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Cc:
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**FOR IMMEDIATE RELEASE
PRESS RELEASE**

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**CPUC STAFF ISSUE REPLY BRIEF IN
PG&E PIPELINE SAFETY PENALTY CONSIDERATION CASES**

SAN FRANCISCO, June 5, 2013 - The Safety and Enforcement Division of the California Public Utilities Commission (CPUC) today said “it is time to throw the book at PG&E” in a brief replying to Pacific Gas and Electric Company (PG&E) in the CPUC’s penalty consideration cases regarding PG&E’s pipeline safety.

On May 6, 2013, the Safety and Enforcement Division submitted a recommended \$2.25 billion penalty against PG&E in the CPUC’s penalty consideration cases regarding PG&E’s pipeline safety and the San Bruno pipeline rupture. PG&E responded in a filing to the CPUC’s Administrative Law Judges for the cases that the penalty was “excessive.” The Safety and Enforcement Division’s brief submitted today strongly disputes PG&E’s contention and says that contrary to PG&E’s arguments the recommended penalty is certainly not excessive in light of the record of PG&E’s wrongdoing, compounded by PG&E’s lack of genuine remorse.

The Safety and Enforcement Division said in its brief that its proposed penalty of \$2.25 billion is informed in substantial part by a consultant’s report that demonstrates that PG&E could absorb a penalty of that magnitude without jeopardizing the safety of its

operations and its financial viability. Further, the brief reiterates the Safety and Enforcement Division’s recommendation that the proposed penalty go directly to safety improvements rather than the alternative of imposing a traditional “fine” on PG&E, payable to the State’s General Fund, which would not do anything to advance safety on PG&E’s system.

Brigadier General (CA) Jack Hagan, the Director of the CPUC’s Safety and Enforcement Division, said, “We owe the victims of the San Bruno tragedy a very significant penalty against PG&E. We must not only sanction PG&E for past misconduct and neglect, but also advance public safety by requiring shareholder-funded investments in safety improvements on PG&E’s gas system. No one should be persuaded by PG&E’s rhetorical arguments that our proposed penalty would be excessive. PG&E’s brief on penalties displays a chilling lack of remorse for the many failures that led up to the tragedy in San Bruno. I believe the lack of remorse by PG&E in its brief only serves to reinforce the need for the CPUC to impose the very substantial \$2.25 billion penalty that the Safety and Enforcement Division has proposed, the entirety to be used for any bona fide safety enhancement to PG&E’s gas transmission or distribution system.”

The brief is available in the Recent News box at www.cpuc.ca.gov/PUC/safety/Pipeline/.

Separately, the CPUC said that, contrary to allegations by the City of San Bruno, no CPUC lawyer was fired or resigned. Some of the lawyers working on the penalty consideration cases have asked to be reassigned to other matters, and their requests have been granted. Meanwhile, with the filing of today’s brief and the reply briefs of the other parties, which are expected by Friday, the case will be submitted to the two assigned Administrative Law Judges. The parties and their lawyers will now wait for the judges’ decisions, expected in late summer.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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