- Expanding broadband access in rural and underserved communities.

Together, these efforts reflect the scale and breadth of our advocacy on behalf of utility customers and provide important context for the detailed discussions that follow in this report.

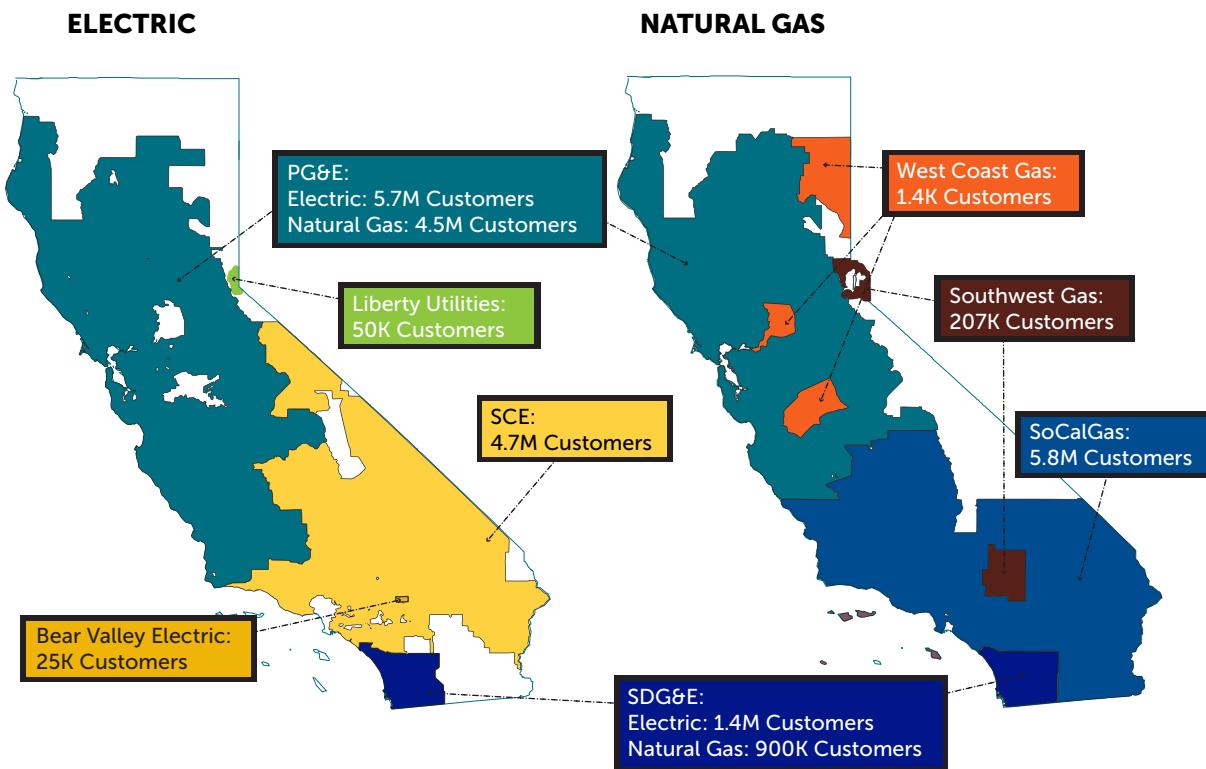
Photo: Public Advocates Office Staff Visit the Golden State Robbins Water System.



ENERGY

The Public Advocates Office represents the interests of customers served by California's investor-owned electric and natural gas utilities, which collectively provide service to tens of millions of Californians. Because these utilities serve such a large population, decisions about utility spending and rates can have wide-reaching impacts, particularly on household and small-business budgets. Even relatively small changes in rates can add up, which is why rigorous review of utility proposals and strong cost oversight are essential.

Figure 1. Customers Served by Investor-Owned Electric and Natural Gas Utilities in California

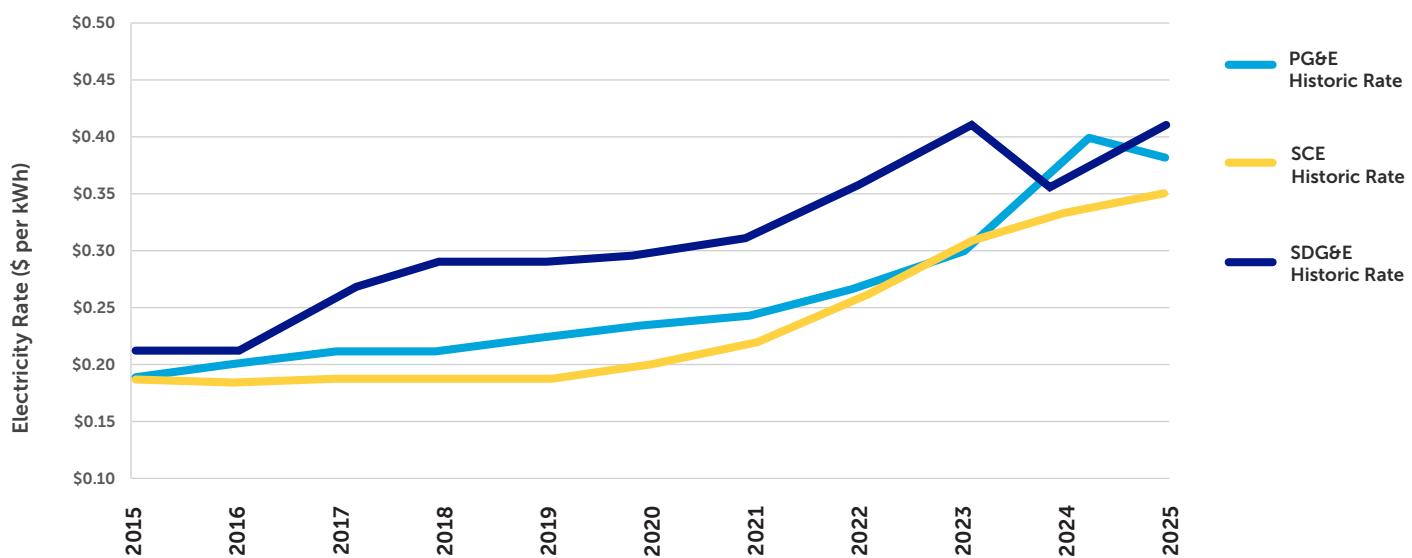


Source: Public Advocates Office.

Over the past decade, residential electricity rates at California's largest investor-owned utilities have increased substantially and have outpaced inflation. These increases reflect a combination of factors, including wildfire mitigation efforts, major transmission and distribution investments, program subsidies, and other costs that are largely recovered through customer bills.

