



April 23, 2018

Honorable Toni Atkins  
Honorable Anthony Rendon  
Members of The California Legislature  
State Capitol  
Sacramento, CA 95814

Re: Warning – Utilities Bailout Will Backfire – SB 1088 (Dodd) Oppose

Senator Pro Tempore Atkins, Speaker Rendon, Senators, Assembly Members,

We write to warn you about what will almost certainly be the greatest disgrace for this legislature since its decision two decades ago to deregulate electricity and turn over our energy supply to the Enron pirates.

California's three investor owned utilities are seeking a massive bailout from the public even though there is no evidence they need it and when the alleged cause of this bailout is their own negligence in starting wildfires that they have yet to be held accountable for.

Pacific Gas & Electric (PG&E), Edison and SEMPRA are reportedly claiming their financial health will not withstand jury verdicts that have yet to be rendered in wildfire cases. They want legal immunity for their future failure to clear brush near utility lines and to properly maintain equipment when such potential negligence causes future fires. It's a shameful corporate ploy to transfer risk from shareholders, who properly hold it, to taxpayers, homeowners and ratepayers. It has no basis in the financials of the companies and should not happen even if it ever did.

Disingenuously citing the need to create a mechanism for state government to mitigate the effects of climate change, PG&E, Edison and SEMPRA are asking you to pass-through the costs and risks related to managing a utility onto the backs of the consumers of California and of the victims of their negligence. Yet they continue to privatize the profits and gain of their enterprises.

Utilities that are immunized for their prospective negligence, and who have acted negligently in the past, will continue to put homeowners and business owners at greater risk of wildfires. Instead, the utilities should act with the fear of God and juries in them to redouble their efforts to prepare for wildfires so that they do not cause them.

SB 1088 (Dodd) is the utilities' current vehicle and its first hearing last week showed the measure's intent. Today, utilities are liable to victims when their negligence causes fires. PG&E's legislation changes the standard so that as long as it files a nebulous plan for fire control then the company is not legally accountable for its failure to take reasonable steps that prevent wildfires. The costs for utilities' negligence will then fall on the innocent victims and everyone else -- insurance companies, homeowners, taxpayers.

The utilities' CEOs have reportedly delivered their ultimatum to you: bail us out or we will go into bankruptcy and have to turn your power off. It's a hollow threat that this legislature has stood up to before under the leadership of John Burton.

This blackout blackmail was delivered to the state legislature during the 2000 - 2001 legislative session. The Assembly under Bob Hertzberg's leadership passed the utility bailout measure backed by Gray Davis and the Senate under John Burton's leaderships rejected it. Governor Gray Davis's PUC orchestrated a utility bailout anyway. Gray Davis was recalled from office.

The members of this legislature face a similar career stain should this measure succeed. We urge you not to immunize PG&E's, SEMPRA's, and Edison's executives and shareholders from legal responsibility for negligence in their business operations or for starting wildfires that have not happened based on the imaginary threat of financial woes that they have not suffered.

The integrity, duty and reputation of this legislature should outweigh the largess these three utilities have showered upon the members of its houses. It's time for public servants to tell the utilities not to start fires if they don't want to be liable for the damage they cause to Californians.

Yours truly,

A handwritten signature in black ink, appearing to read "J. Court". The signature is written in a cursive, flowing style.

Jamie Court  
President, Consumer Watchdog