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## **The Future of a Bankrupt PG&E May Be a Breakup.**

- **San Francisco to explore buying chunk of troubled utility**
- **Municipal takeovers could create service disparities**

PG&E Corp.'s looming bankruptcy could lead to an unprecedented spectacle — a major American power company being taken over by the state or broken up for city governments to run.

More often, it works the other way. Local governments have a long history of selling off municipal utilities, switching them from the public sector to the private. Witness the ongoing efforts to privatize Puerto Rico's troubled power authority.

But with PG&E planning to file for bankruptcy this month — the result of mounting wildfire liabilities that could reach \$30 billion — a government takeover has become a real possibility. In fact, the future of the power giant that has long reigned over a broad swath of California could very well involve a complete dismantling of its system and a takeover by multiple municipalities.

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### **Bloomberg Markets**

By David R Baker and Mark Chediak

January 16, 2019, 3:00 AM MST