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Senate Energy, Utilities & Communications Committee Informational Hearing on PG&E Bankruptcy Impact on California

Tuesday, March 5, 2019

State Capitol, Room 3191 • Sacramento

Why We Need a Ratepayer Committee

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Ratepayers Hit for Billions by 2001 PG&E Bankruptcy Filing

- 1) Settlement was negotiated between PG&E and CPUC staff behind closed doors without any participation by ratepayer representatives or any other impacted parties.
- 2) According to Associated Press article printed in LA Times April 13, 2004.
 - a. PG&E customers were forced to pay \$6.2 billion to \$8.2 billion in above market prices through 2012.
 - b. That resulted in bill increases of \$1,300 to \$1,700 per customer over eight years.
 - c. PG&E stock had dived to less than \$7 per share after bankruptcy filing recovered to \$29 per share one week after court resolution of bankruptcy.
 - d. Stock rebound permitted PG&E to distribute \$84 million in bonuses to 17 current and former employees for sticking with them through bankruptcy.

Why Bankruptcy Court Needs a Ratepayer Committee

- 1) Prevent ratepayers from paying for billions in creditor claims due to PG&E negligence.
- 2) Require that any proposed sale or transfer of utility assets be reviewed by the CPUC to confirm that it is in the public interest as specified under PU Code Sections 851 & 854.
- 3) Insist that the maximum paid to creditors is set by current assets and revenue requirements so that additional ratepayer funds go to wildfire mitigation, not liability.

Status of Request for Ratepayer Committee

- 1) On Feb 5, TURN submitted letter to US Trustee asking for Ratepayer Committee.
 - a. Joined by Public Advocates Office at CPUC, AARP California, California Farm Bureau, Sierra Club, and Greenlining Institute.
- 2) On Feb 20, US Trustee sent letter declining to appoint Official Ratepayer Committee.
- 3) TURN plans to file motion with Bankruptcy Court judge asking for Ratepayer Committee.

What You Can Do to Support Recognition by Court of Official Ratepayer Committee

- 1) Senate Energy, Utilities Communications Committee can submit letter of support.
- 2) Senate EUC Committee can ask Governor's Office to submit letter of support.
- 3) Senate EUC Committee can ask CPUC to submit letter of support.