

SF Controller Estimates a Utility Takeover to Cost “in the Billions”

City also faces loss of tens of millions in tax revenue

Initial estimates of the cost to city electric customers for the city to take over the PG&E power system are more than \$4 billion—and could go even higher. The City Controller, the city’s chief auditor and accountant, estimates that the cost of a city takeover of PG&E would be “likely in the billions of dollars.”

At a time when rents are skyrocketing and energy costs are way up, the Board of Supervisors’ plan to spend billions on a takeover of PG&E, and potentially other utilities, is especially troubling. To pay for just the \$4 billion expenditure for the power system, San Francisco consumers could expect to see their electric bills increase by an average of \$400 per year for the next 30 years.

Adding to the cost of the takeover is the fact that if it passes, the city will lose approximately \$20 million in taxes and fees paid by PG&E annually. Facing an historic budget deficit, that means the city will either need to raise taxes or cut services—or both.

FACT If Prop. H passes, the Board of Supervisors would be given the authority to issue revenue bonds in any amount to take over any utility — **without** a vote of the people.

“...There are several possible methods for costing the purchase or construction of power facilities and estimates range widely. Under any method, the amounts are certainly substantial — likely in the billions of dollars.”

San Francisco City Controller
(excerpted from a letter to the Department of Elections)

SAN FRANCISCO SPEAKS

SEE WHAT YOUR NEIGHBORS ARE SAYING ABOUT PROPOSITION H



Mario Maso
VISITACION VALLEY

“ I JUST WANT THE politicians focused on keeping our streets safe, parks clean and buses running on time. Taking over PG&E isn’t a priority for me and it shouldn’t be a priority for the city either.”



Dorothy Walsh
INNER SUNSET

“ I HAVE NO INTEREST in giving the Board this power to pass whatever bonds they want for whatever amount they want to take over the utilities. Prop. H would just cost the city and people like me way too much.”



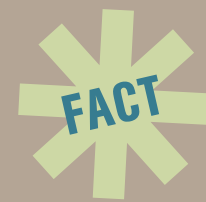
Terrance Everette
THE BAYVIEW

“ PG&E DOES A GOOD JOB. Their workers are courteous and they get the job done, even in difficult conditions like stormy weather. If Prop. H passes we’d have to call City Hall to report outages and gas leaks. I’d rather stick with PG&E.”



Li Jun Rong
THE EXCELSIOR

“ I KNOW PG&E PAYS millions to the city in taxes every year. If Prop. H passes, how many other taxes will the Board of Supervisors try to raise to make up for this loss, especially with the city’s huge deficit?”



The San Francisco Fire Fighters Association and the Coalition for San Francisco Neighborhoods all say NO on Prop. H.

JOIN US

IN VOTING **NO** ON **PROPOSITION H**

Proposition H asks us to give this Board of Supervisors, and all future Boards of Supervisors, the power to issue an unlimited amount in bonds without a vote of the people. This is too much power to give any group of elected and appointed officials.



Senator Dianne Feinstein

“Proposition H takes away your right to vote on billions of dollars in revenue bonds. It gives the Board of Supervisors the power to issue these revenue bonds in any amount to take over any utility without first seeking a vote of the people. It’s an issue of fiscal responsibility—Proposition H takes away your ability to hold local elected officials accountable for how they spend billions and billions of dollars. Please join me in voting NO on Proposition H.”



Mayor Gavin Newsom

“This measure gives the Board of Supervisors and the San Francisco Public Utilities Commission the right to issue bonds in any amount without a vote of the people. That means politicians and unelected commissioners will have the power to borrow billions to take over utilities and force you to pay the cost. That is simply too much power to give to any group of elected and appointed officials.”



Supervisor Sean Elsbernd

“I strongly oppose Proposition H. Just a basic review of the facts shows that it makes no economic sense for San Francisco—and once you get into the details, it becomes clear that it just doesn’t make any sense at all. Proposition H takes away your right to vote on revenue bonds to take over any San Francisco utility. The City Controller says this could be “billions of dollars.”



Supervisor Carmen Chu

“I simply don’t feel this is the time to ask San Franciscans to pay as much as \$400 or more each year to take over the electric system. And I don’t think we should give the Board a virtual blank check to take over any utility at any cost. We need some common sense—not unchecked spending.”