As electricity demand grows and the state continues to modernize its energy system, sustained scrutiny of utility spending and greater transparency around long-term cost drivers will be critical to protecting customers from unnecessary bill increases.

Figure 2. Average Residential Electric Rates by Utility



Source: Public Advocates Office analysis of utility data showing latest Bundled Residential Average Rates (RAR) as of October 1, 2025.

In 2025, the Public Advocates Office advanced key affordability and accountability reforms across California's energy sector. We challenged billions of dollars in unjustified utility spending, secured major cost reductions through settlements, and strengthened oversight of energy infrastructure investments that directly affect customer bills. As California transitions toward a cleaner and more electrified energy system, our work focuses on ensuring that new investments are planned and implemented in a cost-effective and equitable manner for customers, particularly households and small businesses facing rising energy costs.

Much of this advocacy occurs through general rate cases before the California Public Utilities Commission (CPUC), where utilities must justify their proposed budgets and spending plans. Through these proceedings, our office scrutinizes utility costs and works to protect customers from unreasonable or unnecessary bill increases.

Our Energy Team's Work

Recommended Nearly \$1 Billion Reduction in Southern California Edison's Proposed General Rate Case Increase

In Southern California Edison Company's (SCE) General Rate Case, the Public Advocates Office identified multiple cost categories that lacked sufficient justification and found that SCE's proposed spending growth far exceeded inflation and operational need.

In September 2025, the CPUC issued a decision that adopted many of our recommendations. SCE had requested \$10.48 billion in revenue for 2025 – a \$1.9 billion, or approximately 22 percent, increase over its 2024 level.

Relying on our analysis, the CPUC reduced SCE's proposed increase by 57 percent, authorizing an \$819 million increase instead of the \$1.9 billion SCE originally requested. Our office also successfully advocated for a much lower capital investment plan than SCE proposed, including greater reliance on cost-effective covered-conductor projects to reduce wildfire risk.

Advanced the Basic Service Charge to Improve Affordability and Reduce Bill Volatility

In 2025, the CPUC began implementing an income-graduated Basic Service Charge to help lower electricity rates and recover utility costs more equitably. The Public Advocates Office played a leading role in shaping the design of this policy, which replaces a portion of per-kilowatt-hour charges with a modest fixed fee that varies by income level. This reform reduces rate volatility, lowers costs for low-income households and households in hot climate areas, and supports electrification by making it less expensive to charge electric vehicles and use electric appliances.

The next phase – expected in 2026 – will introduce an additional moderate-income tier to ensure customers just above existing assistance programs also benefit.

Advocated for Cost-Effective Energy Efficiency Programs

California's investor-owned utilities collect more than \$5.9 billion in customer funds for energy efficiency, yet more than 60 percent of these programs do not meet cost-effectiveness standards or have no standards at all. The Public Advocates Office has pushed for stronger accountability and for redirecting funds toward programs that deliver measurable benefits for customers.

In 2025, we successfully advocated to include cost-effectiveness as a core requirement in the CPUC's new Energy Efficiency Rulemaking and opposed releasing \$250 million in ratepayer funds for low-impact market-transformation programs. These reforms will help ensure that customer dollars deliver meaningful and measurable returns in reduced consumption and emissions.

Opposed Billions in Unjustified 'Energization' Cost Caps Under SB 410

The Public Advocates Office opposed San Diego Gas & Electric Company's (SDG&E) request for special cost caps and Pacific Gas and Electric Company's (PG&E) request to significantly expand cost recovery under special cost caps pursuant to SB 410 (Becker, 2023), which allows utilities to recover energization costs – the costs of connecting new customers to the grid – when incurred. PG&E sought roughly \$3.1 billion and SDG&E sought about \$310 million in capped cost recovery – amounts that would have been automatically passed through to customers with limited regulatory review.

Our analysis found that both utilities failed to substantiate these costs. In particular, PG&E relied heavily on expensive contract labor rather than developing internal workforce capacity, contrary to the statute's intent to promote long-term efficiency and workforce readiness. Allowing utility spending of this magnitude outside of a general rate case would weaken regulatory oversight and reduce incentives to control rapidly growing interconnection costs.

In September 2025, the CPUC issued a decision authorizing PG&E about \$1.5 billion in incremental energization costs for 2025 and 2026 – a 52 percent reduction from the utility's requested \$3.1 billion cap. This authorization followed earlier approvals of energization spending, including \$2.2 billion approved in 2024 under SB 410 and \$1.9 billion approved in PG&E's 2023 General Rate Case for 2024 through 2026. In total, the CPUC has authorized almost \$3.7 billion in incremental energization costs for 2024 through 2026 – 95 percent above the level approved in PG&E's 2023 General Rate Case.

In October 2025, the CPUC issued a decision authorizing SDG&E about \$51 million in incremental energization costs for 2024 through 2026 – an 83 percent reduction from the utility's requested \$310 million cap. This decision limited the increase in energization spending to under 20 percent above the level approved in SDG&E's 2024 General Rate Case.



Called for Guardrails to Protect Customers from Data Center Cost Shifts

As California experiences a wave of large-load interconnection requests driven by data center development, the Public Advocates Office has urged the CPUC to establish clear guardrails that prevent existing customers from paying for the infrastructure needed to serve these new facilities.

PG&E's proposed tariff would allow large-load customers to connect directly to the transmission grid, but without strong safeguards, households and small businesses could be left paying for underused or unnecessary transmission equipment and infrastructure if projects are delayed or downsized.

Our recommendations urge the CPUC to require long-term financial commitments from large-load customers and to adopt causal cost-allocation rules so that data centers – not existing ratepayers – bear the costs of the infrastructure built to serve them.

The CPUC is expected to issue a decision in early 2026.

Secured Consumer Protections in Western Region Energy Markets

In 2025, California advanced legislation (AB 825) to establish a multi-state Regional Organization that would oversee electricity markets across the West. The Public Advocates Office worked with the PATHWAYS organization to ensure that the Regional Organization created under AB 825 is structured to serve the public interest and protect consumers.

Our office secured key provisions in the legislation, including a dedicated Consumer Advocate Organization to coordinate state consumer advocates and guaranteed seats for consumer advocate representatives in the stakeholder process.

As oversight of western electricity markets expands beyond the California Independent System Operator (CAISO) to a multi-state Regional Organization Board, these provisions will help ensure that consumer advocates across the West have the authority, resources, and access to the information needed to monitor market performance, prevent anti-competitive behavior, and elevate ratepayer interests in regional market decision-making.

