

Lawsuit Filed: SDG&E Has Willfully Breached the Current Electric and Gas Franchise Agreements, Should Be Prohibited from Bidding on New Agreements



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A coalition of public interest, racial justice, and environmental groups – *including Protect Our Communities Foundation and others* – are supporting a citizen lawsuit calling for SDG&E to be prohibited from bidding on new electric and natural gas franchise agreements with the City of San Diego due to an ongoing breach of contract by SDG&E of the terms of its existing agreements with the City that states SDG&E is required to relocate its equipment that conflicts with the City's use without costs or expenses to the City.

The San Diego Municipal Code prohibits a bidder or contractor that willfully breaches a material term of an *agreement* from bidding on City contracts. SDG&E's willful breach of Section 8 of the existing electric and gas franchise agreements will ultimately cost the residents of San Diego \$94 million.

City Heights resident John Stump has filed a taxpayer's lawsuit that SDG&E's breach of the existing electric and gas agreements make it ineligible to bid on the new agreements. SDG&E's refusal to pay the costs of relocating its equipment for the City's Pure Water Project is a huge breach of the current agreement. The City must enforce the current agreements and collect what is due now, or disqualify SDG&E bids on to the new franchise agreements.

Despite the clear conditions, City officials agreed to pay SDG&E \$94 million for the relocations, while concurrently suing SDG&E to recover the money. SDG&E must be barred from bidding on the new franchise agreements as a result of this current breach of contract, as any other contractor would be barred that had breached any binding terms and conditions.

Plaintiff John Stump: *"San Diego families already pay the highest utility bills nationwide. SDG&E pays its executives 10's of millions in salaries and now they want us to pay even more. The Council needs to look out for our family budget, not the interests of corporate monopolies."*

Bids for the new franchise agreements are due on Friday, April 16, 2021. SDG&E must be prohibited from bidding on the new franchise agreements with the City until it is held responsible for its breach of contract.

A copy of the lawsuit is available at <http://protectourcommunities.org/>.

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