

SMUD News Release

Sacramento Municipal Utility District

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Judge tosses PG&E suit against SMUD

Sacramento Superior Court Judge Lloyd Connelly today dismissed a lawsuit that Pacific Gas & Electric Co. (PG&E) filed in November against SMUD and the Sacramento Local Agency Formation Commission (LAFCo).

The suit claimed SMUD violated state law by not conducting a detailed environmental impact review before applying to LAFCo for approval to serve West Sacramento, Davis, Woodland and neighboring unincorporated areas.

“The judge’s ruling validates our position that PG&E’s suit was devoid of legal merit and that SMUD and LAFCo have followed proper procedures,” said Arlen Orchard, SMUD’s general counsel. “This lawsuit was part of a pattern of behavior in which PG&E has erected obstacles in hopes of preventing any of its Yolo County customers from exercising their right to switch to SMUD for electric service.”

Specifically, the lawsuit alleged that SMUD violated the California Environmental Quality Act by pursuing annexation without first conducting an environmental review of its proposal to provide electric service to the Yolo areas. PG&E also alleged that LAFCo’s plan for conducting its environmental review of the annexation violated state law.

SMUD argued successfully that LAFCo is the proper agency to perform the detailed environmental review and that the SMUD Board’s decision to proceed with annexation was consistent with environmental law requirements. LAFCo oversees boundary changes for special districts such as

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SMUD and is currently reviewing SMUD’s proposal for serving the Yolo areas.

The judge also found that PG&E’s challenge to the LAFCo plan for its environmental review was premature since that process was just beginning. The court also noted that the LAFCo environmental review is a public process in which PG&E and other interested parties have ample opportunity to voice any concerns.

A week ago, LAFCo released a draft environmental impact report on SMUD’s proposal. Prepared by independent environmental consultants, the draft report includes a basic review of potential impacts in a four-mile wide corridor where SMUD could construct a transmission line connecting its existing Elverta Substation and Woodland.

If LAFCo and voters approve SMUD’s proposal, SMUD will pinpoint the route of the transmission line and prepare more detailed environmental studies on the transmission line and substation.

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