

From: Cherry, Brian K
Sent: 8/15/2013 1:29:01 PM
To: Paul Clanon (PAC@cpuc.ca.gov)
Cc:
Bcc:
Subject: Fwd: MN posted a Tom Dalzell opinion piece on mercurynews.com - San Bruno Tragedy: PG&E Workers' Union Argues Against Penalty for Gas Explosion

Sent from my iPad

Begin forwarded message:

From: "Cooper, Shawn" <shawn.cooper@pge-corp.com>
Date: August 15, 2013, 1:08:59 PM PDT
To: "Bottorff, Thomas E" <TEB3@pge.com>, "Cherry, Brian K" <BKC7@pge.com>, "Horner, Trina" <TNHc@pge.com>
Cc: "Pruett, Greg S." <Greg.Pruett@pge-corp.com>, "Fitzpatrick, Tim" <TXFo@pge.com>, "Lavinson, Melissa A." <Melissa.Lavinson@pge-corp.com>, "Foley, Beth" <BMF8@pge.com>, "Hertzog, Brian" <BDH0@pge.com>
Subject: FW: MN posted a Tom Dalzell opinion piece on mercurynews.com - San Bruno Tragedy: PG&E Workers' Union Argues Against Penalty for Gas Explosion

Tom, Brian, Trina:

Tom Dalzell submitted the following op-ed to the San Jose Mercury News that was posted on the SJMN website and may show up in the print edition tomorrow.

Shawn

From: Redacted
Sent: Thursday, August 15, 2013 3:58 PM
To: Cooper, Shawn; Pruet, Greg S.; Fitzpatrick, Tim; Hertzog, Brian; Foley, Beth

Cc: [Redacted]

Subject: MN posted a Tom Dalzell opinion piece on mercurynews.com - San Bruno Tragedy: PG&E Workers' Union Argues Against Penalty for Gas Explosion

Dear Shawn, Greg, Tim, Brian and Beth,

A new Tom Dalzell piece posted on the Mercury News website. We'll be looking for this opinion piece in the 8/16 print edition of the Mercury News.

Thanks,

[Red]

http://www.mercurynews.com/opinion/ci_23863700/san-bruno-tragedy-pg-e-workers-union-argues

San Bruno Tragedy: PG&E Workers' Union Argues Against Penalty for Gas Explosion

By Tom Dalzell

Special to the Mercury News

Posted: 08/15/2013 12:01:00 PM PDT

The construction and maintenance workers employed by Pacific Gas & Electric are out in the field 24/7, 365 days a year, operating and maintaining one of the largest gas pipeline and electrical distribution systems in the world.

PG&E customers call during all hours, in any weather condition to repair lines to keep us safe, the gas flowing and the lights on. We go to work with safety first and foremost in our minds. We don't have to be told safety is our priority -- not by executives in corporate headquarters or state regulators or Sacramento politicians.

The tragic San Bruno accident on Sept. 9, 2010, occurred on a PG&E pipeline. The accident was the company's fault, and PG&E has taken responsibility. But the recently revised penalty against PG&E proposed by the Public Utilities Commission staff will actually reduce safety, while punishing ratepayers and placing at risk thousands of jobs of people who are working to keep customers safe.

Apparently not to be satisfied by any result other than driving PG&E into bankruptcy, the staff of the PUC wants to impose a record-breaking

penalty against the utility for the San Bruno accident. What supporters of the proposed penalty do not acknowledge are the wide-reaching impacts that a penalty of this magnitude will have, far beyond penalizing PG&E's corporate executives and shareholders.

A penalty of the size proposed by the PUC staffers, which would cost the utility more than \$4 billion, would set back badly-needed job-creating investments. It would cost not only PG&E employees but also workers at hundreds of the utility's suppliers and subcontractors. And it would delay or even derail entirely steps to modernize our energy system.

When the PUC staff increased the original penalty recommendation dramatically last month, the nation's top credit rating agencies took notice. Both Standard & Poor's and Moody's issued threats to downgrade PG&E's credit rating based on the revised penalty. If either agency were to cut PG&E's credit rating, it would immediately become more expensive for the utility to raise money to fund investments. PG&E would be forced to pay higher interest rates in order to build and improve lines and facilities and buy equipment, much like a homebuyer with a poor credit score would face.

Like every other electric, gas and water company, PG&E depends on institutional lenders and investors to finance billions of dollars every year. So even a slight increase in interest rates will increase costs by millions of dollars. And who will be forced to pick up the tab? Ratepayers.

The revised penalty reverses the initial proposal that would have directed all of the money from the penalty back into safety improvements. Instead, the revised proposal takes hundreds of millions of dollars out of public safety improvements and hands it over to the state's General Fund.

It also jeopardizes one of the few bright spots in our economy: investments in infrastructure. PG&E's plans alone for the next several years are estimated to support nearly 30,000 jobs. The proposed penalty threatens all of that growth, diverting funds from safety investments and the jobs those improvements would create.

The best way to pay respect to the victims of San Bruno is to require PG&E to put every dollar back into improving the safety of the electric grid and gas-delivery system.

Diverting money from safety investment would punish ratepayers, compromise public safety and place at risk the jobs of thousands of hard working men and women.

Tom Dalzell is business manager of the International Brotherhood of

Electrical Workers Local 1245, representing nearly 12,000 PG&E employees from gas and electrical linemen to program managers and bookkeepers. He wrote this for this newspaper.