

From: Prosper, Terrie D.
Sent: 6/6/2013 1:26:15 PM
To: Doll, Laura (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=LRDD)
Cc:
Bcc:
Subject: Re: CPUC Lawyer Reveals Unlawful Actions by CPUC Led to Law Team Resignations on PG&E San Bruno Case: KQED Radio news story just posted

Thanks!

From: Doll, Laura [mailto:LRDD@pge.com]
Sent: Thursday, June 06, 2013 1:21 PM
To: Prosper, Terrie D.
Subject: FW: CPUC Lawyer Reveals Unlawful Actions by CPUC Led to Law Team Resignations on PG&E San Bruno Case: KQED Radio news story just posted
Importance: High

CPUC Lawyer Says Agency's Penalty Recommendation For PG&E 'Unlawful'

By Jon Brooks and Laird Harrison, June 6 2013 KQED Radio

Robert Cagen, a California Public Utilities Commission lawyer who says he was working on the penalty case against PG&E relating to the 2010 San Bruno pipeline explosion, emailed KQED's Peter Jon Shuler the following:

The CPSD is the CPUC's Consumer Protection and Safety Division."I personally could not continue working on the San Bruno penalty briefs because I concluded that the CPSD recommendations that were to be made in the briefs were unlawful and contrary to what our team had worked to accomplish in the last two and a half years."

Yesterday, news broke that the CPUC had reassigned lawyers investigating the San Bruno explosion and fire that killed eight people and destroyed 38 homes.

The reassignment came as the state agency is trying to determine what penalties it wants PG&E to pay.

CPUC spokesperson Terrie Prosper said in a news release that lawyers requested the reassignment, but did not give a reason for the requests.

San Bruno Mayor Jim Ruane speculated that the attorneys asked to be reassigned because they disagreed with the agency's position on the penalties, a suspicion that seems to have been confirmed by Cagen's statement today.

"I think their recommendations are not being followed by the CPUC," Ruane told Peter Jon Shuler.

Ruane called for an investigation of the CPUC by the California attorney general and the state Legislature.

The disagreement stems from the CPUC's Safety and Enforcement Division proposing that PG&E be assessed a penalty of \$2.25 billion. But instead of paying the money to the general fund, the proposal called for the utility to use the money for safety improvements.

Ruane said under the safety' division's recommendation, PG&E would get tax deductions and credit for improvements it already has made, substantially reducing the penalty.

"It seems that the upper echelons of the CPUC want to give – I'll just say it straight – PG&E a free ride," he said.

Instead, he thinks PG&E should pay a penalty into the state's general fund. This would serve as a better deterrent to other utilities that might neglect safety, he said.

The San Francisco Chronicle reported that the lawyers' reassignment came when the legal team's leader, Harvey Morris, filed a successful motion challenging PG&E's estimates of the amount it already had spent on improvements.

The agency's general counsel, Frank Lindh, ordered the reassignment, the newspaper said. Lindh worked for PG&E from 1996 until 1998.

On Wednesday, the CPUC Safety and Enforcement Division submitted its recommendation to its administrative law judges, whose decisions will come in late summer, the CPUC said.

<http://blogs.kqed.org/newsfix/2013/06/06/cpuc-lawyer-on-san-bruno-case-says-q/>

PG&E is committed to protecting our customers' privacy.
To learn more, please visit <http://www.pge.com/about/company/privacy/customer/>