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PG&E To Scrap Employee Bonuses After Protest From Fire Victims

Bankrupt California utility had asked judge for approval to pay out \$130 million



The Camp Fire, which devastated parts of Northern California in November. PHOTO: PETER DASILVA/SHUTTERSTOCK

By Soma Biswas

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PG&E Corp. is planning to scrap \$130 million in bonuses owed to thousands of employees. The move comes after protests from victims of several California wildfires.

“We know that wildfires have created tremendous hardships and stress in the communities we serve in the last few years,” a PG&E spokesman said in an email on Friday. “PG&E’s senior management team and the company’s board of directors have made the decision not to pay out the company’s 2018 at-risk short-term incentive program.”

The Journal on Friday wrote about the victims’ objections to the bonuses.

The company will notify the bankruptcy court of the change soon, the spokesman said.

Lawyers for victims of several California wildfires asked a bankruptcy judge this week to reject PG&E’s request to pay the bonuses, saying the employees don’t deserve to be awarded for good performance.

In a filing in U.S. Bankruptcy Court in San Francisco, a group of victims with claims against the utility said a bonus, by definition, is typically a reward for good performance.

“However, PG&E’s safety record is appalling,” the victims’ lawyers said.

The objection to the bonuses was filed by the Singleton Law Firm, which represents a group that includes about 3,500 victims of the Butte, North Bay and Camp fires that swept through Northern California over the past four years.

The payments were part of a short-term incentive plan that covers 14,000 employees, according to an earlier court filing by the company. The bonus plan excluded 12 executives who are considered to be insiders, according to the filings.

PG&E, California’s largest utility, has a history of safety and maintenance problems. The company filed for bankruptcy in January, overwhelmed by \$30 billion in claims by victims of 1,500 wildfires.

In its objection to the company’s earlier request to pay bonuses, the Singleton Law Firm argued that the money should instead go to the victims of the fires.

PG&E’s bankruptcy could affect fire victims’ ability to recoup losses through litigation claims that will likely be consolidated and handled in bankruptcy court.

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