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PG&E Monopoly Controlled by the 1%: A perfect storm of environmental destruction and the transfer of public utility wealth from California's 99% to the Global Rich

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The foundation of a public utility is public trust. Public utilities by definition include responsibilities and expectations implied in that trust. Public utilities are essentially government approved monopolies. They were originally guided by the expectation that the monopoly would operate as a benefit to, and protector of, its' customers. The purpose of this paper is to show how the current Board of Directors and operational structure of the Pacific Gas and Electric Company (PG&E) allows for enormous profits and bonuses at the expense of safe, reliable delivery of electricity to the public. This paper also offers a solution!

The core individuals of the richest Global 1% function as a non-governmental network of similarly educated, wealthy people with common interests of managing, and protecting concentrated global wealth and insuring its continued growth. The Global 1% comprise over 36 million millionaires, and 2,400 billionaires who employ their excess capital with investment management firms like BlackRock and Vanguard Group. The top 17 of these trillion-dollar investment management firms controlled \$41.1 trillion dollars in 2017. These firms are all directly invested in each other and managed by only 199 people who are the decision makers on how and where global capital will be invested. Their biggest problem is they have more capital than there are safe investment opportunities, which leads to risky speculative investments, increased war spending, and the privatization of the public commons.¹ “The gap between the richest and the poorest U.S. households is now the largest it’s been in the past 50 years.”²

PG&E is the largest privately held public utility in the United States. A total of 91% of PG&E stocks are held by major capital investment management firms, including BlackRock and Vanguard Group. PG&E is an ideal investment for global capital management firms. PG&E has monopoly control over 5 million households paying \$16 billion annually for gas and electric in California. The California Public Utility Commission (CPUC) has allowed an annual return up to 11%. The PG&E board of director’s policy mandate to management is to maintain the maximum CPUC allowable dividend on stock. PG&E investors are now protected by a new (2019) board of directors whose primary interests in 2020 is returning PG&E stock values to the \$50-70 range and maintaining annual dividend payments in the 8-11% rate. PG&E’s 529 million shares went from a high of \$70 per share in 2017 to a low of \$3.55 in 2019. Shares are currently trading at \$10.55.

PG&E’s transformation from a public utility into an Academy for Accidental Arsonists began 30 years ago with Ken Lay, chief executive of Enron. Enron, a criminal enterprise parading as a power company, convinced California to lead the nation in “deregulating” its power markets. Until then, utilities were dull things, controlled like government agencies with highly detailed budgets for operation and maintenance that, when approved by regulators, had to be spent on maintenance and operations. If they failed to use the money as promised, regulators punished the company with a severe hit to profits already tightly capped by law. Deregulation allowed utilities to pocket unspent money as an efficiency incentive. In practice, deregulation became a de facto approval to skimp on safety and reliability.

Between 2006 and the end of 2017, PG&E made \$13.5 billion in net profits. Over those years, they paid nearly \$10 billion in dividends to shareholders, but found little money to

maintain safety on their electricity lines. At the same time drought turned PG&E's territory into a tinderbox, money was diverted from maintenance to investor profits.

PG&E has a long history of mismanagement regarding public safety and universal service. The history of safety violation is factually outlined in the lawsuit Williams vs. PG&E (Case 3:18-cv-07128-EDFL) in the United States District Court Northern District of California. Information cited in the suit includes that between 2004 and 2009 PG&E accounted for 60% of violations of federal natural gas safety laws with only 42% of the gas pipelines in California.

The lawsuit cites a 2013 Liberty Consulting report that showed that 60% of PG&E's power lines were at risk of failure due to obsolete equipment, and 75% of the lines lacked in-line grounding. Between 2008 and 2015 the CPUC found PG&E late on thousands of repair violations. A 2012 report revealed that PG&E illegally diverted \$100 million from safety to executive compensation and bonuses over a 15-year period.³

In 2010, a PG&E pipeline blew up in San Bruno killing eight people and injuring 58 others, destroying 38 homes and damaging some 70 more. PG&E was found guilty, resulting in felony convictions for inadequate pipeline management. PG&E has caused over 1,500 fires in the past six years.⁴ PG&E electrical equipment has sparked more than one fire a day on average since 2014—more than 400 in 2018—including wildfires that killed more than 100 people.⁵ Some of the significant fires include the 1994 Rough and Ready fire that, due to unmaintained vegetation, burned 500 acres and destroyed 12 homes.

