

From: Prosper, Terrie D.
Sent: 3/24/2011 2:58:38 PM
To: Prosper, Terrie D. (terrie.prosper@cpuc.ca.gov)
Cc:
Bcc:
Subject: CPUC To Consider \$6 Million Fine Against PG&E For Non-Compliance With Pipeline Records Search Order: CPUC Press Release

Note: A follow-up email will be sent to you today with a link to the stipulated outcome once it is filed.

FOR IMMEDIATE RELEASE

PRESS RELEASE

Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov
Docket #:
R.11-02-019

**CPUC TO CONSIDER \$6 MILLION FINE AGAINST PG&E FOR
NON-COMPLIANCE
WITH PIPELINE RECORDS SEARCH ORDER**

SAN

FRANCISCO,

March 24, 2011 - The California Public Utilities Commission (CPUC) today approved an Order to Show Cause directing Pacific Gas and Electric Company (PG&E) to appear at a hearing to show why it should not be found in contempt and fined for failing to comply with a CPUC pipeline records search order.

The CPUC's Executive Director, Paul Clanon, said that CPUC staff had reached a stipulated outcome with PG&E for the Order to Show Cause, which will be discussed at a hearing on Monday and come before the CPUC's Commissioners for consideration thereafter. The stipulated outcome would fine PG&E \$6 million in shareholder funds for failure to comply with the CPUC's order and would require PG&E to operate under a compliance plan to complete the CPUC's directive. Of the \$6 million, \$3 million would be immediately payable to the state's General Fund, and \$3 million would be suspended if PG&E hits milestones in their records search process and completes its records search for information on grandfathered pipes by August 31, 2011.

On Jan. 3, 2011, the CPUC directed PG&E to submit pipeline records by March 15, 2011, following PG&E's pipeline rupture in San Bruno. After reviewing PG&E's submission, the CPUC staff said that PG&E did not respond to the CPUC's order to comply with the CPUC's directives to compare installed pipe to as-built drawings and other records in order to be certain the proper maximum pressure has been established for pipelines. Instead, PG&E relied on the determination of maximum pressure based on the historical high operating pressure. The CPUC's directive, and the NTSB's recommendation, called for PG&E to find, to the extent possible, a basis for setting maximum pressure by means other than the grandfathering method described in PG&E's response.

An Evidentiary Hearing will be held before an Administrative Law Judge and two CPUC Commissioners on March 28, 2011, at 10

a.m., where the stipulated outcome will be discussed.

Documents related to PG&E's pipeline explosion in San Bruno are available on the CPUC's website at www.cpuc.ca.gov/PUC/events/sanbruno.htm.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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Terrie Prosper
Director, News & Public
Information Office
California Public Utilities
Commission
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