

PG&E, FEMA reach deal on wildfire claims

BY MARK CHEDIAK AND STEVEN CHURCH

PG&E Corp. reached a deal with the Federal Emergency Management Agency over \$3.9 billion in relief that Washington provided after the utility's power lines sparked devastating wildfires.

The settlement, which requires court approval, calls for FEMA to reduce its claim to \$1 billion and allow victims of wildfires blamed on PG&E equipment to be paid in full first, lawyers for the two sides said outside a bankruptcy hearing Tuesday in San Francisco.

The California Governor's Office of Emergency Services has agreed to withdraw its claims. Details of the settlement, brokered by attorneys for fire victims, will be filed with the court in the coming days.

"Those claims are no longer a threat to victims getting paid," said Eric Goodman, a lawyer for the victims.

The deal over emergency aid brings PG&E one step closer to emerging from Chapter 11, which the company entered last year as it faced \$30 billion in claims from fires blamed on its equipment. Victims of those blazes had been fighting the payments to FEMA in court, saying the agency would be taking money from a \$13.5-billion pot that PG&E had set aside for them.

PG&E shares closed up 10% at \$13.90.

The federal agency argued it had an obligation to recover costs of crucial services it provided in the aftermath of blazes in 2015, 2017 and 2018, including medical expenses and home repairs.

PG&E's reorganization still needs approval from the judge overseeing its bankruptcy and from a state utility commission, whose members are appointed by the governor.

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