

**Press Release:
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**FOR IMMEDIATE RELEASE
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How long will San Diego have the highest utility rates in the state?

While the State legislators -- some of them got us in this mess in the first place -- continue howling and wringing their hands, SDG&E continues to exercise its mighty monopolistic influence. Now they have convinced our representatives in Sacramento to spread out their outrageous energy bills over a period of years and let the ratepayers pay them back later -- with interest.

Get this! In spite of their hundreds of millions of dollars in "windfall" profits already, SDG&E has now convinced our state legislators --instead of a real rate rollback--SDG&E should be allowed to borrow the money -- to cover the shortfall of their windfall--and charge it along with the interest back to the ratepayers through what they are calling a "balancing account."

In July, I introduced a plan for San Marcos -- and any other municipal government -- that can cut the ratepayers electric bill by at least 62% without creating any long term interest bearing loan to pay back to SDG&E.

San Marcos, took the first step when they considered my proposal and moved forward Tuesday August 22, 2000 to adopt the Resolution to form a Municipal Utility.

As of that moment, San Marcos became a Municipal Utility.

But, we are told that because this is an election year, the council majority may have decided to delay any further actions until after the November elections. I hope this is not true because it would hold the ratepayers hostage to election politics.

What would it mean to the current ratepayer that is now paying for 500 kWh's of SDG&E's pricey electricity? That ratepayer is going to pay a minimum of \$130.32, while under our plan they would only pay \$49.69. Or, the ratepayer currently buying 700 kWh's would pay SDG&E \$182.44, rather than the cities municipal utility \$69.57. That is a reduction of more than 62%.

What does this mean to the economy of San Marcos? The aggregated or combined household ratepayers of San Marcos will be overpaying what a municipal utility should be able to get power for by at least \$48,028 per day or \$1,460,844 per month. That's almost eighteen million dollars annually!

We think \$48,028 per day constitutes an energy crisis --and our ratepayers can't afford any further delays. The council followed my advice and adopted the enabling legislation. So now, in fact immediately, the council should instruct their staff to bring on a consultant to write up a "Request for Proposal" (RFP) and send it to all the energy providers in the country requesting, "bids" for all of the San Marcos electric and natural gas requirements. The City Council should ask UCAN to help the City through the process of reviewing the responses and making recommendations to the city manager and city council. That way the ratepayers will have an independent advocate in the process.

The RFP should give between 30 and 45 days for a response. Simultaneously, we would recommend the city send a letter to notify their businesses and residents of their intention aggregate and negotiate, on behalf of all ratepayers who so choose, for a contract with a lower cost energy provider. Any business or resident who chooses to "go their own course or stay with SDG&E" only needs notify the city of their decision.

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City staff can pick up the phone right now and get an idea of what a 'term' contract with another supplier might cost, thereby giving the community an idea of the kind of savings they would be looking at so that they could make a more informed decision.

As our representatives in Sacramento have demonstrated, it is not going to get any better in the short-term. We're just postponing the big SDG&E "PAST DUE BILL." San Marcos can show the rest of North County, and San Diego for that matter, how to control their own destiny and keep energy costs down for their residents, businesses, schools, churches and charitable organizations.

The Federal government right now is selling electricity for 2.7 cents/kWh. Enron just did a five-year contract with the city of Roseville for 4.9 cents/kWh. SDG&E just boosted their charge up to 20.5 cent/kWh. What's wrong with this picture?

Is it worth \$1,460,844 per month to stay with SDG&E? Let's ask the citizens and businesses of San Marcos.

We are calling on the City Council to act now and put politics aside. Let the voice of San Marcos ratepayers be heard. Start the RFP process immediately. Give our ratepayers a choice and move San Marcos toward a truly "free market!" After all, it's almost eighteen million dollars in annual savings to all San Marcos ratepayers.

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For almost 20 years, the City has worked with an attorney name Don Hunt, of Fulbright & Jaworski with offices in Los Angeles. Don and his firm have a reputation for being the best and most knowledgeable in this field. Don has helped a number of communities municipalize. We would urge any interested municipal agency or even those of the media here today if you doubt the validity of what we have told you to call him at 213-892-9200. Or contact Michael Shames at UCAN.