Achieved \$1.085 Billion Savings for Ratepayers in the Thomas Fire Settlement

SCE sought to recover \$2.47 billion from customers for damages and financing costs resulting from the 2017 Thomas Fire and subsequent 2018 Montecito debris flows. Following a detailed review, the Public Advocates Office helped negotiate a settlement that reduced SCE's recovery by over \$1 billion, ensuring that shareholders, not customers, bear the financial burden of unsafe utility operations.

The CPUC approved the settlement in early 2025.

Helped to Secure \$101 Million Disallowance in SCE Wildfire Cost Recovery

In addition to the Thomas Fire Settlement, in June 2025, the CPUC adopted many of the Public Advocates Office's recommendations regarding another SCE wildfire-related cost recovery proceeding. That review examined labor and overhead costs the utility sought to recover from customers following catastrophic wildfires.

The CPUC's decision disallowed \$101 million in costs after our review found that SCE sought reimbursement for labor and overhead costs already funded through prior rates. As a result, those expenses could not be recovered from customers, ensuring that customers do not pay twice for the same wildfire mitigation work and reinforcing stricter cost accountability.

Enhanced Grid Resilience for Bear Valley Electric Customers

The Public Advocates Office negotiated a settlement, which was adopted by the CPUC, allowing Bear Valley Electric Service to build a solar project and energy storage systems that will improve reliability and resilience for its customers, particularly during Public Safety Power Shutoffs.

The settlement, approved in 2025, established cost caps, required the utility to maximize federal tax credit benefits, and created oversight mechanisms to protect customers from cost overruns. By prioritizing local resources, the project is intended to reduce outage duration, improve emergency resilience, and limit long-term costs for customers who are particularly vulnerable to service disruptions.

Additional Energy Work in 2025

In addition to the work highlighted above, the Public Advocates Office undertook a range of analytical, policy, and research efforts to advance affordability, transparency, and accountability across California's energy sector, including:

- Advanced cost-effective reliability through Integrated Resource Planning (IRP) by analyzing the proposed Reliable and Clean Power Procurement Program and recommending approaches to reduce unnecessary procurement risk and avoid overreliance on the Resource Adequacy market.
- Published the [2025 Distribution Grid Electrification Model \(DGEM\)](#),¹ which evaluates how growing electrification is likely to affect distribution grid infrastructure and customer costs, helping inform discussions about long-term planning and affordability as electricity demand increases.
- Released the [2025 Transmission Data Dashboard](#),² an expanded dashboard that tracks transmission project costs, timelines, and completion status across California's investor-owned utilities, improving transparency and accountability for large infrastructure investments.
- Published [quarterly electric rates reports](#),³ tracking changes in residential electricity rates and bills over time and highlighting trends affecting customer affordability.
- Reviewed utilities' safety culture transformation efforts, including assessments and corrective action plans to determine whether safety is embedded into management practices and field operations rather than treated as a compliance exercise.

¹ Distributed Grid Electrification Model 2025 Findings, Public Advocates Office. <https://www.publicadvocates.cpuc.ca.gov/press-room/reports-and-analyses/distribution-grid-electrification-model-2025>.

² 2025 Transmission Data Dashboard, Public Advocates Office. <https://www.publicadvocates.cpuc.ca.gov/press-room/reports-and-analyses/transmission-data-dashboard-2025>.

³ 2025 Q3 Electric Rates Report, Public Advocates Office. <https://www.publicadvocates.cpuc.ca.gov/press-room/reports-and-analyses/2025-q3-electric-rates-report>.



COMMUNICATIONS

The Public Advocates Office's Communications team works to protect Californians' essential access to safe, reliable, and affordable communications services, including broadband, wireless, and voice service. In 2025, the team focused on defending universal service protections, securing affordability and infrastructure commitments, safeguarding ratepayer-supported programs, and analyzing broadband pricing and adoption trends to inform policy and oversight.

Our Communications Team's Work

Negotiated Major Affordability and Infrastructure Commitments in the Verizon–Frontier Merger

In 2024, Verizon announced plans to acquire Frontier's California wireline operations, affecting hundreds of thousands of phone and broadband customers, many in rural and lower-income communities with limited choices. The Public Advocates Office reviewed the merger to make sure it would deliver real public benefits – not just a bigger company.

Through extensive analysis and negotiations, we joined a partial settlement that secured concrete benefits for California customers, including:

- Delivering more than 75,000 new fiber-to-the-home connections in and beyond Frontier's territory, prioritizing underserved and low-income neighborhoods, enforced through a \$150 million performance bond.
- Offering two nationally leading \$20 per month plans that low-income customers can combine with the California LifeLine broadband subsidy to deliver no-cost or very low-cost service for eligible households.
- Building an additional 250 wireless cell sites within seven years to improve coverage and support 5G and fixed wireless access in rural and underserved areas.
- Committing hundreds of millions of dollars in network upgrades and digital equity investments, backed by performance reporting and financial assurances.

These conditions are designed to expand high-quality broadband and improve coverage while keeping service more affordable for customers who are least able to absorb higher prices. As of late 2025, the CPUC has issued a Proposed Decision that reflects the settlement terms the Public Advocates Office negotiated with Verizon and scheduled a January 2026 vote on the merger and adoption of those terms.

Defended Universal Communications Access in the Carrier of Last Resort Rulemaking

When AT&T asked to end its obligation to provide basic phone service as the Carrier of Last Resort (COLR), it put approximately 29.5 million Californians – including more than 500,000 traditional landline customers – at risk of losing guaranteed phone service. The Public Advocates Office led opposition to AT&T’s request and urged the CPUC to dismiss the application because it would have removed the safety net that ensures universal access to essential communications.

In June 2024, after extensive public input, the CPUC rejected AT&T’s request and opened a new rulemaking to modernize COLR rules while maintaining universal access. In 2025, the Public Advocates Office focused on making sure that as copper landlines are replaced with broadband and wireless networks, no community loses access to reliable service or 911, especially rural, low-income, and disabled communities.

Our recommendations emphasized:

- Establishing a regulated transition to broadband (at least 100/20 Mbps) so “replacement” service is truly high-speed, not a downgrade.
- Requiring any replacement networks to be as reliable as today’s landlines for 911 and emergencies, including backup power and service quality protections.
- Blocking carriers from walking away in areas that do not yet have a real alternative – especially rural, Tribal, and low-income communities.
- Mandating clear, enforceable transition plans before landlines are retired, including how customers will be migrated, how prices will stay affordable, and how service quality will be maintained.

