

## [After years of deadly fires, PG&E again vows to do better](#)

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SANTA ROSA, Calif. (AP) — The nation’s largest utility has long vowed to change its reckless ways, but year after year there’s more death and destruction from Northern California wildfires sparked by Pacific Gas & Electric’s equipment.

CEO Patricia “Patti” Poppe, who took over in January as the company’s fifth leader in less than three years, has pledged to shareholders that the future will get “easier” and “brighter.” That vow will be put to the test as California sinks deeper into drought and fire danger increases.

It’s been a year since the utility emerged from one of the most complex bankruptcy cases in U.S. history, an act driven by a succession of harrowing wildfires ignited by its long-neglected electrical grid. The bankruptcy, PG&E’s second in less than 20 years, was billed as an opportunity to finally hit the reset button for a utility that provides power to 16 million people — more than the population of all but a handful of states.

So far, however, it has looked more like a reminder of problems that have resulted in tragedy over the past six years, including a 2018 wildfire that killed 85 people and largely destroyed the town of Paradise, about 145 miles (233 kilometers) northeast of San Francisco. It was the deadliest U.S. wildfire in a century.

Already a twice-convicted felon, PG&E has been charged with another round of fire-related crimes that it

denies committing. The utility also has been rebuked by California regulators and a federal judge overseeing its criminal probation for breaking promises to reduce the dangers posed by trees near its power lines.

Sumeet Singh, PG&E's chief risk officer, acknowledged the utility hasn't lived up to expectations in the past but said, "I am very encouraged with new leadership, (a) new playbook, rigor and discipline that we are on the right track. We know we can do better and we will do better."

He listed a wide range of improvements that include using more advanced technology to avoid setting wildfires and help detect them quicker.

In the meantime, most of the roughly 70,000 victims who have filed claims for devastation caused by PG&E's past misdeeds still are awaiting payment from a \$13.5 billion trust created during the bankruptcy. The trust, which is run independently of PG&E, is facing a nearly \$2 billion shortfall because half its funding came in company stock, despite critics saying it was foolhardy to hold a stake in a utility with such a shoddy record.

Those shares have been sagging in a soaring stock market. A windfall could still come if PG&E's shares rebound as several analysts have projected, but the trust would find itself in an even deeper hole if the stock should fall even further.

There are legitimate worries about the shares plunging if the utility sparks another deadly wildfire during the next four months, with most of PG&E's sprawling service territory mired in extreme drought and climate change contributing to worsening fire conditions in the U.S. West.

"Of course, I am nervous. My biggest fear is what is going to happen to the stock," said John Trotter, head of the victims' trust, which owns nearly one in every four PG&E shares — far more than any other investor.

Trotter, a retired federal judge who is being paid \$1,500 per hour as the trustee, has other headaches, too. He and over 300 workers have come under heavy criticism for the slow pace of payments to victims who lost family, homes and other property anywhere from nearly three to six years ago.

During its first six months of operation last year, the trust doled out just \$7.2 million to victims while

running up nearly \$39 million in operating expenses that reduced the amount available to be paid out, according to its financial records.

“I look at it like a locomotive, starting slowly, but we’re puffing out the steam now and we are starting to roll now,” Trotter told The Associated Press in an interview. “I just wish I had a magic wand and could make it go more quickly, but I can’t. We are doing everything we can.”

Trotter said he has a plan for eventually selling the stock without having to pay taxes on potential gains but wouldn’t disclose his target price. The shares, which have recently been hovering around \$10, will need to rise to about \$14 per share for the trust to reach \$13.5 billion.

Wall Street analysts project that PG&E’s stock could reach \$13 to \$17 during the next 12 months, which would mark a dramatic turnaround. The shares have dropped by 17% so far this year, while the S&P 500 has climbed by 14%.

As of June 30, the trust had paid out \$436.4 million. That is still just 3.2% of the \$13.5 billion that was supposed to be earmarked for fire victims, a sign of “designed dysfunction” built into the utility’s bankruptcy settlements, said Will Abrams, a victim of a PG&E-caused wildfire that terrorized his hometown of Santa Rosa, California, in 2017.

“I have been really disappointed,” Abrams said. “The bankruptcy was sold as something that was going to hold PG&E to account, and it was not. Bankruptcy is not a process to reorganize. It is a process to divide up the dollars.”

Nearly 45,000 victims voted for the plan, with only 6,109 opposed, according to court documents, clearing the way for its approval.

Many victims were swayed by lawyers who participated in settlement negotiations and argued that the plan was the best option. Eight of those lawyers are now part of a nine-person oversight committee for the victims’ trust, an arrangement Abrams believes is a conflict of interest.

Amy Bach, the only member of the trust oversight committee who wasn’t involved in the PG&E bankruptcy negotiations, insists everyone is trying to ensure all the wildfire victims get as much money as quickly as possible. The lawyers involved are motivated to make that happen, she said, because their

fees are contingent on their clients getting paid.

“We have kept as much pressure as we can on the claim reviewing team,” said Bach, executive director for United Policyholders, a nonprofit group she formed nearly 30 years ago to fight insurers on behalf of fire victims. “They seem to be hearing us, it feels like things are speeding up.”

Frank Pitre, another member of the oversight committee and one of the lawyers who has been representing fire victims, acknowledged that things have been moving slower than he hoped. That’s one of the reasons he gives Trotter and his team a “B” grade for their efforts so far.

“There is a lot of room for improvement,” Pitre said, but added that “there is no doubt in my mind that the effort is there.”

PG&E says it has already done its part to help fire victims.

“We funded the trust in accordance with our plan of reorganization,” the utility said in a statement to the AP. “PG&E is not involved in distributing trust funds.”

Trotter, meanwhile, is holding his breath as the weather heats up and the Northern California landscape dries out.

“We are dealing with the hand we were dealt,” Trotter said. “(PG&E) is saying the right things. Now we just have to see if they do the right things.”