

The California Public Utilities Commission is set to approve a measure that will cost Southern California electric customers an average of \$1000.00 per electric meter . . .

... and its being done *WITHOUT* public hearings as the result of unconstitutional and ILLEGAL backroom deals with big utilities and special interests!

Citizens can STOP this travesty by calling their elected officials and demanding open and honest public hearings

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THEY DON'T DESERVE YOUR TRUST

This story is about a Federal lawsuit that holds California Public Utilities Commissioners Accountable for violations of the constitutional rights of ratepayers, who have paid for electricity they have not received. This is a landmark action by plaintiff Citizens' Oversight, prominent Southern California citizens, and their attorneys at the law firm of Aguirre & Severson. At this time, trust in the Commission is at an all-time low.

A [UT San Diego Reader's Poll shows that 88%](#) of utility customers don't believe the California Public Utilities Commission (CPUC) is acting in their best interests. It is time for the people to take control of out-of-control favoritism by "spend-and-spend-more" government bureaucrats.

WHAT WE WANT

At this time our great hope is that Southern California citizens will rise up, call their political leaders, and demand an investigation into whether or not it is "reasonable" for Southern California Edison to charge them for electricity that was never delivered, and for unlicensed and unapproved experimental nuclear generators that were supposed to last 40 years, but failed in less than a year, endangering the lives of 8.5 million citizens.

THE COST TO YOU

If the \$4 billion bailout is approved **it will cost an average of at least \$1,000 per electric meter** for customers of SDG&E and Southern California Edison.

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WHY YOU MUST ACT NOW

At issue is a vote that will take place at the California Public Utilities Commission in San Francisco on Thursday, November 20. The vote will determine if Southern California Edison will be unlawfully awarded more than \$4 billion in ratepayer dollars by the California Public Utilities Commission. This vote is the result of secret back-room negotiations that violate public utility law, due process, and the Fifth Amendment to the Constitution of the United States. It is important because the 5th Amendment protects you from being forced to pay for something you never receive. This legal concept is known as "*Just Compensation*."

VOTE IN SAN FRANCISCO, THURSDAY, NOVEMBER 20

There will be a critical vote on Thursday by the two of the most powerful appointed bureaucrats in California: Michael Peevey and Michel Florio of the California Public Utilities Commission (CPUC). The vote will decide if the Commission should reward SCE with an unlawfully negotiated \$4 billion bailout of the failed nuclear reactors *without* a reasonableness hearing *or* an investigation into why SCE executives intentionally installed nuclear generators that *they knew would fail*.

This story is vital because the CPUC proposes to violate your constitutional rights. The lawsuit is protesting a move by the California Public Utilities Commission (CPUC) that if ratified will push Southern California electric rates even higher. This type of rate-setting without public hearings or legally mandated investigations is unconstitutional and rife with conflicts of interest. Ratepayers have been completely forgotten.

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THE FEDERAL COMPLAINT

Violation of 5th Amendment Right to Property

This [Federal Complaint](#) shows how Southern California Edison and Commissioners Florio and Peevey violated the constitutional rights of 17.4 million Californians by engaging in ...

(1) Secret back-room negotiations,

(2) Judge shopping,

(3) Delaying investigations into what went wrong at San Onofre

(4) thwarting civil investigations into the nuke failure

(5) unlawfully seizing property (money) of California ratepayers by allowing Southern California Edison to charge customers for electricity that was never delivered.

(7) Permanently delaying public hearings by using procedural delays to avoid public scrutiny, and ...

(6) Forcing customers to pay extra by allowing SCE to charge for the cost of *replacement electricity* -- a double-billing double whammy.

Eight Key Points

1) The law requires a "Reasonableness Hearing"

CPUC has violated the law by refusing to hold hearings to determine if it is "reasonable" for Southern California Edison to force citizens to pay for electricity they never received due to the unlicensed installation of unapproved equipment that failed with the first year of an alleged 40-year lifespan.

2) Approval terminates *your right* to a hearing:

A growing body of evidence strongly suggests that Southern California Edison intentionally installed defective nuclear generators. SCE knew the generators would fail prematurely, endangering the lives of as many as 8.5 million Southern Californians. Yet for the sake of profit, they determined that the risk was worth the danger.