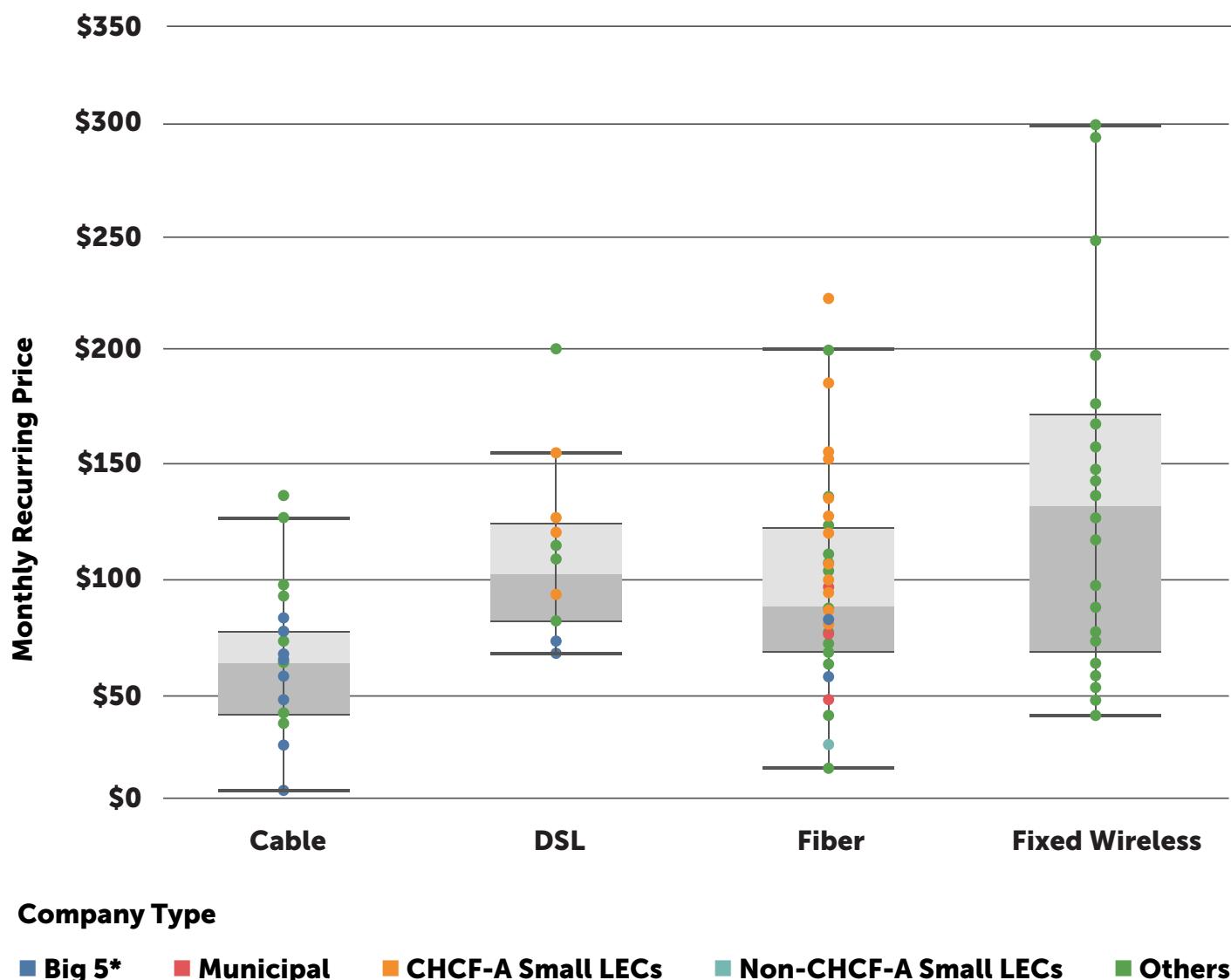
We also engaged directly with the Legislature, opposing AB 470 (McKinnor), which would have weakened COLR protections without guaranteeing equivalent replacement service. Our commentary and briefings explained how AB 470 could undermine 911 access and leave high-risk communities worse off. As of late 2025, AB 470 had not advanced out of the Senate and the CPUC had not yet issued a final COLR decision – meaning existing universal service protections remain in place while the new framework is developed.

Identified Broadband Affordability Barriers Affecting Adoption

In 2025, the Public Advocates Office published its third annual broadband white paper, [Broadband in California: Pricing, Affordability, and Adoption Trends](#).⁴ The report analyzes residential broadband pricing across providers, speed tiers, and technologies, and examines how pricing affects affordability and adoption across California.

The analysis found that broadband continues to be unaffordable for many households, with affordability remaining the primary barrier to adoption, particularly for low-income communities. The findings underscore the importance of aligning broadband pricing and subsidy programs with infrastructure investments to support sustained adoption and affordability outcomes for California households. The report also provides a year-over-year benchmark of broadband pricing trends and context for ongoing policy discussions about broadband affordability, adoption, and program effectiveness.

Figure 3. California Monthly Recurring Broadband Plan Prices by Provider Type and Technology for the ≥ 100 & < 500 Mbps Download Speed Tier



Company Type

■ Big 5* ■ Municipal ■ CHCF-A Small LECs ■ Non-CHCF-A Small LECs ■ Others

Source: Broadband Pricing Trends in California, 2025 Report, Public Advocates Office.

*Note: "The Big 5" refers to Comcast, Charter, Frontier, AT&T, and Cox.

⁴ Broadband Pricing Trends in California, 2025 Report, Public Advocates Office. <https://www.publicadvocates.cpuc.ca.gov/press-room/reports-and-analyses/broadband-pricing-trends-in-california-2025-report>.

Ensured Accountability for Rural Broadband Investments and State Subsidies in Ducor Telephone Company's General Rate Case

Small rural telephone companies receive significant support from the California High-Cost Fund A (CHCF-A), which is paid for by telephone customers across the state to help keep service available in high-cost areas.

In its 2025 General Rate Case, Ducor Telephone Company asked the CPUC to increase the value of its facilities for ratemaking by revaluing its existing system based on a 2021 ownership transfer – a move that would have raised both local bills and the amount of CHCF-A subsidies funded by other Californians.

The Public Advocates Office opposed Ducor's attempt to treat the higher sale price of its system as a new cost for customers to pay off. We argued that ratepayers should not be charged twice for the same assets. We also reviewed Ducor's broadband investments to make sure that CHCF-A dollars support projects that are actually used and useful, reasonably priced, and not duplicating federal subsidies.

In August 2025, the CPUC adopted a decision that approved a lower revenue requirement and a much smaller intrastate rate base than Ducor requested, reducing the pressure on both local customers and the CHCF-A fund.

These outcomes reflect the Public Advocates Office's role in protecting rural customers and CHCF-A contributors from inflated or duplicative costs while maintaining essential service in high-cost areas.

