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L.A. appoints consumer advocate to review DWP rate hike plans

Frederick Pickel's job was created by voters amid concern over rising utility costs. Council is weighing DWP's latest request.

By Alan Zarembo, Los Angeles Times

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After nearly a year of delays, the Los Angeles City Council has appointed an independent representative to scrutinize proposed hikes in water and electricity bills.

Frederick Pickel, a 59-year-old energy consultant, was unanimously voted in as the city's first ratepayer advocate, a position created by voters early last year amid concern over rising utility costs. His annual salary will be \$236,758.

The public now has "somebody on our side" when the Department of Water and Power asks for rate increases, Councilman Eric Garcetti said before the vote.

The appointment comes as the council considers what DWP officials say is the first of several rate hikes needed to maintain the city's water supply and comply with federal environmental standards. The proposal would raise the average residential water bill by \$5.67 a month, to \$59.97. A vote is expected Wednesday.

DWP officials point out that rates actually fell nearly \$4 this fiscal year because unusually wet weather meant less water had to be purchased from outside the region.

A council committee voted 3 to 1 Tuesday to recommend that the full council approve the increase. Councilwoman Jan Perry voted no, saying she wanted more assurances that the DWP is trying to control its costs. Water department employees enjoy health and pension benefits that are "out of line" with what city workers receive, she said.

Pickel himself will receive a salary on par with that of Mayor Antonio Villaraigosa. The DWP will pay Pickel's salary, though it is set by the council. City officials concluded that his experience and education placed him at the top of the pay range for the position.

Pickel holds a doctorate in engineering and economics system analysis from the Massachusetts Institute of Technology and ran his own company, L.A.-based Wilshire Energy Consulting Group, which specializes in the power and gas industries.

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The position was created by a voter-approved City Charter amendment, following a 2010 fight over DWP electricity rate increases.

The DWP has continued to push for rate hikes, but several council members said they would not endorse any increases until the ratepayer advocate was in place.

DWP General Manager Ron Nichols said the department needed to raise water rates 5% a year over the next three years to meet quality standards, replace aging pipes and improve efforts to conserve and recycle water. Pickel said he had not had a chance to review the proposed increase the council is expected to consider Wednesday.

alan.zarembo@latimes.com

Los Angeles Times staff writer Stephen Ceasar contributed to this report.

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