Other significant PG&E fires include the 2015 Butte Fire with 2 deaths, 71,000 acres burned and 1,000 homes and buildings destroyed. Then in October 2017, multiple PG&E linked fires (Tubbs, Nuns, Adobe fires and more) in Northern California scorched more than 245,000 acres, destroyed or damaged more than 8,900 homes, displaced 100,000 residents and killed at least 44 people. The 2017 PG&E Tubbs fire was the most destructive fire in California up to that time. The fire burned 38,810 acres in three counties, killing 22 people and destroying 5,643 homes and businesses and other structures worth in excess of \$17 billion.

The November 8, 2018 PG&E caused Camp fire was even more destructive burning 153,336 acres, killing 86 people, and destroying 18,804 homes, business and structures. The towns of Paradise and Concow were mostly obliterated. Overall damage was estimated at \$16.5 billion. PG&E notified customers for two days before November 8 that it might shut down power due to a forecast of high winds and low humidity. The National Weather service had issued a red flag warning for most of California interior. PG&E shut down customer power in

parts of the region, but didn't de-energize their 115 KV transmissions lines leading to a fire at Poe dam.

Investigators with the CPUC found that PG&E failed to inspect and repair its power lines for years before a faulty transmission line started a series of wildfires, including the Camp Fire, the deadliest fire in state history. PG&E crews had not climbed up the tower which broke down and started the Camp Fire since 2001, in violation of the company's own rules requiring that towers with recurring problems be inspected regularly. Investigators found that an inspection of the tower, "could have identified the worn C-hook before it failed, and that its timely replacement could have prevented ignition of the Camp Fire."⁶

The Caribou-Palermo transmission line, which PG&E admitted was responsible for the Camp Fire, had maintenance work deferred as did many other older power lines. The report found, "the identified shortcomings in PG&E's inspection and maintenance of the incident tower were not isolated, but rather indicative of an overall pattern of inadequate inspection and maintenance of PG&E's transmission facilities."

It is difficult to determine exactly how much PG&E spends on maintenance of its electrical lines. As of 2017, PG&E does not routinely budget and track safety-related costs as a separate category. Rather, it classifies costs as "safety-related" if they involve safety, reliability, and/or integrity activities. It is impossible to determine how much PG&E spends on safety alone.

In a move that sparked further public outrage, PG&E announced a series of rolling blackouts in 2019, affecting 3 million Californians and countless businesses, schools, hospitals and those who needed electricity for life-saving equipment. Instead of repairing and modernizing its decrepit infrastructure. The company tried to save money by shutting off power to its lines during the fire season. Nonetheless, a series of deadly wildfires broke out.

Facing over \$30 billion dollars in lawsuits, PG&E filed for bankruptcy protection in January of 2019. All but two members of the board of director resigned in early 2019, and the CEO was replaced. A new board of directors was elected by an annual stockholders meeting in June.

PG&E took widespread aggressive action during the fire-season of 2019 by shutting down electric power to over 800,000 people. Nonetheless, a high voltage powerline malfunctioned in Sonoma County leading to the Kincade fire that burned 77,758 acres destroying 374 structures, and forced the evacuation of 190,000 Sonoma county residents including one of the authors of this report. Estimated damages from the fire are \$10.6 billion.

To add insult to injury, PG&E announced that residents would have to live with electricity shutoffs for at least another ten years. This demonstrates that PG&E's commitment is not to its customers, but rather to their major shareholders. This subordination of human need to private investor profit is in plain sight of regulators and with the full backing of Democratic and Republican party politicians, who over the years have received numerous large donations from the utility. One of these recipients, California Governor Gavin Newsom, accepted \$208,400 from the utility during his 2018 gubernatorial campaign.

The decisions regarding how PG&E's profits are to be generated, the amounts, and where they are to be directed, are all controlled by PG&E's Board of Directors with California Public Utility Commission's (CPUC) approval. While investors and board members get rich, customers burn to death, families are ruined, and whole communities are forever devastated.

After PG&E's bankruptcy filing a new board of directors was constituted to impress on the public the idea that a new safety-oriented age was emerging at PG&E. However, the new board members look very much like the former members in a variety of ways.

