



Kriss Worthington

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CONSENT CALENDAR

July 13, 2010

To: Honorable Mayor and Members of the City Council
 From: Councilmember Kriss Worthington
 Subject: State Legislation to Bar All Utility Companies including PG&E from Spending Ratepayer Revenue on Political Campaigns

RECOMMENDATION

Adopt a Resolution supporting Senator Mark Leno's proposed bill, which seeks to bar all utility companies PG&E from using ratepayer revenues to fund political campaigns.

BACKGROUND

The hotly debated Proposition 16, defeated by California voters at the June 8th state elections, was a campaign largely funded by PG&E that cost \$46 million to promote alone.

The \$46 million that PG&E spent on promoting Prop 16 derived from funds allegedly gained by PG&E through rates paid by California consumers. Legislators and the public alike have been so incensed by such an outrageous use of ratepayer revenues as to begin a new campaign—one to bar PG&E from contributing to future political campaigns through the use of ratepayer revenues. Senator Mark Leno of California has proposed the bill that would prohibit PG&E from spending ratepayer revenues on political campaigns in the future.

According to Senator Leno,

"PG&E launched a dangerous and misleading political campaign – with ratepayer funds– that had only one goal, to preserve the corporation's monopoly. The state's largest electrical and gas company should not be able to use ratepayer-generated profits to write special rules into the state constitution protecting it from competition. This measure ensures that local communities across the state have the ability to launch their own municipal power agencies, which will in turn encourage competition and help keep our rates low."

The bill, which has yet to have been assigned a number, impacts California and the Bay Area by giving rate-paying Californian utility consumers some control over where their rate payments go. The City of Berkeley's support would go far towards ensuring this much-needed bill gains traction and eventual adoption.

FINANCIAL IMPLICATIONS

None.

CONTACT PERSON

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Attached:

1. Resolution.

RESOLUTION NO. XX

APPLAUDING STATE LEGISLATION BARRING PACIFIC GAS & ELECTRIC'S RATEPAYER REVENUES FROM BEING USED IN FUNDING POLITICAL CAMPAIGNS

WHEREAS, Senator Mark Leno has introduced a bill into California's legislature that prohibits Pacific Gas & Electric (PG&E) from using ratepayer revenues acquired through rates paid to be used towards political campaigns; and

WHEREAS, the California public and constituency of Berkeley have both publicly and privately scrutinized PG&E; and

WHEREAS, PG&E is under additional major scrutiny from the government, especially from the California Public Utilities Commission (CPUC) who "openly question... PG&E's priorities", according to the San Francisco *Chronicle*; and

WHEREAS, the president of the CPUC, Michael R. Peevey, expressed the common sentiment that "PG&E's preoccupation does seem to be on things other than the maintenance of its system"; and

WHEREAS, PG&E is widely known to have funded a self-serving political campaign in the most recent State elections that would have discouraged municipal power agencies from trying to compete with PG&E, had it been adopted, and the funding was rumored to have been ratepayer revenues; and

WHEREAS, such a campaign would have created the potential for a monopoly, and Senator Leno's bill is in line with goals of the City of Berkeley to fight for the rights of its citizens against corporate monopoly; and

WHEREAS, California citizens should be allowed to know that their rates paid to corporations like PG&E aren't used in such a manner as to promote political campaigns; and

WHEREAS, Leno's bill will accomplish the goal of barring PG&E from spending ratepayer revenues as they have in the past;

NOW, THEREFORE BE IT RESOLVED, that we, the Berkeley City Council on behalf of the residents of Berkeley, do endorse Senator Mark Leno's proposed bill to prohibit PG&E's ratepayer revenue-funded campaign spending activities; and

BE IT FURTHER RESOLVED, that the Berkeley City Council directs this resolution and accompanying council item to be sent to Senator Mark Leno of California.