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February 14, 2023

The Honorable Willie Phillips
Acting Chairman
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Dear Acting Chairman Phillips,

I write to urge the Federal Energy Regulatory Commission (FERC) to investigate the ongoing market conditions that have contributed to the shocking levels of price volatility in California's natural gas market.

At the end of December 2022, San Diego Gas & Electric, the investor-owned utility which serves my constituents in both North County San Diego and South Orange County, warned its 873,000 natural gas customers that it expected natural gas rates to more than double in January.¹ As a result, individuals across our Congressional district faced unexpected and steep price hikes – despite natural gas prices remaining low in other regions across the country. While I am relieved that rates are coming down this month, natural gas bills still remain about double what they were last year.²

While I recognize unique conditions of natural gas markets in the Western U.S., the Federal Energy Regulatory Commission must continue to investigate and monitor natural gas markets in California to protect against any potential market manipulation or other unusual conditions.

These unexpected and significant price swings have substantial impact for families living on fixed incomes – such price hikes may force families to make the impossible decision of deciding whether to heat their homes and use their appliances, or afford life's other necessities. In addition, I have heard from small businesses in my district that have seen their monthly bills more than triple, further tightening their already-thin margins. While Congress has worked to

¹ Rob Nikolewski, "California looks at ways to curb soaring natural gas bills for SDG&E and other consumers", *San Diego Union-Tribune*, January 12, 2023, https://www.sandiegouniontribune.com/business/story/2023-01-12/california-looks-at-ways-to-curb-soaring-natural-gas-bills-for-sdg-e-and-other-consumers?utm_id=82908&sfmc_id=5415520.

² Rob Nikolewski, "Newsom wants the feds to investigate California's high natural gas prices", *San Diego Union-Tribune*, February 6, 2023, https://www.sandiegouniontribune.com/business/story/2023-02-06/newsom-wants-the-feds-to-investigate-californias-high-natural-gas-prices?utm_id=85716&sfmc_id=1384304.

provide relief for our most vulnerable, including by providing \$5 billion through the Low-Income Home Energy Assistance Program (LIHEAP) in the recently-enacted Fiscal Year 2023 appropriations bill, FERC, along with state regulatory agencies, must do more to strengthen its oversight on market practices and utility rate setting in order to limit such significant price swings.

At the state level, I am glad that the California Public Utilities Commission (CPUC) is investigating these rate hikes and exploring potential actions including policies to avoid any sudden hikes in the future.

I appreciate FERC's understanding of the urgency of addressing these exorbitant and unpredictable natural gas prices on Californians. Thank you for your attention to this matter, and I once again encourage a thorough review of the ongoing price volatility and market conditions in California's natural gas market.

Sincerely,

A handwritten signature in black ink that reads "Mike Levin". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mike Levin
Member of Congress

cc: The Honorable Alice Busching Reynolds, Chair, California Public Utilities Commission