New PG&E 2019 Board of Directors

William D. Johnson, CEO and President, PG&E Corporation; Director, Pacific Gas and Electric Company. Johnson's base salary is \$2.5 million plus a \$3.5 million annual equity award. He received a \$3 million transition payment his first day on the job. He concluded a more than six-year tenure as President and CEO of the Tennessee Valley Authority (TVA) from 2012 to April 2019. Prior to his tenure at the TVA, Mr. Johnson was the Chairman, President and CEO of Progress Energy. As President and Chief Executive Officer at Tennessee Valley Authority, William D. Johnson made \$6,811,345 at TVA in total compensation for the 2018 fiscal year. He is also Chief Executive Officer & Director, Nuclear Electric Insurance Ltd. and Nuclear Energy Institute (former Chairman) and Chairman-Atlanta Centre Governing Board at World Association of Nuclear Operators. Mr. Johnson received an undergraduate degree from Duke University and a graduate degree from The University of North Carolina at Chapel Hill.

Richard R. Barrera, NY, Founder, CEO and Portfolio Manager, Roystone Capital Management, a \$3.3 billion New York-based hedge fund firm. Mr. Barrera previously was a Partner and Co-Portfolio Manager at Redwood Capital Management and Glenview Capital Management. Director of PG&E Corporation and Pacific Gas and Electric Company since April 2019, Trustee of the \$10 million Barrera Puri Family Foundation, board of Mount Sinai Children's Center Foundation and the board of Success Academy Charter Schools. Education, Wharton School, BA Economics, Harvard MBA.

Jeffrey L. Bleich, Palo Alto, CA, Chair of the Board of Pacific Gas and Electric Company 2019, Senior Advisory Group to the Director of National Intelligence from 2014 to 2016, U.S. Ambassador to Australia from 2009 to 2013, Special Counsel to President Obama from 2008 to 2009, director Nuix Pty. Ltd, Amber Kinetics, Inc., Pratt Industries, World Affairs Council, Council on Foreign Relations, American Security Project, CSU Trustee 2004-09, California Trade and Investment Council, President of the California State Bar, Partner Munger, Tolles & Olson LLP, BA Amherst, MPP JFK School of Government, JD UC Berkeley.

Nora Mead Brownell, Alexandria VA, Chair of the Board of PG&E Corporation and Co-Founder of Espy Energy Solutions LLC , former Commissioner of the Federal Energy Regulatory Commission (“FERC”), a former member of the Pennsylvania Public Utility Commission and a former President of the National Association of Regulatory Utility Commissioners, boards of National Grid (2012 to April 2019), Tangent (2000 to April 2019), Spectra Energy Partners (2007 to 2018), Oncor Inc. (2007 to 2014), and Converge Inc. (2007 to 2014). BA Syracuse University.

Cheryl F. Campbell, Colorado, President and CEO Xcel Energy, Executive Director, Gold Shovel Association, U.S. Department of Transportation’s Gas Pipeline Advisory Committee from 2013 to 2018, director of PG&E Corporation and Pacific Gas and Electric Company since April 2019, a board member of Hoffman Southwest, a private equity-owned provider of water flow inspection, repair and cleaning services (2018 to present), Engineering Advisory Committee of the University of Colorado College of Engineering, a member of the Gas Pipeline Advisory Committee to the Department of Transportation and a member of the Colorado Oil and Gas Association Board, Bachelor of Science in Chemical Engineering and a Bachelor of Science in Business, both from the University of Colorado at Boulder, Master of Science degree in Finance, with a minor in Management, from the University of Colorado at Denver.

Fred J. Fowler, Houston, Retired Chairman of the Board, Spectra Energy Partners, LP (a master limited partnership that owns natural gas transmission and storage assets) prior to 2006 Duke Energy Corporation (a gas and electric energy company) and its subsidiaries and predecessor companies, including President and COO of Duke Energy, director of PG&E Corporation and Pacific Gas and Electric Company since 2012, He also is a director of DCP Midstream Partners, LP (a master limited partnership that owns, operates, acquires, and develops midstream energy assets) and Encana Corporation (a natural gas producer). Oklahoma State University, PG&E Compensation 2014 \$198,330.