Advanced Modernization of the Deaf and Disabled Telecommunications Program to Meet Today's Communication Needs

For Californians who are deaf, hard of hearing, or who have speech or other disabilities, the Deaf and Disabled Telecommunications Program (DDTP), now branded as California Connect, is a lifeline. It provides equipment and services that make it possible to stay in touch with family, employers, health-care providers, and emergency services.

The Public Advocates Office worked throughout 2025 to help ensure that modernizing the DDTP improves access while remaining affordable for ratepayers. Our recommendations included:

- Expanding access to modern wireless and internet-based assistive devices.
- Improving outreach so underserved disabled communities know about and can use the program.
- Ensuring equipment funded by the program is reliable during power outages and emergencies, including when people need to reach 911 or medical providers.
- Updating statewide disability needs assessments, rather than relying on outdated assumptions.

In 2025, the CPUC and stakeholders held public forums, workshops, and committee meetings to gather input on program changes and funding. A proposal to update the program and its funding framework moved forward, but the CPUC had not yet adopted final changes as of late 2025.



Additional Communications Work in 2025

Beyond these areas of work, the Communications team:

- Reviewed multiple Small Local Exchange Carrier rate cases and advice letters to ensure rural subsidies and rate structures remained reasonable and tied to service quality improvements.
- Participated in the implementation of the California Advanced Services Fund's Federal Funding Account and related broadband programs, helping steer state and federal dollars toward unserved and underserved communities.
- Testified before the state legislature on the Carrier of Last Resort policy.
- Participated in panels in other states and Washington, DC, on broadband infrastructure policy and the interaction between federal and state programs.

Together, this work shows how the Public Advocates Office used 2025 to protect universal access to reliable phone and broadband service, secure concrete customer benefits, safeguard rural funding, and modernize key communications programs for Californians.

WATER

In 2025, the Public Advocates Office strengthened its efforts to keep water bills affordable for Californians as private water utilities continued to seek significant rate increases. Our water engineers and analysts evaluated revenue requests, capital project proposals, and ratemaking mechanisms to ensure that customer rates fund only the investments that are necessary, reasonable, and supported by evidence, rather than overstated or speculative costs. This work helped reduce unnecessary spending, limit automatic surcharges on customer bills, and promote more transparent long-term planning by water utilities.

Investor-owned water utilities operate as monopolies in their service areas, which means customers have no alternative provider. As a result, strong oversight is essential to ensuring that rates remain fair and that utility investments reflect efficiency and accountability. Throughout 2025, our advocacy helped prevent extreme bill increases, ensure responsible utility spending, and protect small and rural communities from the risks associated with utility mismanagement or disinvestment.

Our Water Team's Work

Advocated Against Automatic Surcharges and Reduced Unjustified Costs in Golden State Water Company's General Rate Case

Golden State Water Company requested large revenue increases in its 2023 General Rate Case that would have raised customer bills by about \$325 million over three years. The Public Advocates Office reviewed the proposal and found that Golden State's capital and operating estimates were higher than necessary. We recommended significantly lower spending levels to keep customer bills affordable, which reduced the utility's request by approximately \$132 million over the three-year cycle.

In addition to lowering the overall revenue requirement, we opposed Golden State's proposal to automatically bill customers for "lost revenues" when sales declined, and we prevented creation of a surcharge proposed to be levied on ratepayers to recover unbudgeted construction costs.

In January 2025, the CPUC issued a final decision adopting outcomes consistent with our recommendations.



Protected Keene Customers from Unaffordable Bills During Union Pacific's Attempt to Abandon Water Service

Union Pacific, which operates the Keene Water System, filed applications in 2025 seeking to sharply increase rates and to be relieved of its water-utility obligations in the rural community of Keene. Keene is home to the César E. Chávez National Monument and the historic headquarters of the United Farm Workers.

Under Union Pacific's proposed rate structure, some customers could face monthly bills exceeding \$1,500 – a more than 1,000 percent increase. The Public Advocates Office analyzed affordability impacts, service-continuity risks, and the lack of any viable successor operator, and raised concerns regarding contingency planning and long-term system viability.

We continue to work closely with local community organizations to ensure residents will not be left without safe, reliable, and affordable water service or subjected to unreasonable cost shifts. Our advocacy emphasizes that water service in this small rural community must remain accessible and stable.

In 2025, the Public Advocates Office, Clean Water Action, the National Chavez Center, and the Dolores Huerta Foundation jointly moved to dismiss Union Pacific's abandonment request until the State Water Resources Control Board completes its technical assessment of long-term options. As of late 2025, the CPUC has not issued a final decision, and our office continues to advocate for a resolution that maintains service reliability and prevents extreme rate increases.

Secured More Affordable and Accountable Rates in Suburban Water Systems' General Rate Case

Suburban Water Systems asked for \$78.5 million in additional revenue over its three-year general rate case cycle. The Public Advocates Office reviewed the request and determined that Suburban overstated its capital project needs and corporate expenses. We recommended approval of only \$12 million in justified spending, ensuring that customers paid only for necessary and well-supported investments.

Our analysis further showed that Suburban's proposed pipeline-replacement and capital budgets were higher than needed and not supported by long-term system planning. By challenging these requests, we prevented unnecessary costs from being added to customer bills.

In December 2024, the CPUC issued a decision adopting revenue requirements that closely aligned with our recommendations, saving customers approximately \$50.5 million compared with the company's request. A follow-up decision in 2025 reaffirmed the lower capital budget supported by our office, and Suburban implemented the adopted rates through its advice letter filings.

Additional Water Advocacy in 2025

Beyond these major proceedings, our Water team continued to advance affordability, accountability, and transparency across California's regulated water sector. Staff expanded outreach efforts in communities served by private water utilities – particularly areas facing significant rate increases or service-reliability concerns – to better understand on-the-ground impacts and bring those perspectives into CPUC proceedings. The team also participated in national regulatory forums such as the National Association of State Utility Consumer Advocates (NASUCA) and the National Association of Regulatory Utility Commissioners (NARUC), contributing to discussions on water affordability, infrastructure resilience, and long-term system planning.

Taken together, these efforts strengthened oversight of private water utilities, protected customers from unreasonable costs, and ensured that policymakers are provided with the data-driven analysis needed to make informed decisions about water affordability and reliability. This work underscores the Public Advocates Office's commitment to ensuring that Californians continue to receive safe, reliable, and affordable water service supported by responsible utility investments.





OUR WORK IN SACRAMENTO

Advocating for Utility Customers at the State Capitol

The Public Advocates Office is California's independent, state-mandated consumer advocate for investor-owned utility customers. We engage in legislative and budget processes to ensure that utility policy decisions prioritize affordability, reliability, and safety for millions of Californians.