THE DEVIL'S IN THE DETAILS: Getting the Truth Behind Proposition H

Why do you oppose Proposition H?

Proposition H is one of the most dangerous measures to come along in many years. It gives the Board of Supervisors and the San Francisco Public Utilities Commission the right to issue bonds in any amount to take over PG&E (and other utilities) without a vote of the people.

Will Proposition H make San Francisco more "green"?

The proponents of Proposition H hide its tremendous new power under a cloak of "green" rhetoric. But the "green" language is hollow. In fact, a city-owned utility

FACT The city would lose approximately \$20 million a year that PG&E pays in taxes and fees.

would be exempt from enforceable state regulations mandating renewable energy. It makes no sense to eliminate enforceable state renewable regulations and replace them with non-enforceable goals.

What would be the long-term cost of this takeover?

The City Controller has looked at Proposition H and found that it could cost us "billions of dollars." That's billions with a B! Paying back that much in bonds could cost customers an average of \$400 more per year on their utility bills.

How will Prop. H affect San Francisco residents?

The people of San Francisco are under a lot of economic pressure. Rents are up. Energy prices are up. The cost of living is rising almost every day. And we already face a November ballot full of tax increases, fee increases, and billions of dollars of set asides with no funding sources identified. In terms of costs to San Francisco citizens, this is potentially the most expensive San Francisco ballot ever.

Jeff Brown, former California Public Utilities Commissioner, weighs in on Prop H

Ask the Expert



What's the best way to get to renewable power?

California has the highest requirements in the nation for renewable power and has spent many billions to promote renewable sources.

Now, some local politicians want to spend money that could be invested in cleaning up our environment and use it to take over local utilities. Proposition H on the November ballot would give the Board of Supervisors the power to spend more than \$4 billion on a regressive power takeover in San Francisco. But the problem is that this doesn't get us any closer to renewable energy—it actually takes us farther away.

Proposition H is so poorly crafted that its so-called "mandates" are completely unenforceable. This is a giant step in the wrong direction. What Proposition H does is replace California's strong renewable standards with unenforceable local goals.

If we want to get to more renewable power, we need to invest our time and money in renewable technological development and not waste it on politically-motivated takeovers. The last thing we want to do is replace California's strong enforceable state standards with meaningless local goals.

STOP THE BLANK CHECK



JOIN US! MOBILIZATION TO STOP PROPOSITION H

The Plumbers' Hall
1621 Market St.
(between Franklin and Gough)
San Francisco, CA 94103

Saturday, September 6
10:00am

JOIN OUR 12,000-STRONG MOVEMENT AGAINST PROPOSITION H!

Paid for by the Committee to Stop the Blank Check, No on H, a coalition of concerned consumers, small businesses, labor, community organizations and Pacific Gas and Electric Company.

Stop the Blank Check—NO on H
268 Bush Street, #3047
San Francisco, CA 94104

SAN FRANCISCO COMMON SENSE

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WATCH OUT

FOR THE **BLANK CHECK MEASURE** ON THE NOVEMBER BALLOT

This November's election is shaping up to be one of the most expensive in city history. And Proposition H is adding billions to the potential cost. **This measure would allow the Board of Supervisors to spend more than \$4 billion to take over PG&E's power system.** And Prop. H would give them the power to issue billions of dollars in bonds to take over any utility—from the power system to phone and even Internet service—**without voter approval.**

San Francisco can't afford the \$4 billion PG&E takeover. And in these tough economic times the last thing we want to do is give away our right to vote on billions in new bonds to take over utilities. **It's time to return some common sense to San Francisco politics.**

www.StopTheBlankCheck.com

STOP THE BLANK CHECK



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BEFORE YOU VOTE, Get the Facts on Prop. H

- * The City Controller estimates a PG&E takeover to cost "in the billions."
- * Prop. H would take away the right to vote on bonds issued to take over utilities.
- * The so-called environmental "mandates" in Prop. H are completely unenforceable.
- * To pay back the bonds, utility bills would go up, on average, \$400 a year for 30 years.

INSIDE THIS ISSUE



Q&A with Supervisor Michela Alioto-Pier