

BEFORE THE PUBLIC UTILITIES COMMISSION OF  
THE STATE OF CALIFORNIA

Order Instituting Investigation on the Commission's Own Motion into the Operations and Practices of Pacific Gas and Electric Company to Determine Violations of Public Utilities Code Section 451, General Order 112, and Other Applicable Standards, Laws, Rules and Regulations in Connection with the San Bruno Explosion and Fire on September 9, 2010.

I.12-01-007  
(Filed January 12, 2012)

(Not Consolidated)

Order Instituting Investigation on the Commission's Own Motion into the Operations and Practices of Pacific Gas and Electric Company with Respect to Facilities Records for its Natural Gas Transmission System Pipelines.

I.11-02-016  
(Filed February 24, 2011)

(Not Consolidated)

Order Instituting Investigation on the Commission's Own Motion into the Operations and Practices of Pacific Gas and Electric Company's Natural Gas Transmission Pipeline System in Locations with Higher Population Density.

I.11-11-009  
(Filed November 10, 2011)

(Not Consolidated)

**COORDINATED MOTION OF THE CONSUMER PROTECTION AND  
SAFETY DIVISION FOR LEAVE TO SERVE ADDITIONAL PREPARED  
TESTIMONY REGARDING PG&E'S FINANCIAL RESOURCES IN  
PROCEEDINGS I.11-02-016, I.11-11-009, AND I.12-01-007**

**I. INTRODUCTION**

Pursuant to Rule 11.1 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure, the Consumer Protection and Safety Division (CPSD) hereby requests leave to serve supplemental prepared testimony in the above-captioned

proceedings. After hearings, CPSD intends to move this supplemental report into the evidentiary record. CPSD requests that the Commission permit PG&E and all parties to have an opportunity to respond to it. The supplemental testimony regards a study commissioned by CPSD regarding PG&E's financial resources and ability to pay fines.

This request pertains to all of the three above-captioned cases. This single motion consolidates what would otherwise be separate motions in each of the above-captioned proceedings. CPSD requests permission to serve the supplemental testimony to the parties in all three proceedings. CPSD is concurrently filing a separate motion that addresses how we propose to address this additional testimony within the schedules of the three proceedings.<sup>1</sup>

## **II. SUPPLEMENTAL REPORT REGARDING PG&E'S FINANCES**

The focus of the additional prepared testimony is PG&E's financial resources. Specifically, the report focuses on PG&E's ability to pay fines and/or remedies up to a certain amount without directly or indirectly harming ratepayers. Additionally, should the Commission find that violations triggering fines pursuant to Public Utilities Code Section 2107 have occurred in any of the above referenced proceedings, the proposed testimony is highly relevant to the consideration of the financial resources of the utility, which is an important factor in determining the proper amount of fines under Commission precedent. (See D.98-12-075.) CPSD believes the Commission and the assigned Administrative Law Judges (ALJs) will greatly benefit from the information contained in the report.<sup>2</sup>

CPSD did not serve this testimony with its opening prepared testimony because it was completed in May 2011 as an internal confidential document for use in guiding

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<sup>1</sup> Although the subject matter of CPSD's two concurrently-filed motions is interrelated, the Docket Office instructed CPSD counsel to file the two motions separately.

<sup>2</sup> If it will assist the ALJ in making his or her decision to grant this request, CPSD will provide a courtesy copy of the proposed additional prepared testimony. In order to get PG&E's cooperation with this request, CPSD provided PG&E with a courtesy copy of the report on August 15.

CPSD's settlement negotiations.<sup>3</sup> However, given that such negotiations have not, to date, reached an agreement, and further given that the proceedings' schedules have advanced, CPSD has determined that this critical testimony needs to be served as soon as possible so that it may be introduced into the evidentiary records in a timely manner and with proper due process.

### **III. MOTION FOR LEAVE TO SERVE SUPPLEMENTAL TESTIMONY**

Therefore, CPSD requests permission to serve this supplemental report. CPSD does not object to granting PG&E and other parties an opportunity to timely submit relevant rebuttal testimony. If permission is granted, an unredacted confidential copy would be served on the assigned ALJs, PG&E and the Division of Ratepayer Advocates; other parties would receive a version redacted of material provided to CPSD pursuant to Section 583.

Absent a stipulated outcome between the parties, this supplemental information is highly relevant, especially if parties assert that financial resources are a limit on how much the respondent may pay in fines.

#### **A. Request for Order Shortening Time to Respond**

CPSD requests that parties' time for responding to this motion be limited to 3 days. Pursuant to Rule 11.1, parties typically have 15 days to respond. CPSD has informed the parties in advance of this request and no parties indicated that they would oppose the motion.

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<sup>3</sup> The proposed supplemental report is not subject to the admission ban of Rule 12.6 of the Commission's Rules of Practice and Procedure as it was never presented to PG&E in any negotiations or settlement offer.

Respectfully submitted,

/s/ TRAVIS T. FOSS

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