

From: Kauss, Kent  
Sent: 9/24/2012 7:23:17 AM  
To: Ittner, Mary Ellen (/O=PG&E/OU=Corporate/cn=Recipients/cn=MEI2); Redacted  
Redacted; Pruett, Greg S.  
(/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=GSP3); Redacted  
Redacted; Cherry, Brian K  
(/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7); Redacted  
Redacted; Foley, Beth  
(/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BMF8); Horner, Trina  
(/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=TNHC); Kiyota, Travis  
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(lrd@cpuc.ca.gov); Bottorff, Thomas E  
(/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=TEB3)  
Cc:  
Bcc:  
Subject: Fwd: FYI Press Conference, 10 am PUC

We did not have a position on any of these bills in their final form. All of our concerns had been addressed.

Begin forwarded message:

**From:** "Marino, Tony" <Tony.Marino@asm.ca.gov>  
**Date:** September 24, 2012, 7:04:41 AM PDT  
**To:** "nick.zanjani@cpuc.ca.gov" <nick.zanjani@cpuc.ca.gov>  
**Cc:** "KWK3@pge.com" <KWK3@pge.com>  
**Subject:** FYI Press Conference, 10 am PUC

Office of Assemblyman Jerry Hill - ADVISORY

Contact: Leslie Guevrra 415-298-3404 cell or Nate Solov 916-768-1378 cell

Hill To Host News Conference Discussing Three Gas Pipeline Safety Bills  
Signed By Governor Today

Legislation Signed into Law Soon After Second Anniversary of San Bruno Blast

What:

Assemblyman Jerry Hill, D-San Mateo, will discuss the importance of three legislative reforms the governor signed today during a news conference tomorrow in front of the Public Utilities Commission. The bills are part of Hill's continued effort to prevent another gas pipeline explosion like the one in San Bruno which killed eight people and destroyed 38 homes.

When:

10:00 a.m.

Monday, September 24

Where:

California Public Utilities Commission courtyard

505 Van Ness Ave, San Francisco

Background:

The three measures signed by the Governor require the Public Utilities Commission (PUC) to act on safety recommendations from federal regulators, require the PUC to address executive bonuses at PG&E that favored profits over safety, and require the PUC to adopt safety metrics to better evaluate and penalize utilities for poor safety performance.

AB 578<[http://leginfo.ca.gov/cgi-bin/postquery?bill\\_number=ab\\_578&sess=CUR&house=B&author=hill](http://leginfo.ca.gov/cgi-bin/postquery?bill_number=ab_578&sess=CUR&house=B&author=hill)> –  
NTSB Recommendations

Requires the California Public Utilities Commission to adopt gas pipeline safety recommendations of the National Transportation Safety Board if those recommendations are appropriate to California utilities. The Commission may decide not to do so, but it must submit those reasons in writing as a part of the Commission's record of proceedings. The NTSB is the nation's preeminent advisory body on transportation and pipeline safety matters. This bill will ensure that the NTSB's safety recommendations are adopted since they have no power to enforce their recommendations. In the past year, pipeline explosions and fires

in Cupertino and Roseville exposed our vulnerability to brittle, older plastic pipe. The National Transportation Safety Board had recommended that pipe's replacement, but those recommendations weren't heeded.

AB 861<[http://leginfo.ca.gov/cgi-bin/postquery?bill\\_number=ab\\_861&sess=CUR&house=B&author=hill](http://leginfo.ca.gov/cgi-bin/postquery?bill_number=ab_861&sess=CUR&house=B&author=hill)> – Executive Compensation

Requires the California Public Utilities Commission to determine the appropriate ratemaking treatment of bonus programs based on stock price and corporate earnings. Utilities are not typical corporations, and they cannot make more money by increasing market share or selling more product. Their revenue is set by the Commission. If a utility wants to increase its profit, it has to cut spending on operations and maintenance. This is exactly the type of activity that contributed to the sad state of PG&E's pipeline infrastructure. PG&E's former CEO, Peter Darbee, walked away after the San Bruno explosion with a \$35M severance package. Since he left, his former company has been fined nearly \$60M for violations that occurred under his watch, and more than \$200M in fines have yet to be levied. This legislation slowly but surely chips away at the complacent attitude that led to PG&E's and the Public Utilities Commission's inattention to safety.

AB 1456<[http://leginfo.ca.gov/cgi-bin/postquery?bill\\_number=ab\\_1456&sess=CUR&house=B&author=hill](http://leginfo.ca.gov/cgi-bin/postquery?bill_number=ab_1456&sess=CUR&house=B&author=hill)> – CPUC, Gas Pipeline Safety Performance Standards, Penalties for Utilities  
Requires the California Public Utilities Commission to adopt performance metrics for pipeline safety and evaluate the state's gas utilities against those metrics. The Commission may levy penalties on the utility for poor performance.

Hill Bills that were signed into law last year:

#### San Bruno Gas Pipeline Safety Reforms

AB 56 (Chapter 519, Statutes of 2011)<[http://leginfo.ca.gov/cgi-bin/postquery?bill\\_number=ab\\_56&sess=CUR&house=B&author=hill](http://leginfo.ca.gov/cgi-bin/postquery?bill_number=ab_56&sess=CUR&house=B&author=hill)>  
Requires remote-controlled shut off valves in high population areas and the comprehensive testing and record-keeping of transmission lines. It also prohibits utilities from using ratepayer money to pay penalties for safety violations assessed by the California Public Utilities Commission and requires natural gas corporations to meet annually with local fire departments to review emergency response plans.

#### Exempt San Bruno Gas Explosion Victims from Taxes on Relief Payments

AB 50 (Chapter 18, Statutes of 2011)<[http://leginfo.ca.gov/cgi-bin/postquery?bill\\_number=ab\\_50&sess=CUR&house=B&author=hill](http://leginfo.ca.gov/cgi-bin/postquery?bill_number=ab_50&sess=CUR&house=B&author=hill)>  
Exempts San Bruno residents from paying state taxes on recovery money they received from Pacific Gas & Electric Co., the Red Cross and the City of San

Bruno after the pipeline explosion.

Tax Relief for City of San Bruno and Explosion Victims  
ABX6 11 (Chapter 2, Statutes of 2010, Sixth Extraordinary  
Session) <[http://leginfo.ca.gov/cgi-](http://leginfo.ca.gov/cgi-bin/postquery?bill_number=abx6_11&sess=PREV&house=B&author=hill)

[bin/postquery?bill\\_number=abx6\\_11&sess=PREV&house=B&author=hill](http://leginfo.ca.gov/cgi-bin/postquery?bill_number=abx6_11&sess=PREV&house=B&author=hill)>

Provides tax relief to victims of the San Bruno disaster. Allows homeowners who had qualified for a \$7,000 state property tax exemption to still receive that write-off even if their home was destroyed as a result of the Sept. 9 gas pipe explosion. Also provides assistance to the city of San Bruno, local schools and San Mateo County by requiring the state to backfill first-year local revenue losses resulting from downward reassessment of properties affected by the disaster.

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