3) Secret back-room negotiations

They call it the "California **PUBLIC** Utilities Commission" for a reason, yet the public has been denied access. Only a hand-selected special few were allowed to negotiate with SCE for the terms of the bailout. Some of these groups have serious conflicts of interest. Initially, one of them, The Utility Reform Network falsely touted the \$4 Billion increase in ratepayer bills as a "refund" (see below).

4) Judge-Shopping Scandal taints credibility and public trust

A recent [UT San Diego Reader's Poll shows that 88%](#) of its readers don't trust CPUC.

The recent judge-shopping scandal at CPUC has resulted in the highly public announced resignation resignation of Commissioner Michael Peevey in December (a few days after he votes on whether to allow the nuclear bailout on Thursday). The judge-shopping scandal has also forced Peevey's Chief of Staff, Carol Brown, to resign, and has humiliated Commissioner Florio by exposing his pro-utility bias, thereby tainting the reputation of the key Commissioners who will be voting to approve the bailout on Thursday.

5) Legal and Social Impact:

If the bailout is ratified by vote on Thursday there will be NO investigation into who or why SCE decision makers chose to intentionally dodge NRC safety regulations by installing newly designed and untested experimental nuclear generators. The new designs withering criticism by SCE's own nuclear engineers. These untested generators were installed without proper approval or even a license from the NRC (Nuclear Regulatory Commission). Moreover, the generators -- which were supposed to last 40 years -- *failed with the first year*. All of these issue are important because they represent a ...

6) ... Moral Hazard:

If the bailout is approved, the SCE executives who made the decision to endanger 8.5 million lives will never be identified.

Smoking gun internal documents show that SCE's own engineers warned SCE executives and the manufacturer that was contracted to build SCE's new design that there was a serious problem with a "water hammer" pounding the plumbing in the generators to pieces. The new generators used metal alloys that failed because they were not strong enough to handle a water hammer consisting of 6,000 degree radioactive water. It is noteworthy that steel melts at 2,000 degrees and quartz rocks melt at about 3,120 degrees). If executives can endanger the lives of millions with impunity, then what does that say about the regulatory process? What incentives are in place for anonymous utility executives to maintain basic safety standards?

7) A dangerous precedent

Wouldn't it be great to own a monopoly business where you could charge money to people who don't use your product? You would own a goldmine, wouldn't you?

If the CPUC is allowed to continue in its efforts to maintain record-breaking profits and high rates for California's private utilities without public hearings and without allowing meaningful public opposition, it violates the Commission's prime directive of protecting consumers and sets a *precedent of allowing utilities to **charge ratepayers for services and electricity that were never delivered.***

8) Conflicts of interest.

Commissioner Peevey is conflicted because he is a former employee of Southern California Edison, who will benefit from the so-called "settlement" (it is actually a bail-out).

Commissioner Florio is conflicted because he is a former employee of TURN, The Utility Reform Network, which will reap millions in intervenor compensation if the bailout is (i.e. "proposed settlement") is accepted.

TURN is conflicted because it will make millions. TURN routinely receives millions of dollars in intervenor compensation awards for "assisting in the utility rate-setting process." TURN was so bullish about duping the public and politicians into approving the bailout that it falsely portrayed it (with the help of press releases from the offices of Peevey and Florio) as a "refund." There never was a "refund." The statement was false. The only thing ratepayers will be getting from SCE is an even bigger bill.

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Vital to California's economy

The CPUC regulates the cost of energy in California. Aside from housing and transportation costs, the cost of utilities and energy are the single biggest line-item in the average household's budget. Under the current CPUC leadership of Florio and Peevey, SCE's electric rates have risen to the highest in the USA. In other words, if this bailout goes through, SCE's rates (and possibly SDG&E's rates) will be *higher* than the *highest electric rates* in North America, moving utility costs from their current status of atrocious to the realm of the horrific. Our economy and our State can no longer tolerate the presence of regulators who refuse to regulate.

What YOU Can Do:

Citizens who live in Southern California Edison's territory, or the territory of San Diego Gas & Electric must **call their state elected officials** and ***demand public hearings***. The ability to set electric prices without outside review is too much power to put in the hands of a select few political appointees who are beholden to the investors at big utilities.

SOURCES

Note – The abuses of power documented in this [legal action](#) are so egregious that the following sources are willing to go to *any reasonable length* to accommodate public requests for interviews:

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