

Plaintiffs, bondholders propose end to PG&E's exclusive reorganization plan

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Two unlikely allies have teamed up in support of opening the door to competing proposals to reorganize the Pacific Gas & Electric Corp.

The committees representing plaintiffs and bondholders proposed Thursday to terminate PG&E's exclusive right to come up with a plan.

U.S. Bankruptcy Judge Dennis Montali allowed the utility to retain the right at a hearing last month after arguments from the bondholder that competing proposals would result in a more "competitive process."

The committee is again arguing the same after negotiations with plaintiffs' attorneys for a plan "that focuses on resolving and fully funding the payment of the claims held by the victims of these tragic wildfires," wrote Cecily A. Dumas, representing wildfire victims.

The alternative plan resolves all wildfire claims, including those by insurance companies, for \$24 billion. It will be paid through a mix of cash and equity once PG&E emerges from bankruptcy.

PG&E wanted to pay wildfire victims \$8.4 billion, according to its proposal submitted on Sept. 9.

Dumas argued moving forward with PG&E's plan would subject all parties to uncertainty because plaintiffs' attorneys could prove damages in excess of the utility's ability to pay.

A plan must be confirmed by June 30, 2020 for PG&E to participate in a multibillion dollar wildfire fund.

Montali will consider the argument at a hearing on Sept. 24.

-- Winston Cho

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