Michael J. Leffell, NY, Founder, Portage Partners LLC equity management, Chairman of Canoe Software (a financial technology company), Prior to 2010, Leffell was the Deputy Executive Managing Member of Davidson Kempner Capital Management, a \$22 billion global institutional investment management firm, director of PG&E Corporation and Pacific Gas and Electric Company since April 2019, board member of Genco Shipping and Trading Limited (2014 to 2016). Founder of The Lisa and Michael Leffell Foundation dedicated to Jewish education and strengthening security and vibrancy of the State of Israel. Mr. Leffell is President Emeritus of the Board of Trustees at the Solomon Schechter School of Westchester, a Trustee of The Jewish Theological Seminary, Commentary Magazine, Jewish Institute for National Security of America, J.D. from Columbia Law School, B.A., Clark University.

Dominique Mielle LA CA, Former Partner and Senior Portfolio Manager, Canyon Partners LLC \$20 billion, prior 1998, Libra Investments, Lehman Brothers and Credit Lyonnais, creditors' committee for the Commonwealth of Puerto Rico, restructuring committee member for American Airlines, Continental Airlines, Delta Airlines, Northwest Airlines and United Airlines in the wake of the September 11 attacks. April 2019. She also serves on the boards of Anworth Mortgage Asset Corporation, a mortgage REIT investment firm, (2018 to present) and Studio City International (2018 to present), MBA (Finance) from Stanford University, Master in Management degree from Ecole des Hautes Etudes Commerciales in France.

Meridee A. Moore, SF area, Founder, CEO and Chief Investment Officer of \$2 billion Watershed Asset Management, prior Farallon Capital Management, director of PG&E Corporation and Pacific Gas and Electric Company since April 2019, boards of BlackRock Capital Investment Corporation (stocks \$784,7,00) (2017 to present) and of Nextgen Climate America a climate policy non-profit (2014 to present), Advisory Board CNBC, Education JD Yale, BA UC Boulder.

Eric D. Mullins, Houston, Co-CEO of Lime Rock Resources, L.P. a \$8.9 billion private equity investment firm, 2011-2015, Co-CEO and Chairman of the Board of Directors of LRE GP, LLC, the general partner of LRR Energy, merged with Vanguard 2015, prior Goldman Sachs & Co., director of PG&E Corporation and Pacific Gas and Electric Company since 2016, director of Anadarko Petroleum Corporation, trustee Baylor College of Medicine, Stanford University (A.B.) and the Wharton School of the University of Pennsylvania, MBA.

Kristine M. Schmidt, Kansas/Oklahoma, director of PG&E Corporation and Pacific Gas and Electric Company since April 2019, Former CEO Peak Utility Services Group (a utility services contractor), President, co-founder and co-owner of Swan Consulting Services, prior

President of ITC Great Plains and Vice President at ITC Holdings (an independent electric high voltage transmission owner and operator), FERC, Xcel Energy, director Peak Utility Services Group, Western Energy Imbalance Market Governing Board, American Red Cross Kansas Capital, Oklahoma Business Roundtable, The State Chamber of Oklahoma, BA Georgetown University, MBA University of Minnesota.

William L. Smith, Dallas, retired President of AT&T Technology Operations, AT&T Services, Inc. (37 years), director of PG&E Corporation and Pacific Gas and Electric Company since October 2019, director of ASOCS Ltd., a developer of on-premise cloud solutions for industries such as retail, real estate, hospitality, sports, and entertainment, directors for Oclaro, Inc. and the Advisory Board for Tillman Infrastructure, LLC (cell phone towers), BA North Carolina State University. Held 229,974 ATT shares worth \$9,198,960 in 2017.

Alejandro D. Wolff, Bethesda Maryland, , U.S. State Department for 34 years, including as the U.S. Ambassador to the Republic of Chile from 2010 to 2013 and the U.S. Ambassador to the United Nations from 2005 to 2010, director of PG&E Corporation and Pacific Gas and Electric Company since April 2019, former managing director, Gryphon Partners a \$ 1.1 billion global capital equity firm founded by Zalmay Khalilzad, director Albemarle Corporation \$7.5 billion assets (lithium), a global specialty chemicals company, director of Versum Materials, director of JetSMART Holdings, BA UCLA.

