

# PG&E to plead guilty to 84 counts of involuntary manslaughter for Camp Fire deaths

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California's largest utility, Pacific Gas & Electric (PG&E) announced Monday that it agreed to plead guilty to charges of involuntary manslaughter in the deaths of 84 people during the devastating Camp Fire in 2018. The move came after state regulators conclusively determined that poorly maintained utility lines were at fault for the 2018 fire that completely destroyed the town of Paradise, population 26,000, and obliterated more than 18,000 buildings, causing \$16.5 billion in damages.

"Today's charges underscore the reality of all that was lost," said PG&E chief executive Bill Johnson. "We hope that accepting those charges helps bring more certainty to the path forward so we can get victims paid fairly and quickly."

By "fairly," Johnson means what is fair to PG&E and its shareholders and not what is fair to those who had their homes and lives destroyed by the company's willful negligence. The plea deal was in fact reached to drive down the company's financial liability for the disaster to as minuscule an amount as possible, while preventing prosecutors from pursuing further charges associated with the Camp Fire.

PG&E's goal throughout the proceedings has been to maintain profits at the expense of public safety, refusing to modernize its electrical infrastructure by replacing its antiquated wooden transmission lines with resilient steel or underground lines. The Camp Fire was sparked by a worn-out hook on a 100-year-old transmission tower. According to the findings of the state utility commission, the tower had not been inspected since 2001.

Sentencing will not take place until April 24 at the earliest due to the coronavirus pandemic. However, on

March 17, PG&E filed a report with the Securities and Exchange Commission outlining the expected details of the sentencing. The report stated that the utility will be sentenced to "pay the maximum total fine and penalty of \$3.5 million," or only \$41,176 for each victim of the Camp Fire. Additionally, PG&E would be responsible for a \$500,000 payment to reimburse costs associated with investigating their responsibility for the wildfire, for a total of \$4 million.

The total fine is only a fourth of the \$16 million bonus package PG&E executives intended to award themselves in early 2019, which was disallowed by the bankruptcy judge. This came after the utility's responsibility for the wildfire was already known, and after the company had declared bankruptcy earlier in the year to escape its debt obligations and other legal liabilities.

To shield PG&E and the other regional utility monopolies in California from future financial damages, last summer Democratic governor Gavin Newsom worked with the state legislature to create a \$21 billion wildfire fund that would effectively shield the utilities from future liabilities. Newsom, notwithstanding his public criticism of PG&E, has taken over \$200,000 in campaign funding from the company and has repeatedly sponsored legislation exempting it and the other utilities from legal liability.

Last week, as the stock market plunged in response to the rapid spread of the coronavirus pandemic, Newsom seized the moment to completely drop his oppositional posturing towards PG&E. He has signed off on the company's plan to exit bankruptcy by the end of June, thus allowing PG&E to qualify for the state wildfire fund. The agreement reached entails limited increases

in state oversight, a reallocation of \$7.6 billion in shareholder assets to repay or refinance utility debt, and a three-year pause on dividend payments to shareholders.

Lawyers for victims of the Camp Fire had initially filed more than \$36 billion in claims against PG&E. This number, however, was whittled down last December to a significantly reduced \$13.5 billion settlement fund. That amount was intended to cover not only victims and property damage due to the Camp Fire, but also the 2017 Tubbs Fire, 2016 Ghost Ship warehouse fire and the 2015 Butte Fire. The four disasters collectively led to 145 deaths and destroyed more than 25,000 buildings.

News of the expected sentencing of PG&E for the Camp Fire deaths, with its minimal \$4 million penalty and exemption from further prosecution, caused the company's share price to rise 12 percent on Monday.

Although the company is still in chapter 11 bankruptcy, it is expected to emerge from bankruptcy on June 30 and at that point would have access to the \$21 billion wildfire fund. *Investor's Business Daily* reported last week that the Relative Strength Rating, which measures an individual stock performance versus the market average over the past 54-week period, had jumped from 67 to 76 and is expected to reach 80 in the coming weeks, placing it among the highest-performing stocks.

The increased stock price has also been boosted by PG&E's mass power shutoffs during the peak fire season, a reckless policy implemented last October that left millions of Californians, many of whom could no longer operate lifesaving medical equipment, without power.

To this day, the company has not been held accountable for depriving customers of electrical power that was paid for and available. Governor Newsom initially endorsed the shutoffs, stating, "I do believe with the limited number of tools in the toolkit what they're doing is appropriate under the circumstances," while PG&E CEO Johnson announced that shutoffs would take place entirely at the discretion of the company for at least the next ten years. In other words, in the wealthiest state in the wealthiest country in the world, home to Silicon Valley, 16 million residents will not have guaranteed access to municipal electric power, first introduced in the 1880s.

The actions of PG&E, like the coronavirus pandemic on an even larger scale, clearly demonstrate that the profit system cannot meet the basic needs of society and in fact represents a clear and present danger to the lives and livelihoods of millions of working people. The giant utility monopolies must be placed under the democratic control of the working class to guarantee reliable, lifesaving electrical power while initiating the long overdue modernization of the electric grid to eliminate the damage caused by wildfires and other natural disasters.



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