

From: Prosper, Terrie D.  
Sent: 1/28/2012 11:08:20 AM  
To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7)  
Cc:  
Bcc:  
Subject: Re: PG&E Responds to Penalty Citation from CPUC

Thank you!

**From:** Cherry, Brian K [mailto:BKC7@pge.com]  
**Sent:** Saturday, January 28, 2012 10:45 AM  
**To:** Prosper, Terrie D.  
**Subject:** Fw: PG&E Responds to Penalty Citation from CPUC

FYI

**From:** Corporate Relations Mailbox  
**Sent:** Friday, January 27, 2012 05:54 PM  
**To:** All PGE Corp Employees; All PG&E Mail Recipients  
**Subject:** PG&E Responds to Penalty Citation from CPUC

PG&E Employees:

Today the Consumer Protection and Safety Division (CPSD) of the California Public Utilities Commission (CPUC) issued a \$16.8 million penalty against PG&E for an issue we self-reported in December 2011. As you may recall, the issue involved several pipeline maps in Diablo Division being left out of leak survey schedules. [Currents](#) reported on the issue [when it happened](#).

PG&E issued the following statement from Nick Stavropoulos, executive vice president of Gas Operations, expressing disappointment that the company is being penalized for doing the right thing. The team that worked on this discovered the issue, reported it immediately and took aggressive action to fix it. In fact, some members of the CPUC recently lauded the PG&E employees who took this action and the company for recognizing those employees.

We will keep you updated as more information becomes available.

**“At PG&E, our first priority is safety, and we’re working aggressively to prove that to our customers and regulators. Beyond our intensive measures to verify the strength of our pipelines, we’re reviewing and updating our policies and procedures to reinforce the message of safety, and we’re transitioning our recordkeeping from paper-based into a modern, efficient electronic system.**

**“We also remain vigilant and proactive in repairing any mistakes of the past. The leak-survey oversight was discovered by PG&E employees as part of our ongoing rigorous review of our operations. Whenever similar gaps are found, we will notify our regulators and promptly fix the errors. In this case, we immediately surveyed all of the pipelines in question and made repairs where necessary.**

**“To receive a penalty this extreme for being open, transparent and accountable is disappointing. PG&E self-reported this violation and took immediate and comprehensive action to address it. In fact, members of the Commission recently applauded the work our team did and the company’s recognition of the employees who came forward. We were surprised by the actions taken by the CPSD today as we have demonstrated repeatedly our commitment to safety, and that commitment is unwavering.”**