

The PG&E Legal Conundrum



WHAT TANGLED WEBS WE WEAVE

Following the great tragedy, loss of life and misery of the recent "Camp" fire that took more than eighty lives and destroyed the town of Paradise, California as well as causing serious damage to neighboring communities, the survivors are looking at a long period of recovery and rebuilding.

Making matters more complicated and difficult will be a consortium of lawyers, Insurance Companies, State & Federal Regulatory Agencies as well as often conflicting and contrary (re)building permits, environmental impact rules, etc.etc.etc.

As just one example, The California Public Utilities Commission (PUC) regulates investor-owned electric and natural gas utilities operating in California. The PUC is a "rats nest" of rules, regulations and political favoritism. Want to get nominated to the PUC Governing Board? Support the Party in power in Sacramento.

Already we have various sources blaming Pacific Gas & Electric Company (PG&E) for the cause of the fire and numerous Trial Lawyer Firms running ads soliciting lawsuits from victims and their families. No matter the source of a disaster, the Trial Lawyers always hear the potential "Ka-Ching" of a cash register in their future.

PG&E has notified the State of California and others that they do not have the resources to cover potentially Billions of dollars in lawsuits and damage claims and have taken preliminary steps to file for re-organization under Bankruptcy Laws.

I am now hearing on the radio, ads from Law Firms for citizens to petition the State and Courts to not allow PG&E to file Bankruptcy and avoid paying out all of the massive claims pending.

Without defending or blaming PG&E, I would like to point out a few thoughts I have on the subject:

- PG&E has one major source of revenue: Ratepayers, i.e. customers for the energy services they provide. Should the courts award Billions of Dollars in judgement's to the victims of the fire and their lawyers, where will the money come from to pay those judgement's? PG&E's customers, the Ratepayers.**
- PG&E's profits are very tightly regulated by the PUC which allows them only a "reasonable" profit over and above their actual costs.**

- **The PUC also regulates where PG&E must put their power and gas lines, how they are to be constructed, what maintenance is required, what communities must be served, etc.etc.**
- **State and Federal Agencies tell PG&E how much or how little clearance of brush, trees and vegetation can or must be done along "right of ways" for power and gas lines.**
- **Other than a State of California PUC "reasonable and Prudent" cash reserve over day to day operating expenses, PG&E's assets are mostly tied up in maintenance and operating equipment (tools, trucks, materials etc.).**

SO

- **If court ordered judgement's in the Tens of Billions of Dollars are awarded to victims, keeping in mind that 30-50% of those dollars will go to pay litigation costs - i.e. end up in the Trial Lawyers pockets, PG&E will have to increase rates Statewide to begin to satisfy the judgement's. With PUC approval of course.**

OR

- **If the courts should decide to "liquidate" PG&E by selling all of its assets to pay toward the judgements, current PG&E customers may find themselves sitting in cold, dark rooms watching television by candlelight.**

If the courts should ultimately decide that PG&E is not at fault for the fire, or bears only a percentage of the blame perhaps a just recourse would be a fund paid in part by the Insurance Companies, PG&E (to the limit of their own insurance), and State of California Disaster Funds.

If the PUC and State of California are found negligent in their oversight and monitoring responsibilities then they should share in the blame and costs.

Perhaps additional funds should come from the United States and California Forrest management Funds due to their restrictions on clearance of hazardous, often dead, trees and brush.

I would suggest that these funds be administered and paid out under the direction of Judge Judy.

If anyone out there thinks money can be honestly and faithfully distributed by the Trial Lawyers I would like to ask you to send me \$20 in cash along with a self addressed, stamped envelope and I will send you a glossy photo of the Tooth Fairy.

Bob Bandy