John M. Woolard, Alameda/SF Area, CEO Meridian Energy(New Zealand), and Senior Partner of Activate Capital investment management, former CEO BrightSource Energy, (Ivanpah Solar Electric Generating System Mojave Desert), Founder CEO Silicon Energy Corp. (\$80 million), Vice President of Energy at Google, Energy Management Solutions Group at Itron Inc., director of PG&E Corporation and Pacific Gas and Electric Company since October 2019, Senior Advisor at VantagePoint Management, advisory board of the University of California, Berkeley's Energy and Climate Initiative, Senior Fellow at the World Resources Institute, Crown Fellow at the Aspen Institute, BA University of Virginia, MBA from Haas School of Business.

The fourteen new PG&E Board of Director were mostly appointed to the Board in 2019. They were essentially hand-picked by PG&E's primary "stakeholders," major stockowner investment management firms such as Vanguard Holdings 2019 (47.5 million shares 9.1%) and BlackRock (44.2 million shares 8.5%), key politicians, and lobbyists. New PG&E Director, Meridee Moore, SF area, founder, and CEO of \$2 billion Watershed Asset Management, is also a board member of BlackRock.

Only three of the new fourteen directors live in PG&E's service area (four if we count the newly appointed CEO from Tennessee). One board member lives the Los Angeles area. The remainder of the board live outside California, including three from Texas, two from the mid-west, and the remaining four from New York or east coast states.

Ten of the fourteen 2020 directors have direct experience with capital investment management firms. The other four have shown proven management experience on behalf of capital utility investors making the entire PG&E board a solid united group of capital investment protectors whose primary objective is to return PG&E stock values to pre-2017 highs with 8-11% return on investment.

All fourteen PG&E board members are in the upper levels of the Global 1% richest in the world. As millionaires with elite university educations, the PG&E board appears to hold little empathy for the millions of Californians living paycheck to paycheck and burdened with some of the highest utility bills in the country. PG&E shuts off gas and electric to hundreds of thousands of families annually for late payments. In 2010, PG&E shut off services to 272,000 families.⁷ PG&E's overall disconnection rate for 2018 was 4.97%,⁸ not including the widespread blackouts for alleged safety reasons.

The pre-bankruptcy PG&E board looked very similar to the new PG&E board. Most all members of the prior board were removed with the June 2019 proxy meeting. Two prior board members Fred J. Fowler, and Eric D. Mullins, were allowed to retain their seats. All of the 2018 board members collected \$250,000 to \$330,000 in annual compensation for their PG&E board service, despite failing in their fiduciary responsibilities to prevent PG&E criminality. Pending PG&E Bankruptcy court approval, new directors are slated to receive an increase to \$400,000 in annual compensation.

Prior PG&E Board Members (2018)

Lewis Chew, SF Bay Area, CEO & CFO Dolby Labs Inc., PG&E Board since 2009, former VP National Semiconductor Corporation, Accountant at KPMG, LLP., BS Accounting Santa Clara University, Dolby 2019 compensation \$2,934,756, 2016 PG&E Compensation, \$271,078, PG&E Shares 18,830.

Anthony F. Earley, Jr. California, CEO Executive Chair of the Board of PG&E, Director Ford Motor Company since 2009, PG&E Compensation 2017, \$11.7 million, owns 294,228 PG&E Shares.

Fred J. Fowler, Denver CO, PG&E Board since 2012, Director/chair Spectra Energy DCP Midstream, Encana Corp, CEO Duke Energy Corporation, Chair Interstate Natural Gas

Association of America, BA Oklahoma State University, PG&E 2016 Compensation, \$325,828, Shares 9,514.

Jeh C. Johnson, New York, Director PG&E 2017, Partner at Paul, Weiss, Rifkind, Wharton & Garrison LLP (Paul, Weiss) U.S. Secretary of Homeland Security (December 2013 to January 2017), General Counsel of the U.S. Department of Defense (2009 to 2012), as General Counsel of the U.S. Department of the Air Force (1998 to 2001), Director Lockheed Martin, BA Morehouse College, JD Columbia, Net Worth \$11 million +(Wiki Network).