We bring deep technical expertise on utility ratemaking, infrastructure investment, and consumer protections into state policymaking discussions. Our role is to provide evidence-based analysis that helps policymakers understand how proposed actions may affect utility customers across the energy, water, and communications sectors.

Providing Independent Analysis to Policymakers

The Public Advocates Office provides analysis and recommendations to the Governor's Office, Legislature, Department of Finance, Legislative Analyst's Office, and other state agencies. We translate complex utility issues into clear assessments of customer impacts, with particular attention to costs, risk allocation, and long-term affordability.

Our Sacramento engagement includes:

- Delivering technical briefings on utility ratemaking and infrastructure investment.
- Evaluating the potential customer impacts of proposed legislation and budget proposals.
- Testifying before legislative committees and participating in staff briefings.
- Providing updates as needed on major CPUC proceedings with statewide implications.

Accountability and Statutory Role

The Public Advocates Office develops its budget under the oversight and final approval of the California Department of Finance and reports annually to the California State Legislature on its activities and accomplishments, consistent with its statutory mandate (Public Utilities Code § 309.5). This structure reinforces our independence and accountability as California's ratepayer advocate.

Photo: Public Advocates Office Staff Visit the Capitol.



LEGISLATIVE REPORT

Pursuant to Public Utilities Code § 309.5, the Public Advocates Office is required to submit an annual report to the Governor and the Legislature on or before January 10 of each year. This report includes the following information:

| Staffing Levels (Five-Year Comparison) | Budget | Workload |
|--|--|---|
| The number of personnel years utilized by the Public Advocates Office, with a comparison of staffing levels over a five-year period. | The total dollars expended by the Public Advocates Office in the prior fiscal year and the total dollars proposed for appropriation in the upcoming budget year. | Standards and measures used to assess the Public Advocates Office workload. |

Photo: Public Advocates Office Staff Visit the San Carlos PG&E Substation.



Staff Levels

The Public Advocates Office is required to report each year on the number of staff personnel years utilized, along with a comparison of staffing levels over a five-year period. The Public Advocates Office currently has 183 authorized positions.⁵

| Fiscal Year | Public Advocates Office Authorized Staff |
|-------------|--|
| 2022-2023 | 178 |
| 2023-2024 | 179 |
| 2024-2025 | 181 |
| 2025-2026 | 183 |
| 2026-2027 | 183 |

Photo: Public Advocates Office Annual Staff Gathering.



⁵ This includes the Public Advocates Office's Chief Counsel position which was authorized by Senate Bill 608 (Escutia, Chapter 440, Statutes of 2005). The CPUC Legal Division provides attorneys, and support staff, upon the Public Advocates Office's request, to aid our office in litigation matters. These legal resources, including their overhead, salaries, and benefits are paid for out of the Public Advocates Office's Program Account 3089, but are not Public Advocates Office staff.

Budget

Each year the Public Advocates Office reports the total dollars spent by the office in previous budget cycles, and the total dollars proposed for appropriation in the upcoming budget year. We strive to administer our budget prudently to achieve our mandate.

The Public Advocates Office develops its budget in-house and collaborates directly with the Department of Finance for approval.⁶ This budget encompasses the Office's operating costs and its share of administrative services provided centrally by the CPUC, including human resources, information technology, and facilities.

By statute, our budget is maintained as a separate account, with funds allocated annually through the Budget Act. These funds are dedicated exclusively to supporting the Public Advocates Office in carrying out its responsibilities.

The Public Advocates Office Budget:

| Fiscal Year | Dollars Authorized ⁷ | Dollars Expended |
|-------------|---------------------------------|------------------|
| 2024-2025 | 54,192,000 ⁸ | 50,565,000 |
| 2025-2026 | 54,854,000 | * |
| 2026-2027 | ** | *** |

* Year-end expenditures will not be available until August 2026 for the fiscal year ending June 2026.

** Pending Governor's proposed 2026/2027 budget.

*** Year-end expenditures will not be available until August 2027 for the fiscal year ending June 2027.

⁶ Public Utilities Code Section 309.5(c): The director shall develop a budget for the office that shall be subject to final approval of the Department of Finance. As authorized in the approved budget, the office shall employ personnel and resources, including attorneys and other legal support staff, at a level sufficient to ensure that customer and subscriber interests are effectively represented in all significant proceedings. The office may employ experts necessary to carry out its functions. The director may appoint a lead attorney who shall represent the office, and shall report to and serve at the pleasure of the director. The lead attorney for the office shall obtain adequate legal personnel for the work to be conducted by the office from the commission's attorney appointed pursuant to Section 307. The commission's attorney shall timely and appropriately fulfill all requests for legal personnel made by the lead attorney for the office, provided the office has sufficient moneys and positions in its budget for the services requested.

⁷ The Public Advocates Office has additional budget authorization for reimbursable contracts. Our office is reimbursed for these costs by the relevant utilities. For FY2025/2026, the proposed amount for reimbursable contracts is \$3,000,000. Actual expenditures for reimbursable contracts occur only if there are proceedings that allow for reimbursable contracts. Examples include audits, mergers, and major resource additions, such as the construction of a transmission facility for which the Public Advocates Office may need to contract for expert consultant services to assist in analyzing the utility request or application.

⁸ Reflects the Governor's 2024/2025 budget prior to fiscal adjustments.

