

## PG&E Exec's \$34.6 Million Golden Parachute

Advocates say the company's shareholders, not consumers, should have to pay

By: [John Upton, Bay Citizen](#)

PG&E's CEO Peter Darbee announced his retirement Thursday, more than six months after a deadly pipeline explosion [killed eight people and left dozens of San Bruno families homeless](#). He will collect an estimated \$34.6 million after he leaves the company on April 30.

A utility watchdog vowed to “fight tooth and nail” to prevent ratepayers from paying for his lavish compensation package.

“It’s unfortunate that he still may try to soak ratepayers in retirement,” said Mindy Spatt of The Utility Reform Network, said.

Spatt promised TURN would push the California Public Utilities Commission to make PG&E’s shareholders foot the bill instead.

Assemblyman Jerry Hill (D-San Mateo), a fierce critic of the CPUC whose district includes San Bruno, said it is “definitely worth looking into” whether shareholders can be forced to pay for Darbee's golden parachute.

Californians for Renewable Energy attorney Martin Homec, who worked for the CPUC for more than 20 years, said legal avenues exist to try to prevent PG&E from using ratepayer money for Darbee's retirement package.

The CPUC regulates the rates PG&E charges its customers and how the utility spends that money. Historically, the commission has been generous to PG&E’s shareholders.

For example, in December, it voted 3-2 to [award company shareholders \\$29.1 million in energy conservation bonuses](#) — after a judge ruled they were not entitled to the money.

Since then, Gov. Jerry Brown has replaced three of the agency's five commissioners, [including two](#) who had worked as consumer advocates.

There are signs that the new commissioners may be more responsive to ratepayers' concerns. In February, the CPUC decided to conduct a public investigation of the San Bruno explosion, a good first step, advocates say.

And in its statement about Darbee’s resignation, the CPUC advised PG&E to hire someone with more technical expertise. Darbee's background was in finance. He became CEO in 2005, after serving as the company's chief financial officer.

“As PG&E’s Board of Directors recruits a successor, the CPUC urges the company to return to its roots by hiring the most technically competent person; someone with a long-standing history of performance in the energy industry,” CPUC President Michael Peevey said in the statement.

PG&E and its managers are facing increased scrutiny following the San Bruno disaster. A National Transportation Safety Board inquiry into the explosion is ongoing. Federal and

state investigators have already found flaws in the pipeline and the utility's practices.

Regulators and ratepayers have also raised questions about the company's SmartMeter program. Customers claim the electronic meters pose a potential health threat and may be inaccurate.

After state regulators ordered the company to allow its customers to have the devices' radio signals disabled, [PG&E proposed charging hundreds of dollars apiece](#) to remove them.

In a statement announcing his retirement, Darbee said, "No company has a more dedicated team of people working to deliver for its customers."

Consumer advocates disagree.

"We hear a lot of complaints from consumers about PG&E's customer service," Spatt said. "Specifically around the SmartMeter stuff, it appears to have been abysmal."

Although TURN welcomes the change in PG&E's leadership, Spatt said the company also needs to change the way it operates. "What we have to hope for is that this signals a change in direction for the company. It's not just that the company needs to clean house — it also needs to change direction."

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