Richard C. Kelly, Minnesota, Former CEO Xcel Energy, 2011 compensation \$11.3 million, \$13.7 million Xcel stock, former director Canadian Pacific Railway, PG&E Director since 2013, PG&E Compensation, \$302,578, PGS Shares 11,747, BA, MBA Regis College, net worth \$26 million + (Wallmine).

Roger H. Kimmel, Connecticut Vice Chair of Rothschild Inc., International law firm of Latham & Watkins LLP, Director Endo International plc., PG&E Board since 2009, PG&E 2016 Compensation \$260,078, PG&E Shares 27,394, BA George Washington University, JD University of Virginia, Network \$2 million+(Wallmine) Resigned PG&E board 1/15/19.

Richard A. Meserve, Washington DC., President Emeritus, Carnegie Institution of Washington, Past Director Duke Energy Corporation, director Tri Alpha Energy, Inc., co-chairman U.S. Energy's Nuclear Energy Advisory Committee, Secretary of Energy Advisory Board. Attorney Covington & Burling LLP, PG&E Board since 2006, PG&E compensation 2016 \$276,078, PG&E shares 21,552, BA Tufts University, JD Harvard Law School, PhD applied physics Stanford University.

Forrest E. Miller, Texas, Group President – AT&T Communications Corp. at AT&T Inc. Baylor Health Care System Foundation, PG&E Director since 2009, PG&E compensation 2016, \$310,078, PG&E Shares 36,571, BA Accounting UCLA, MBA Stanford.

Rosendo G. Parra, Texas, VP Dell Technology Inc, Partner of Daylight Partners (technology-focused venture capital firm) Director PG&E 2009, 2016 Compensation, \$260,078, Shares 13,842, Net worth \$9 million+, (Wallmine) BA Marketing University Maryland.

Barbara L. Rambo, New York, CEO Taconic Management, West Marine Inc. Bank of America, International Rectifier Corporation, director of MUFG Union Bank, N.A. and MUFG Americas Holdings Corporation (Mitsubishi UFJ Financial Group) – PG&E director 2015, PG&E Compensation 2016, \$270,078, PG&E Shares 25,833.

Anne Shen Smith, California LA area, Retired CEO/Chair Southern Ca Gas Company, UC Davis Energy Efficiency Center, Asian Americans Advancing Justice – Los Angeles, CA

League of Conservation Voters Education, PG&E Director Compensation 2016, 303,578 Shares 4,374, BA Willian & Mary, MBA NYU.

Nickolas Stavropoulos, California, President CEO PG&E, Compensation \$6,413, [256 2017](#), PG&E shares 42,204, VP and COO of National Grid, Joined PG&E 2011, Sold 28,068 PG&E shares in 2017 for \$1.76 million, BA Bentley College, MBA Babson College.

Geisha J. Williams, California, 2015, President/CEO of PG&E Corporation, effective March 1, 2017. PG&E President, Electric (August 2015 to February 2017) PG&E compensation 2017 \$8,597,220, 2016 63,142 shares, sold 14,645 shares of PG&E stock on March 4, 2016 at \$56.24 per share, from which she benefited in the amount of approximately \$823,635, BS University of Miami, MBA Nova University.

All of the former PG&E board are in the upper levels of the Global 1% elite in the world. Only two of the ten independent non-employee directors lived in California and only one of those actually lived in the PG&E service area. Two are from the mid-west, two from NY, two more from eastern states/DC, and two from Texas, making the current board and former board very much geographically similar.

The primary difference between the pre-2018 board and the new 2019 board is the number of board members with direct capital investment links. Wherein ten of the current board have direct experience with capital investment management firms, only four from the previous board held direct capital management links. Both boards held people with major corporate CEO experience high-level government positions and proven dedication to insuring returns to investors.

Essentially the two PG&E boards fail to represent the people of California and the five million PG&E customer families. The boards are/were made up of people who come from the richest 1% of the world, and are almost all multi-millionaires. Their primary concern is the protection of PG&E's stock value and the continuation of monopoly control of a privately-owned PG&E in California. This situation creates a permanent conflict of interest between maintaining stock values/returns and rapid and extensive infrastructure modifications needed for fire protection safety and the ending of massive blackouts. An organization that provides a monopoly service, such as electricity and gas is always in conflict with the public interest vis-à-vis its private profit-making agenda. Despite CPUC oversight, there is a structural inevitability of the public interests not being fully served over time.