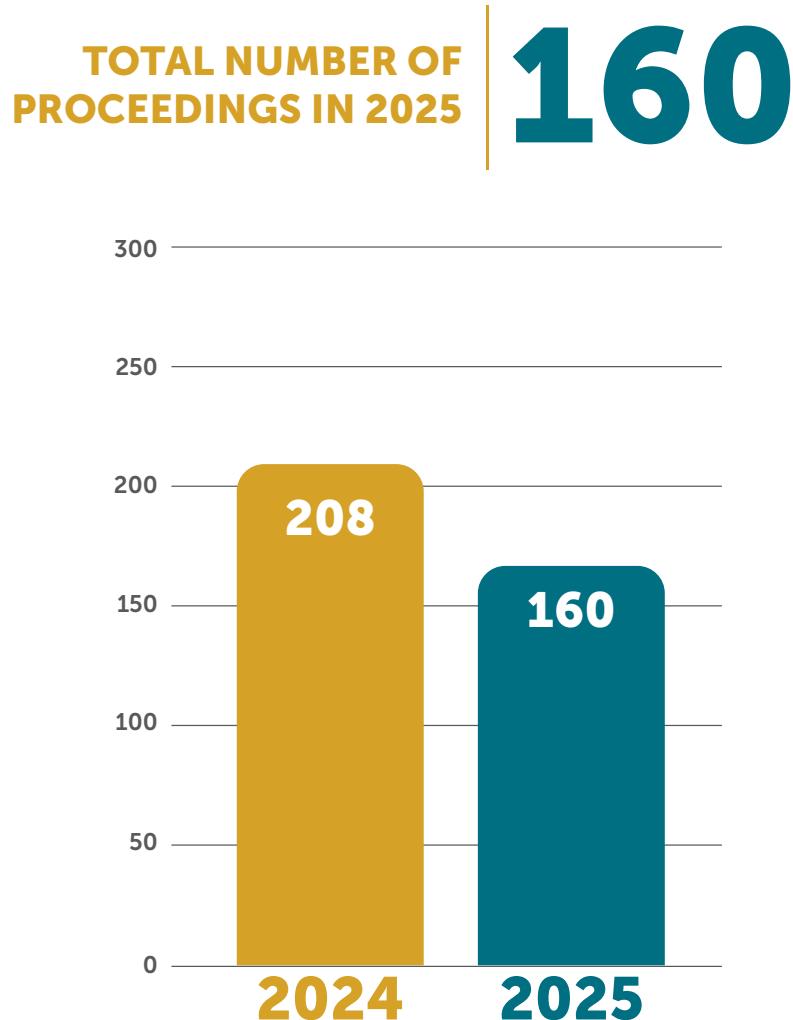
Proceeding Participation

In 2025, the Public Advocates Office participated in 160 formal CPUC proceedings and in many cases served as the only party solely representing the interests of utility customers. Since the CPUC relies upon a formal, evidentiary record in making its decisions, our participation is essential to ensure that this record reflects the interests of California's customers.

The following charts show the total number of formal CPUC proceedings in which the Public Advocates Office participated in during 2025, compared to 2024, categorized by industry group. These numbers do not fully capture the greater complexity of the issues addressed by the Public Advocates Office in omnibus proceedings, including those related to greenhouse gas emissions, renewable resource development, procurement and transmission working groups, water conservation, and other major initiatives that span multiple industries and proceedings.

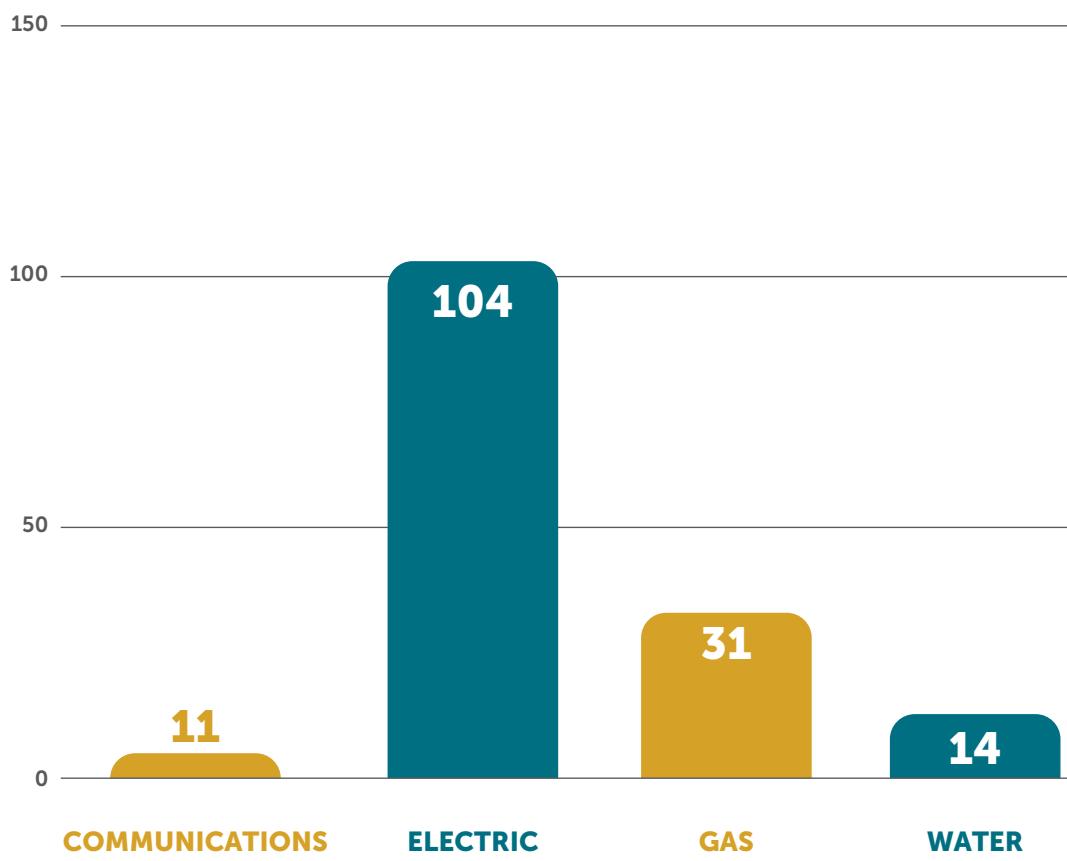
Beyond formal CPUC proceedings, the Public Advocates Office also responded to numerous utility advice letters, which utilities use to seek CPUC authorization through a more streamlined and less formal process. Our office represents ratepayer interests in proceedings before other state agencies, including the California Energy Commission (CEC) and the California Independent System Operator (CAISO).

Our office also participates in related oversight and coordination bodies connected to CPUC proceedings, including utility procurement review meetings, the Low-Income Oversight Board, communications public policy committees, industry committees within the National Association of State Utility Consumer Advocates, and the Pacific Forest and Watershed Stewardship Council.



