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Assembly California Legislature



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January 25, 2012

The Honorable Jerry Brown,
Governor of California
State Capitol, First Floor
Sacramento, CA 95814

RE: San Bruno Penalty Case: Commissioner Assignment

Dear Governor Brown:

I write to express outrage and indignation at California Public Utilities Commission (CPUC) President Michael Peevey's assigning himself as the commissioner presiding over Investigation 12-01-007. This is the penalty proceeding against PG&E for the 2010 natural gas disaster in San Bruno and will determine if PG&E violations of law contributed to the fatal explosion which killed 8 people, injured over 50 (including 10 serious injuries), and destroyed 38 homes.

Multiple reports, including that of the Commission-created Independent Review Panel and that of the National Transportation Safety Board (NTSB), have concluded that lax enforcement policies at the Commission—a Commission for the past ten years headed by Mr. Peevey—contributed to the disaster.

As written in its report, "the NTSB concludes that the ineffective enforcement posture of the CPUC permitted PG&E's organizational failures to continue over many years."

As I have stated over the last year, I believe that leadership starts at the top and that Mr. Peevey should no longer preside over the CPUC. In that way the culture of complacency that has plagued the Commission during his tenure may finally end.

The Commission's lax enforcement is most clearly demonstrated by its delayed response to PG&E's fatal gas explosion in Rancho Cordova on Christmas Eve, 2008, in which one person died and five more were injured. The Commission did not open an investigation until nearly two years later—only after the San Bruno explosion.

As you know, the President of the Commission is responsible for assigning Commissioners to the various proceedings. I find it offensive that someone so responsible for the culture implicated in the San Bruno disaster has taken it upon himself to lead the direction of this penalty proceeding. It is a slap in the face to the people of San Bruno. Your recently-confirmed appointment, Commissioner Mike Florio, has been diligent in his work as assigned commissioner to the current pipeline rulemaking and investigations, and he has gained the trust of all of us who care deeply about the outcome. There is no reason why he should not be guiding this penalty investigation.

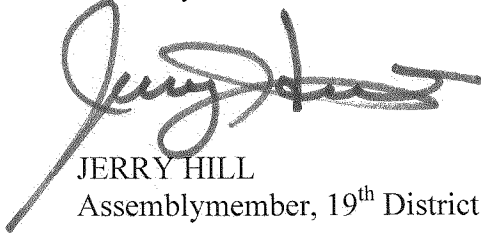


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Governor Brown, the appointments you have recently made are helping the Commission emerge from a decade of public mistrust. I ask you to do what you can to make sure this progress is not diminished, and that you urge President Peevey to assign a commissioner to this case that has the public's confidence or, alternatively, give the Presidency to someone who will.

Sincerely,



JERRY HILL
Assemblymember, 19th District

cc: Michael R. Peevey, President, California Public Utilities Commission
Timothy Alan Simon, Commissioner, California Public Utilities Commission
Michel Peter Florio, Commissioner, California Public Utilities Commission
Catherine J.K. Sandoval, Commissioner, California Public Utilities Commission
Mark J. Ferron, Commissioner, California Public Utilities Commission
Nick Zanjani, Office of Governmental Affairs, California Public Utilities Commission