

SUNDAY, APRIL 11, 2010

'We Are Appalled,' Declared CPUC About 2004 PG&E Executive Bonus Scandal -- 'Give It Back'

The lead sentence in last Friday's San Francisco Chronicle article (headline: "PG&E Must Stop Threats To Public Power Agencies") hints at the dilemma Peter Darbee's political recklessness has created for his company and its heretofore guardian angels, the California Public Utilities Commission: California energy regulators delivered a rare rebuke to Pacific Gas and Electric Co. on Thursday, banning some of the hardball tactics the utility has used in its efforts to derail Marin County's new public power agency. Darbee's brazen political overreach in launching Proposition 16, his sole-sponsored assault on the California Constitution and the historical prerogatives of the CPUC, may be slowly awakening Commissioners long criticized for carrying styrofoam police batons engraved with the mantra "can't we just get along?" Darbee's blunderbuss approach in Marin has now triggered a CPUC resolution that can easily be dismissed as just another regulatory tsk tsk, but which crosses an unmistakable Rubicon if anyone at PG&E is paying attention. Buried within the gentle bureaucratese admonishing PG&E for what are effectively acts of bribery (to induce the City of Novato not to join the Marin Energy Authority) and extortion (threatening not to supply electricity to the Marin Energy Authority), the CPUC resolution lays down a marker: ... PG&E contends that the Commission lacks the authority to oversee the utility's use of shareholder funds for competitive activities ... We are not persuaded ... The Commission does not lose its authority to regulate a public utility's activities, merely because the utility accounts for the expense of conducting those activities "below the line", i.e., as a shareholder expense. So facing his own compensation firestorm for the ill-timed decision to pay himself 8% more than Goldman Sachs paid its CEO (and 74% above the median for large utility CEOs) in 2009, Darbee now finds that his lack of political acumen may have finally aroused the attention of creatures he should have left asleep. ...Were he more a student of California history, he would realize that the regulatory agency he has long attempted to flout and the initiative process he is currently choosing to debase share a certain common origin.

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JOHN GEESMAN, FORMER CALIF. ENERGY COMMISSIONER, 2002 - 2008

<http://pgandeballotinitiativefactsheet.blogspot.com/2010/04/we-are-appalled-declared-cpuc-about.html>