**TOTAL NUMBER OF PROCEEDINGS
BY INDUSTRY IN 2025**

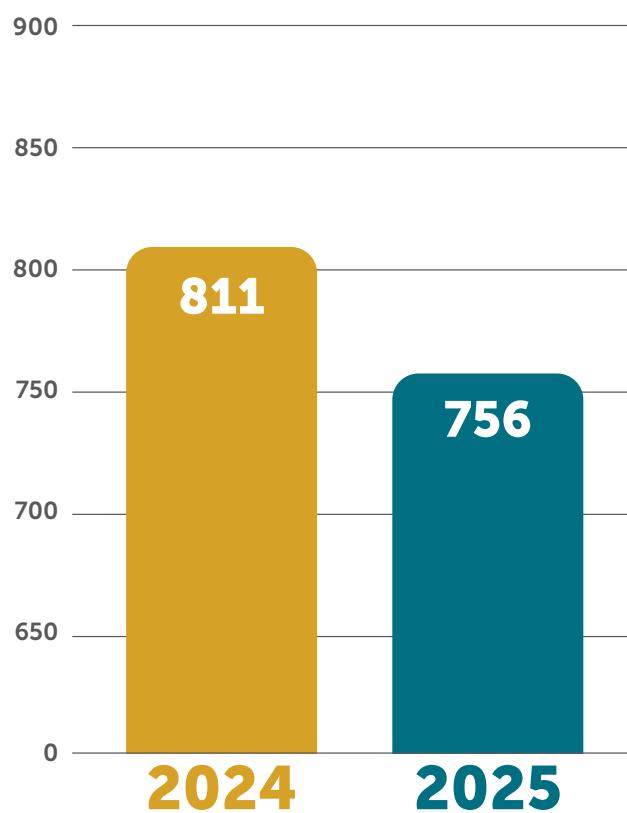
160



Pleadings Filed

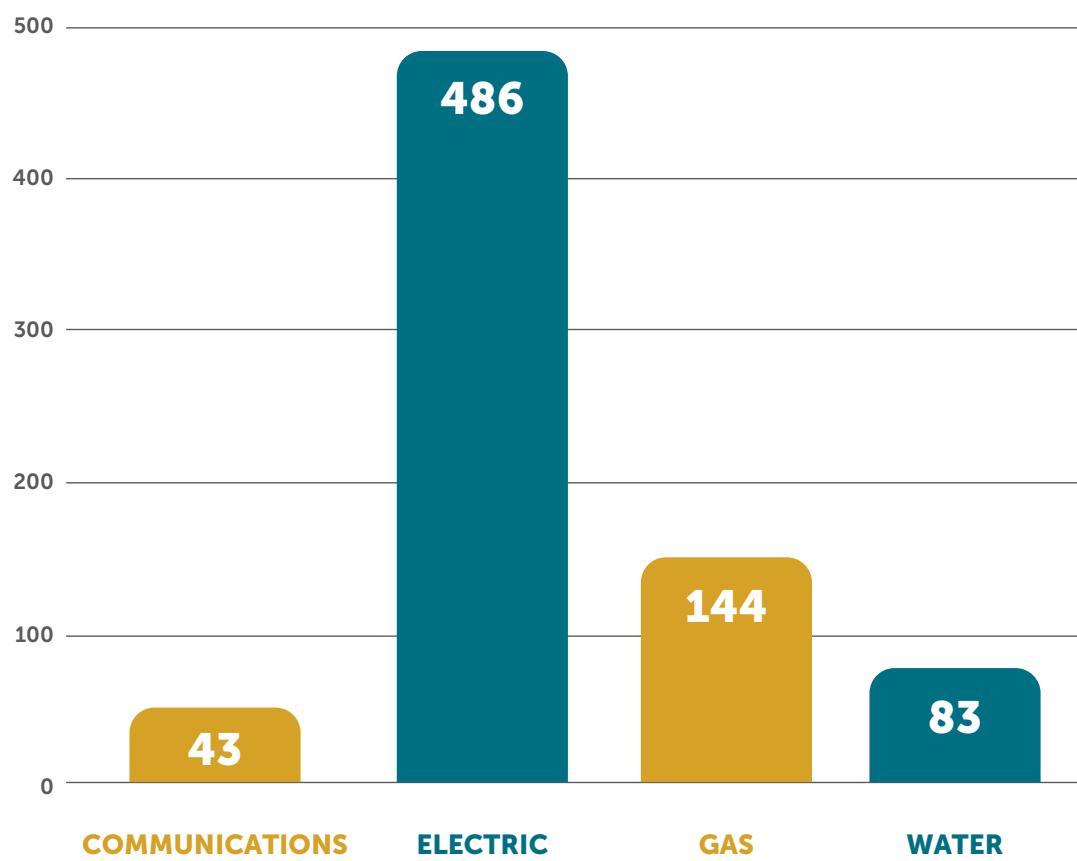
In 2025, the Public Advocates Office filed 756 pleadings in formal CPUC proceedings, submitting written motions, briefs, and comments on behalf of customers. These pleadings addressed issues across the electricity, natural gas, water, and communications sectors. The following charts compare the number of pleadings filed in 2025 to those filed in 2024.

**TOTAL NUMBER OF
PLEADINGS IN 2025** **756**



**TOTAL NUMBER OF PLEADINGS
BY INDUSTRY IN 2025**

756





Outreach and Education

California's utility regulatory processes are complex and can be difficult for consumers to navigate without dedicated time or resources. As California's ratepayer advocate, we participate in CPUC Public Participation Hearings,⁹ legislative hearings, workshops,¹⁰ public speaking engagements, conferences, and other events to communicate in clear, accessible language about utility rates, practices, and policies, while ensuring customer perspectives are reflected in decision-making processes.

Equally important is the opportunity to learn directly from the public about their unique needs and challenges. Consumer stories and perspectives help inform our analysis and advocacy. We also engage with the news media to help explain complex utility issues and highlight how regulatory and legislative decisions affect utility customers.

⁹ Public Participation Hearings are forums held by the CPUC for the public to participate and learn about various proceedings underway at the CPUC.

¹⁰ Workshops are forums held by the CPUC for stakeholders or outside parties to address specific issues related to a proceeding or matter before the CPUC.

In 2025, our outreach and education efforts focused on our continued commitment to improving transparency and access to information for utility customers, including:

- Hosting and participating in public forums to engage with community members and stakeholders.
- Collaborating with a diverse range of stakeholders, including small businesses, community organizations, environmental groups, and other consumer-focused advocates.
- Publishing [quarterly rates reports¹¹](#) that track electric utility prices over time, and serve as a resource for customers, the press, legislators, and policymakers to understand important trends in utility rates and bills.
- Expanding and maintaining our [website¹²](#) and [blog¹³](#) to share analyses, policy recommendations, and updates on major proceedings affecting energy, water, and communications customers.

We will continue to build on these efforts in 2026 to strengthen transparency, support informed public participation, and advance the interests of California's utility customers.



The Public Advocates Office always strives to communicate in clear, accessible language, while also capturing customer perspectives to help inform the decision-making process.

¹¹ 2025 Q3 Electric Rates Report, Public Advocates Office. <https://www.publicadvocates.cpuc.ca.gov/press-room/reports-and-analyses/2025-q3-electric-rates-report>.

¹² California Public Advocates Office Website, Public Advocates Office. <https://www.publicadvocates.cpuc.ca.gov/>.

¹³ Public Advocates Office Commentary (Blog), Public Advocates Office. <https://www.publicadvocates.cpuc.ca.gov/press-room/commentary>.



The Public ADVOCATES OFFICE

The Consumer Advocate at the
California Public Utilities Commission



ANNUAL REPORT 2025

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