The PG&E 2019 board is filled with people who are in service to transnational investment capital. Giant capital investment firms treat northern California as a colony, where monopoly control over five million homes is set up with political CPUC approval to extract an annual

return in the 8-11% range. This creates perfect storm conditions for the continuing transfer of capital from the 99% to the richest 1% in the world — all with continuing serious environmental damage, widespread fires, multiple deaths and injuries. Given this conflict of interest it is in the best interests of the five million California PG&E families to absorb and reconstitute PG&E as a publicly owned utility.⁹

We agree with Ben Ehrenreich's writing in *The Nation*, October 30, 2019, California's utility, "PG&E, has put profits over public safety for too long. The company belongs in the hands of the people." Ehrenreich continues, "PG&E came to the attention of the rest of the country thanks to a legal clerk named Erin Brockovich, who in 1993 filed a class-action lawsuit against PG&E for having dumped hundreds of millions of gallons of carcinogenic wastewater in Hinkley, California... PG&E managed to bless its shareholders with a staggering [\\$4.5 billion](#) in dividends."¹⁰

There will in fact be no solution to California's wildfire crisis and utility shutoff program outside of the 99% taking control of the large utilities, and running them democratically on the basis of human need rather than private profit. Only on that basis can the power monopolies' outdated equipment be updated to modern safe standards, such that wildfires can be prevented or quickly eradicated with the uninterrupted provision of critically needed electrical power to all of California's 40 million residents.

Many communities have tackled, or are in the process of dealing with, this exact same problem with success. City leaders in San Jose and San Francisco are already exploring how to take over PG&E's grid. Among those pushing for a statewide public system is Loretta M. Lynch, former President of the California Public Utilities Commission, who recently told the *Los Angeles Times*, "Public power is generally cheaper, safer, cleaner — with some exceptions — and more reliable." Winter Park in Florida, Omaha Public Power District, and Silicon Valley Power are among other communities leading the charge. ¹¹

We need to liquidate PG&E for the criminal damages it has afflicted on California. Taking a stand for a publicly owned California Gas and Electric Company is an immediate way to reverse the transfer of wealth to the Global 1% and provide Californians with safe, low-cost, and more renewable energy. All power to the people!

Peter Phillips, Political Sociologist at Sonoma State University; author [Giants: The Global Power Elite](#), (New York: Seven Stories Press, 2018); past director of Project Censored;

co-author/editor of fourteen Censored yearbooks, 1997 to 2011; co-author of Impeach the President, (New York: Seven Stories Press, 2007); and winner of the Dallas Smythe Award from the Union for Democratic Communications.

Tim Ogburn, 20-year manager for the California EPA; founder and co-chair of the Environmental Industry Coalition of the United States in Washington, D.C.; published in numerous technical and trade journals regarding public/private partnerships; International Environmental Technology consultant in India, Philippines, Malaysia, Thailand, Egypt, and Israel; Consultant to USAID, US Department of Commerce, U.S. State Department; and has given Congressional Presentations on the environmental technology industry before Congress.

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- 5 Blunt, Katherine; Gold, Russell. Safety Is Not a Glamorous Thing: How PG&E Regulators Failed to Stop Wildfire Crisis; [Wall Street Journal \(Online\)](#), December 8, 2019.
- 6 Martinez, Kevin, "PG&E failed to do inspections and maintenance on power lines for years," report finds," December 5, 2019, World Socialist Web Site, <https://www.wsws.org/en/articles/2019/12/05/cali-d05.html>.
- 7 Hall, Dana, "New Rulers Make it Harder for PG&E to Shut off Service," San Jose Mercury News, July 29, 2010, P.A1.
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9 Williams vs. PG&E (Case 3:18-cv-07128-EDFL) in The United States District Court Northern District of California claims that five members of the 2017 PG&E board of director engaged in insider trading by selling PG&E stock at a value that was artificially maintained by incomplete information on potential liabilities from PG&E caused fires and knowingly approved by the full board of directors.

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11 Perkins, Tom, “Publicly owned utilities ‘not a panacea’ but can produce customer benefits,” December 16, 2019, Energy News Network, <https://energynews.us/2019/12/16/west/publicly-owned-utilities-not-a-panacea-but-can-produce-customer-benefits/>.

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