

From: Prosper, Terrie D.  
Sent: 8/18/2012 10:28:52 PM  
To: Doll, Laura (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=LRDD);  
Clanon, Paul (paul.clanon@cpuc.ca.gov)  
Cc:  
Bcc:  
Subject: Re: Fwd: Jerry Hill to Urge CPUC To Reject PG&E's Pipeline Cost Proposal,  
Monday 10am, CPUC Headquarters, SF

Just heard about it last night but didn't have this detail, so thank you!!

**From:** Doll, Laura [mailto:LRDD@pge.com]  
**Sent:** Saturday, August 18, 2012 10:17 PM  
**To:** Clanon, Paul; Prosper, Terrie D.  
**Subject:** Fw: Fwd: Jerry Hill to Urge CPUC To Reject PG&E's Pipeline Cost Proposal, Monday 10am,  
CPUC Headquarters, SF

You likely already knew of this.  
I'm going to Texas.

**From:** Kauss, Kent  
**Sent:** Saturday, August 18, 2012 07:51 PM  
**To:** Pruet, Greg S.; Bedwell, Ed; Manheim, William (Law); Stavropoulos, Nickolas; [Redacted]  
[Redacted] Frizzell, Roger; Foley, Beth; Ittner, Mary Ellen; Kiyota, Travis; Yura, Jane; [Redacted]  
Garber, Stephen (Law); [Redacted] Bottorff, Thomas E; Cherry, Brian K; Horner, Trina; Doll, Laura  
**Subject:** Fwd: Jerry Hill to Urge CPUC To Reject PG&E's Pipeline Cost Proposal, Monday 10am,  
CPUC Headquarters, SF

See below for info on what Jerry Hill plans for Monday with TURN

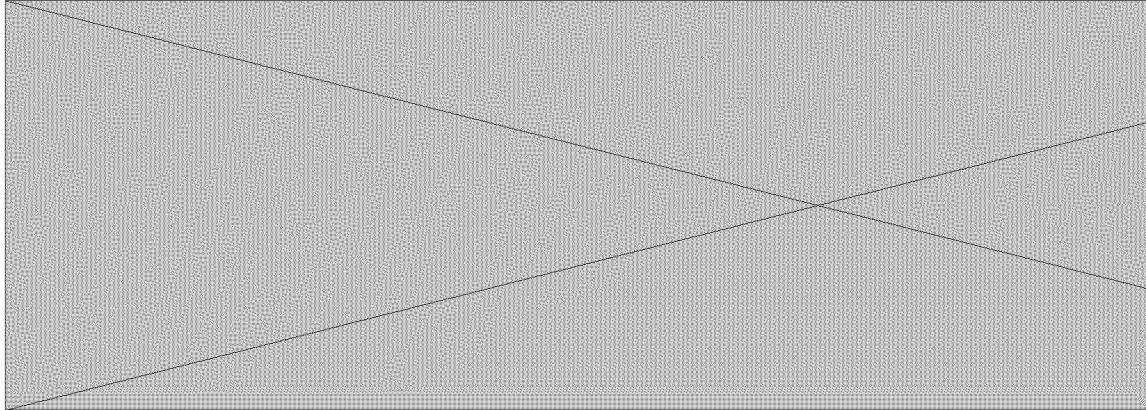
Begin forwarded message:

**From:** "Marino, Tony" <Tony.Marino@asm.ca.gov>  
**Date:** August 18, 2012 4:55:00 PM PDT  
**To:** "KWK3@pge.com" <KWK3@pge.com>  
**Subject:** FW: Jerry Hill to Urge CPUC To Reject PG&E's Pipeline Cost  
Proposal, Monday 10am, CPUC Headquarters, SF

FYI

Office of Assemblyman Jerry Hill – Media Advisory

Contact: Aurelio Rojas 916-319-2019/ cell 916-747-3199



## Hill to Urge CPUC To Reject PG&E's Proposal To Saddle Ratepayers With 95 percent of costs to Repair Gas Transmission System

***Assemblyman will also accuse utilities of trying to kill his legislation that would prohibit ratepayer money from being used to give utility executives bonuses for cutting maintenance costs and, according to Hill, compromising safety***

### **What:**

Assemblyman Jerry Hill, D-San Mateo, and Mark Toney, executive director of The Utility Reform Network, call on California Public Utilities Commission (CPUC) to reject Pacific Gas & Electric Co.'s ratepayer-gouging proposal.

Any day, the CPUC will release a decision proposing for the first time how much ratepayers will be billed to fix PG&E's neglected gas transmission system. If the commission grants PG&E's request to saddle ratepayers with 95 percent of the \$5 billion the first phase of project is expected to cost, the utility stands to make a \$1.5 billion profit from the deadly 2010 San Bruno gas explosion thanks to a commission policy that grants the utility a generous return on its capital investment.

Meanwhile, PG&E and other utilities are using their clout in Sacramento to try to kill legislation (AB 861) by Assemblyman Hill that would prohibit

ratepayer money from being used to pay for executive incentives based on corporate earnings or share price. “As a publicly regulated company, the only way PG&E can increase its earnings is by cutting its operations and maintenance costs, which undermines safety,” Hill said, noting that in the years leading to the San Bruno explosion PG&E executives were granted bonuses for cutting costs.

Hill, who represents San Bruno, is urging the CPUC to require PG&E to pay a fair share of the costs of modernizing its gas transmission system. The commission will be able to vote on the proposed decision 30 days after it is released. “Ratepayers shouldn’t have to pay PG&E higher utility bills for a level of service they should have been receiving all along,” Hill said.

**When:**

Monday, Aug. 20, 2012  
10 a.m.

**Where:**

California Public Utilities Commission courtyard

505 Van Ness Ave, San Francisco

**Contact:**

Aurelio Rojas, Communications Director, 916-319-2019 or 916-747-3199  
cell

**Background:**

If the commission approves PG&E’s plan, ratepayers will pay more than \$3 for every \$1 the company spends to put pipe in the ground. Not only will ratepayers be on the hook to pay back the loan over 50 years and the debt on the loan to finance the pipeline plan, they will pay the guaranteed 11.35 percent annual shareholder profit the CPUC granted PG&E after it emerged from bankruptcy more than a decade ago. PG&E is proposing to pay just 5 percent of the first phase of the project and force ratepayers to pick up the rest.

In its probe of the San Bruno explosion, The CPUC’s Independent Review Panel found that “while (PG&E) has multiple stated goals, top management appeared to be focused on financial performance.” AB 861, which could be voted on by the state Senate on Monday, would end what Hill calls “a perverse incentive” of compensating utility executives based on earnings or stock price.

AB 861 prohibits utilities from using ratepayer money for executive bonuses based on company earnings or stock price and instead requires that bonuses be

paid using shareholder profits. Utilities are not normal corporations. They cannot increase their profit by increasing market share or selling more product. They cannot raise their revenue at all, as the total amount they are able to recover in rates is set by the Public Utilities Commission. The only way a public utility can increase its profit is by cutting its operations and maintenance costs, as has been clearly demonstrated by PG&E in the years leading up to the San Bruno explosion.

“Incentives based on earning of stock price are, in fact, not in the best interest of customers, and they should not be made to pay for them,” Hill said.

**###**

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