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YOUR UTILITY BILL ENCLOSED

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# CALIFORNIA ELECTRICITY ALERT

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# Study The Davis Plan And Decide For Yourself If It Is Best For You.

Gray Davis is finger-pointing and blaming others for California's energy crisis. But the facts tell another story. Davis delayed while the problem festered—and he is now forcing taxpayers to foot the bill - an estimated \$60 billion.

## Skyrocketing Utility Bills

Gray Davis secretly signed fat contracts with power companies that stuck taxpayers with \$60 billion in additional costs. According to State Controller Kathleen Connell, the contracts "leave state power bills open to wild fluctuations over the next decade." Their "hidden costs" are "being shouldered by the taxpayers." An analysis by the *Los Angeles Times* found that under the Davis contracts, consumers paid as much as 300% above the market price for electricity. How bad are the Davis contracts? So bad that Davis tried to keep them a secret—and released them only after a judge ordered him to do so. (*Los Angeles Times*, July 3, 2001)

## Rolling Blackouts

The Davis plan has already led to rolling blackouts—and the problem will likely get worse. A Department of Energy study found that rolling blackouts this summer could more than double under the Davis plan. Blackouts could increase from 113 to 235 hours, leaving an estimated 1.6 million California families in the dark. (*U.S. Department of Energy Study*, June 20, 2001.)

## Lack of Choice

Gray Davis wants to make it illegal to buy power from any energy provider other than the one selected for you by the government. "Utilities may end up with monopoly power over their customers," according to the *Sacramento Bee*. (July 1, 2001) This lack of consumer choice locks every single California family and business into a government-run power system. That means a downward "spiral of declining customers and rising power rates," with no escape from the high utility bills. Californians are held captive under the Davis plan—and the only way to avoid paying the bills is to leave the state. (*Los Angeles Times*, June 26, 2001, B-1)

## Bailout for Utilities

Gray Davis has proposed a taxpayer-funded bailout of utilities by paying \$2.76 billion to buy their power lines, creating a massive, government-run electricity grid. State Senate Democrat leader John Burton said of the Davis plan, "it is nothing more than a bailout of the utilities." (*Sacramento Bee*, June 13, 2001, A3)

## Davis Advisors Cash In

Davis blames out-of-state energy companies, but under his plan in-state utilities bilked consumers even more. According to an official state report, the Los Angeles Department of Water and Power in June of last year charged Californians as much as \$1,000 per megawatt-hour—over 30 times the price it charged just a month earlier. **Its average price was \$35 per megawatt-hour higher than those charged by out-of-state generators.** This utility was run by David Freeman—who is now Davis' top energy advisor. Freeman once claimed that even a "blind pig could make money" off the state. (*Dow Jones Newswire*, July 9, 2001)

## Ignored Warnings

Gray Davis stood idly by while electricity prices spiked, and he failed to take action. According to the *Orange County Register*, "in spite of pleas from the utilities imploring Governor Gray Davis to avoid or minimize this train wreck, he ignored them." The result is two bankrupted utilities and consumers forced to pay higher utility bills—for the next 15 years. (*John M.W. Moorlach*, *Orange County Register*, July 10, 2001)

## Increased Pollution

The Davis plan includes an order that "lifts emissions limits on heavily polluting power plants," greatly reducing "air quality because they lack controls and can spew about 10 times more pollutants...." Instead of building new power plants and having clean air, the Davis plan has given us old plants and polluted air. (*Los Angeles Times*, June 14, 2001)

## Blaming Others

Instead of fixing the problem, Gray Davis has blamed others. He points fingers and attacks power generators instead of negotiating better electricity rates. He denounces out-of-state energy providers, even though Texas utilities provided only 10% of the California's power purchases under the Davis plan. "Why is Davis being so belligerent? Because it's good politics," according to the *Sacramento Bee*. (Dan Walters, *Sacramento Bee*, July 11, 2001)

## Taxpayer-Funded Hired Guns

Gray Davis tried to require California taxpayers to pick up the tab for two political hired guns who are his campaign consultants. "The governor's two \$30,000 per month energy crisis communications consultants have created a crisis of their own, with the state controller refusing to sign any more of their paychecks...." (*Los Angeles Times*, June 25, 2001) Should California taxpayers pay for the Porsche and Jaguar leases of Davis' political hired guns?

Contact Gray Davis and tell him you OPPOSE his energy plan. Tell Davis to negotiate better power rates and quit forcing taxpayers to pay for politicians' mistakes.

**Call & e-mail Gray Davis Today:  
(916) 445-2841  
governor@governor.ca.gov**

**The Davis Plan:** Soaring Prices, Blackouts, Utility Bailouts, and Dirty Air