

From the perspective of the law firm that has represented utility customers for the past 10 years in the SDGE fire case and the only firm to file for utility customers in the SDGE U.S. Supreme Court please (see attached) consider the following:

1. Statement made that inverse condemnation hurts fire victims is absurd. It allows fire victims recovery without having to prove fault.
2. Statement that there is no bail out of the utilities is not true. The utilities have caused many catastrophic fires with many lives lost. No concrete proposal is made to get the utilities to obey the fire safety rules. Instead, the utilities are considered victims.
3. The utilities do not pay for fire damages, their insurance companies pay on policies bought with money from utility customers
4. The cause of the “crisis” is not inverse condemnation, as Kahn claims, the cause is the failure of the utilities to follow the fire safety rules
5. The best way for utility investors to reduce their investment risk is to put better management in charge
6. All the talk about cost of capital is bunk. The utility customers rates provide billions of dollars of reliable cash flow that provides a sound basis for investors
7. Left out of the equation is the need for safety rule enforcement.
8. While the commissioners argue against inverse condemnation but they then also want to do away with the prudency rules. The net result is a system in which the utilities have no accountability.
9. The solvency of the utilities rests on its management as with any corporations.
10. The idea of a fund was defeated in 2012 when it was shown it was not needed. See [https://apps.cpuc.ca.gov/apex/f?p=401:56:624523220715::NO:RP,57,RIR:P5\\_PROCEEDING\\_SELECT:A0908020](https://apps.cpuc.ca.gov/apex/f?p=401:56:624523220715::NO:RP,57,RIR:P5_PROCEEDING_SELECT:A0908020)
11. Why in the world would anyone rely on Mr. Wara as an expert on what amounts to an insurance fund.
12. There is so much concern about prudency because the utilities are not prudent. All of us live under the duty to be prudent. Why would you not hold the utilities for being careful—given their control over vast resources and the ability to pass the costs of prudence to utility customers in rates.
13. FINAL THOUGHT At the turn of the 19<sup>th</sup> Century the Railroads ran California—leading to reforms and the utilities commission. In the first decades of the 21<sup>st</sup> century the electric utilities run California. This is clear from the lack of diversity of opinion on the Commission.

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