

For Immediate Release – [Office of State Senator Jerry Hill](#) – October 30, 2017

State Legislators To Introduce Bill Prohibiting Electric Utilities Found At Fault In Wildfires From Pushing Costs Of Their Culpability Onto Customers

Bill By Senators Jerry Hill, Mike McGuire and Scott Wiener And Assemblymember Marc Levine Will Be Introduced When Legislature Reconvenes January 3

SACRAMENTO – State Senator Jerry Hill, joined by Senators Mike McGuire and Scott Wiener and Assemblymember Marc Levine, announced today that they will introduce legislation in January to prevent electric utilities found culpable in wildfires from passing the costs for claims not covered by insurance as well as fines or penalties onto customers.

“This practice is an outrage,” said Senator Hill, D-San Mateo and Santa Clara Counties. “Victims of devastating fires and other customers should not be forced to pay for the mistakes made by utilities. It’s time to stop allowing utilities to push the burden of their negligence onto the backs of customers.”

Senator McGuire, D-North Coast/North Bay, whose district includes communities ravaged by the wildfires this month, said: “Thousands of North Bay residents have lost their homes and businesses and many escaped these devastating fires with nothing but the clothes on their backs and their family's safety. While there is an active fire investigation taking place, there is absolutely no way residents who are suffering from this massive tragedy should ever pay for a corporation's potential negligence. It's simply unconscionable and I'm grateful to join with Senator Hill on this important piece of legislation.”

“California’s utilities must be held fully liable when their negligence causes damage in our communities,” said Senator Wiener, D-San Francisco. “You don’t burn someone’s house down and then raise their rates to help pay for the damage you caused. I want to thank Senator Hill for leading this effort to protect California’s ratepayers.”

Assemblymember Levine, D-Marin County, said: “It's still too early to determine the cause of the North Bay fires. Regardless, ratepayers should never be stuck with the bill if negligence is determined. That's why I am coauthoring legislation with Senator Jerry Hill to prohibit utility companies from charging ratepayers for costs if a utility is found at fault for a fire. The public yearns for accountability and we must have it here.”

The legislation is prompted by utilities’ ongoing efforts to recover costs in wildfires not covered by insurance by passing them along to ratepayers.

For example, San Diego Gas and Electric Company wants to recover \$379 million in costs from the 2007 Witch, Guejito and Rice fires. The utility's powerlines and overhead equipment were blamed for the three fires that caused two deaths, burned 200,000 acres and destroyed more than 1,300 homes.

Two administrative law judges rejected the San Diego utility's bid to recover costs in August, but their proposed decision is subject to the approval of the California Public Utilities Commission. SDG&E wants the commission to reject the decision, so do utility giants Pacific Gas & Electric Company and Southern California Edison Company, according to papers filed in the case. PG&E said in a document it filed that the proposed decision puts utilities in "an untenable situation."

Separately, PG&E is laying the groundwork for an application to recover costs in the 2015 Butte fire, which was caused by PG&E powerlines and killed two people, burned more than 70,000 acres and destroyed 921 structures. The first step is to obtain permission from the CPUC to track costs associated with the fire. PG&E's application to do so is pending with the CPUC. PG&E told the Securities and Exchange Commission in July that if the application is approved and if claims exceed its liability coverage, it expects to seek CPUC authorization "to recover any excess amounts from customers."

The cause of the North Bay wildfires is still under investigation. In a document alerting the SEC to the fires, PG&E said: "It currently is unknown whether the Utility would have any liability associated with these fires. The Utility has approximately \$800 million in liability insurance for potential losses that may result from these fires."

Senator Hill said the bill that will be introduced January 3 when the Legislature reconvenes will also prevent electric companies from passing the costs of fines and penalties leveled against them for causing wildfires along to customers.

Gas companies are already prevented from shifting the burden of fines and penalties onto customers as a result of legislation he introduced after the San Bruno disaster that was caused by the rupture of a PG&E gas pipeline in 2010. The legislation, Assembly Bill 56, was approved by the governor in 2011.

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