

Contact: Connie Jackson, San Bruno City Manager
Phone: (650) 616-7056

**City of San Bruno Calls CPUC Process "Broken, Dysfunctional and Dishonest"
Will Participate in Mediation Under Protest to Ensure Victims' Voice is at Table**

Statement of City of San Bruno on the Announcement of CPUC's unilateral selection of a mediator to decide PG&E fine for deadly San Bruno explosion and fire that claimed lives of 8 people and destroyed 38 homes in the San Bruno community

"The unilateral announcement by the CPUC yesterday that it had selected a mediator without consulting any of the parties at the negotiating table is consistent with the cozy and unholy relationship between the CPUC and PG&E. This action is symbolic of the broken, dysfunctional and dishonest relationship between PG&E and the CPUC, the agency that is supposed to be the watchdog and protector of the public's interest.

"San Bruno is rightly concerned that the DLA Piper law firm has previously represented utilities--and that the firm was selected unilaterally by the CPUC and PG&E without the participation of any other party, which goes against the fundamental principles of mediation.

"It also is of deep concern to us that DLA Piper has a lengthy list of corporate clients, including Southern California Edison, which the current chairman of the CPUC, Michael Peevey, once headed, according to news media reports about the appointment.

"In order for any mediation to succeed, the mediator will have to assure all the parties to our satisfaction that they have no conflicts, that they can be an unbiased mediator, and that the process will be open, transparent and fair.

"We find that there is too much of a coincidence that one week before the announcement of DLA Piper as mediator, we were told that "a mediator with gravitas" is necessary to settle the negotiations, and now, with the unilateral start of mediation, that PG&E shareholders are paying for the mediation. This leads us, we rightly believe, to the conclusion that the CPUC and PG&E have had improper ex-parte contact as part of this process.

"We state unequivocally for the record that no fine or settlement with PG&E will ever be legitimate or credible without the participation of the City of San Bruno.

"We call into question the integrity of the entire CPUC process that has occurred over the past two years since our community was ripped apart by the negligent and systematic safety failures of PG&E and the inability of the CPUC to independently protect and represent the interests of the residents of San Bruno and the people of California.

"The healing process has physical manifestations in the reconstruction of our Crestmoor neighborhood. However, the scars and horrors of the explosion and fire remain. The City committed to its citizens that it would be an active and relentless participant in all of the investigations that followed.

"We remain at the table to represent the interests of the citizens of San Bruno, the memory of those whose lives were taken by PG&E's negligence, their families and friends, and equally important, every other city, town and community in the State of California so we can help others prevent what happened to us."

Statement of the City of San Bruno.

Contact: City of San Bruno: Sam Singer: 415.227.9700
TURN: Mindy Spatt: 415.929.8876 ext. 306

17 October 2012
For Immediate Release:

City of San Bruno, City/County of San Francisco and Ratepayer Advocates Call on California Public Utilities Commission to Rescind Appointment of Sen. Mitchell as Mediator

The following letter to the California Public Utility Commission was released today at a press conference with the following parties in San Francisco at the CPUC at 10 a.m.:

Dear President Peevey and Commissioner Florio:

We, the City of San Bruno, the City and County of San Francisco, the Utility Reform Network, and the Division of Ratepayer Advocates, are writing to you to express our deep concern regarding the Commission's unilateral and behind-closed-doors appointment of Senator Mitchell, and his law firm, DLA Piper, as mediators for the San Bruno Explosion-Related Proceedings.¹

Specifically, the following circumstances regarding DLA Piper's appointment as mediators concern us:

1. The Commission has acted unilaterally to appoint this mediator, at this time without regard to the views of the undersigned parties. In contrast, we have learned that PG&E's consent to DLA Piper as mediator was secured last week. As full-fledged participants in these cases and the negotiations, we are shocked that we were not provided the same option as PG&E to assent to this choice of mediator. The Commission is sending the clear message that

¹ Order Instituting Rulemaking 11-02-019; Order Instituting Investigation 12-01-007; Order Instituting Investigation 11-02-016; Order Instituting Investigation 11-11-009

PG&E's views matter, and the views of San Bruno, San Francisco, DRA and TURN do not.

2. Typically, mediators are chosen with the consent of the parties to ensure that all parties have trust in the process. Here, we start from a position of deep distrust when our litigation adversary was given veto power over the mediator and we were not even consulted.
3. We do not question Senator Mitchell's ability or integrity. Rather, we are concerned that he and his law firm have previously represented public utilities, including Southern California Edison Corporation (which President Peevey once headed). Moreover, one of the DLA Piper partners who will be most active in the mediation has represented WorldCom in a white collar criminal defense case highly similar to what PG&E faces: being simultaneously subject to a criminal investigation and civil penalties. Under these circumstances, we question whether DLA Piper and its chosen attorneys will be able to be impartial mediators.
4. We believe this unilateral action by the Commission will only slow down existing negotiations, which is in no one's interest.

For all of these reasons, we call on you to rescind the appointment of DLA Piper as mediators. If the Commission wishes to encourage the parties to use mediation, such mediation should be voluntary, and with a mediator chosen with the consent of all parties.

Signed by Connie Jackson, City Manager, City of San Bruno;

Austin Yang, Deputy City Attorney, City and County of San Francisco;

2 *Thomas J. Long, Legal Director, The Utility Reform Network (TURN);*

Joseph P. Como, Acting Director, The Division of Ratepayer Advocates (DRA).

3 *Karen Paull, DRA
lead atty
Hickstein + ...
- ...*

4 - *Jerry Hill
- ...
PG&E*

To: Governor Jerry Brown
Subject: **Appoint a New President of CPUC Immediately**
Letter: Greetings,
Appoint a New President of CPUC Immediately

The residents of San Bruno formally request that Governor Brown appoint a new President of the California Public Utilities Commission. Michael Peevey has failed the residents of San Bruno, and put ALL California residents at risk with his lack of transparency, and lack of interest in protecting consumers.