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PG&E bankruptcy: A case of profits over safety

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The devastating 2018 Camp Fire in northern California killed 85 people.

Pacific Gas and Electric (PG&E), the largest investor-owned utility in the U.S., has acknowledged the high likelihood that its poorly maintained electrical transmission

equipment caused the deadly Camp Fire in 2018, the worst wildfire in California history.

The Camp Fire killed 85 people and burned down the entire northern California town of Paradise. PG&E declared bankruptcy on Jan. 29, claiming that it won't have the money for the lawsuits and damages that it will be facing.

PG&E's safety record is abysmal. The utility was convicted of breaking pipeline safety laws that would have prevented the 2010 San Bruno gas explosion that killed eight and burned down an entire block. It was found culpable for damages in 2017 wildfires that killed 22. Evidence now points to lack of powerline maintenance having sparked the deadliest California wildfire ever.

According to the Sept. 16, 2014, San Francisco Chronicle, investigations of the San Bruno explosion revealed that a pipe replacement project was called off prematurely and should have included San Bruno; that PG&E workers voiced concerns about inspection of pipelines being impeded but were ignored; and that California's Public Utilities Commission, the state's utility watchdog, discussed with PG&E representatives ways of getting lawsuits against the utility moved so that they could be heard in front of friendly judges.

When PG&E again faced a barrage of lawsuit settlements after the 2017 wildfires, California's state Legislature passed a law that allowed the utility to pass the costs of liability for those fires on to their customers.

But the bill that was passed regarding the 2017 wildfires doesn't protect PG&E from what happened in 2018. Letting the utility off the hook again amidst rising anger seems out of the question.

Yet, with all the talk of stiffer regulation, the possibility of a breakup of the corporation, and even after being excoriated by federal Judge William Alsup, PG&E

executives have still been arrogantly throwing their weight around. That's because, so far, all the threats of action are just talk. The reality is that, at every turn, they've been treated with velvet gloves. The superrich investors that call the shots are used to ignoring courts, watchdog groups and regulators, and getting away with it.

Associated Press coverage of the [Jan. 29 hearing in front of Judge Alsup](#) focused on how tough and angry the judge was. He did sound angry and in fact denounced PG&E for putting profits before safety — something you might hear from progressive activists.

But Alsup could have issued orders that PG&E would've had to appeal or obey. Instead, he merely outlined proposals that included cleaning brush and clearcutting trees impinging on PG&E electrical transmission equipment, temporarily turning off power in areas hit by high winds and coming up with a safety plan for the future.

After the hearing, PG&E attorney Kevin Orsini responded by saying that the proposal for trimming trees and brush would cost \$150 billion, that they would not be able to find enough tree trimmers in the entire country, and that turning off the power grid would risk lives of first responders.

Judge Alsup demanded answers again at a subsequent hearing. But there are still no real teeth in anything he's done.



Protesters at the California Public Utilities Commission oppose bailout of PG&E, Jan. 28 in San Francisco.

Bankruptcy to protect profits

The Los Angeles Times reported on Jan. 24 that lawyers for claimants, watchdog groups and even some PG&E investors say that the [bankruptcy is nothing more than a business strategy](#) to protect the utility from liability and possibly set the stage for another bailout from the state.

They debunked the company's claim of being in financial straits, pointing to \$1.5 billion currently in PG&E's coffers, and that it would be years before PG&E would be

forced to begin paying any damage claims from the Camp Fire.

As of this writing, PG&E is already using the bankruptcy to fight off claims against it by some of the survivors of previous disasters.

Climate change, caused by the recklessness of capitalist corporations in their pursuit of maximum profit, has created a tinderbox in the mountains and forests of the Southwestern states. Droughts and other extreme weather events happen more frequently now.

Safely managing the new challenges of delivering energy that millions of people and the machinery of production and services depend on is not a job that can be done by those same capitalist corporations, nor by a government-run power grid that's underfunded because military spending and prison-building are given priority.

Whatever amount of money needs to be spent for safe, clean energy must be spent. But that will take a revolutionary transformation of society that finally ends the destructive drive for profits.



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