**[DATE]**

The Honorable Buffy Wicks

Chair, Assembly Committee on Appropriations

1021 O Street, Suite 8140

Sacramento, CA 95814

***RE: [YOUR ORGANIZATION]’s Letter of Support for AB 2054***

Dear Chairperson Wicks,

On behalf of **[YOUR ORGANIZATION]**—**[ABOUT YOUR ORG]**—we are writing to express our strong support for AB 2054. Ensuring accountability and transparency in the operations of Investor-Owned Utilities (IOUs) is one of the most crucial issues facing ratepayers, particularly in light of substantial rate increases experienced by Californians over the past decade. AB 2054 is a critical measure aimed at safeguarding California’s ratepayers from escalating utility costs due to unchecked utility spending and ensuring that the California Public Utilities Commission (CPUC) operates with greater independence and accountability.

AB 2054 introduces robust measures to rein in utility spending by mandating that utility shareholders bear a significant portion of the risk for expenditures that exceed the budget forecast approved by the CPUC in a General Rate Case or other cost recovery proceedings. This shift in financial responsibility from ratepayers to shareholders—requiring shareholders to cover 50% of any overspending—motivates utilities to adhere more closely to budget forecasts and curbs unjustified rate increases. This provision not only encourages utilities to manage their operations within budgetary constraints but also limits additional ratepayer costs to essential expenses only.

Moreover, this bill addresses concerns regarding potential conflicts of interest within the CPUC, thereby strengthening the integrity of regulatory decision-making. AB 2054 achieves this by prohibiting CPUC Commissioners from accepting gifts from regulated entities and implementing a ten-year restriction on Commissioners seeking employment with such entities after leaving the CPUC. This extensive cooling-off period ensures that the CPUC operates with greater independence, which is particularly vital in a time when utility rates have been rising sharply, adding financial pressure on California households.

[YOUR ORGANIZATION] is a staunch advocate for ratepayers and proudly supports AB 2054. This legislation represents a step towards stricter oversight by the CPUC, fostering accountability and public trust in utility regulation for more stable rates in California.

Sincerely,

**[YOUR ORGANIZATION]**