

PG&E sues to block water district takeover

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- By Alex Breitler
Record Staff Writer
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Less than 24 hours after local officials rejected its protest, Pacific Gas and Electric Co. filed a lawsuit Friday to block a water district's proposed takeover of retail electric service in the south county.

The lawsuit, filed in San Joaquin County Superior Court, targets a little-known board called the Local Agency Formation Commission for approving the takeover last December.

The commission revisited the issue on Thursday and upheld its decision. Left with no other recourse, PG&E sued the next day.

PG&E argues that the commission's approval of the South San Joaquin Irrigation District's takeover bid is inappropriate. The commission, which is supposed to be a watchdog agency, is "improperly" allowing the water district to decide for itself whether it can afford to provide electricity at rates 15 percent below PG&E's, as has been long promised, the lawsuit says.

In its December decision, the commission did conclude that South San Joaquin had enough money to buy PG&E's assets in the south county, but the commission did not determine on its own whether the 15 percent reduction was viable.

Instead, the commission decided that the water district will determine whether it can provide the discount once the full costs of the takeover are known. That's wrong, PG&E says.

PG&E's lawsuit also addresses the much-discussed topic of how to make up for lost property taxes and fees to government agencies across the county if South San Joaquin, a public agency, takes over from investor-owned PG&E.

South San Joaquin has agreed to reimburse those agencies, but PG&E says in its lawsuit that can't be done without an election.

No one answered the phone late Friday at the commission office. One day earlier, an attorney for the commission told members that their December decision was legally valid.

“The commission determined there were sufficient revenues (for the takeover)... scratched their heads about 15 percent and felt there wasn’t enough information, so set a process in place with conditions that tested that hypothesis for some length of time,” attorney Rod Attebery said Thursday, before the lawsuit was filed. “I don’t believe an error was made.”

The commission agreed in a unanimous vote about 1 p.m. Thursday. PG&E’s lawsuit was filed at 11:56 a.m. Friday.

Contact reporter Alex Breitler at (209) 546-8295 or abreitler@recordnet.com. Follow him at recordnet.com/breitlerblog and on Twitter [@alexbreitler](https://twitter.com/alexbreitler).

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