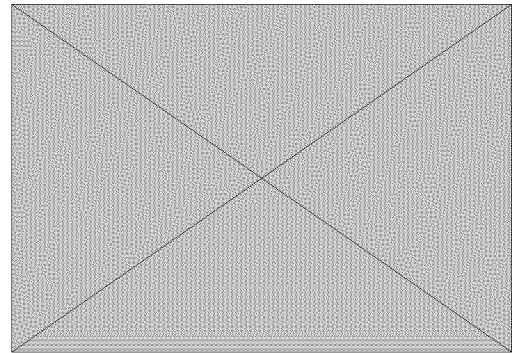


From: Cherry, Brian K
Sent: 9/19/2013 7:55:10 AM
To: tdp@cpuc.ca.gov (tdp@cpuc.ca.gov)
Cc:
Bcc:
Subject: FW: SB News Press Op-ed - San Bruno Fine & Penalty

SANTA BARBARA NEWS PRESS

Opinion Editorial

Andy Caldwell



September 19, 2013 5:36 AM

I worked in an industrial setting for 11 years, including four years as the Industrial Relations and Safety manager for Union Sugar. Barely a couple of weeks in my new position, we suffered a horrific explosion that resulted in a critical injury to one of our employees. It was not the first accident at the plant, but it was one of the worst. No matter how many safety precautions we had in place, no matter how much experience we had accumulated in 90 years of operation, the fact is accidents happen, and even OSHA couldn't figure out exactly what happened that day and why.

In the fall of 2010, there was a tragic gas pipeline explosion and fire in San Bruno that took the lives of eight people and destroyed 38 homes. As bad as the devastation was, unfortunately, some zealous regulators might just make the fallout from the blast even worse. The California Public Utilities Commission (CPUC) is considering fining PG&E \$4 billion. That is double the fine against BP for the Gulf oil spill and 40 times more than the largest fine ever recorded for a similar event.

If this fine does get levied, there is a chance it will force PG&E into bankruptcy and that will cause serious problems for all the businesses and residents who rely on this company for their energy supplies. There is no doubt that PG&E should pay a price for the damage, destruction and sorrow they caused to the community of San Bruno, but potentially forcing the company into bankruptcy serves no one.

The public needs to understand that our utilities are part of a public/private partnership. We need our energy partners to have the financial wherewithal to deliver a safe, reliable energy supply and to have the ability to invest in our future. The rumored fine is sending shockwaves through the financial markets and could seriously jeopardize the ability of PG&E to have the capital it needs to stay afloat.

What is so unrealistic about this scenario is that such a large fine robs PG&E of the working capital it needs to maintain its infrastructure in optimal condition. In other words, bankrupting the company is not going to do anything to help the company make further safety and infrastructure improvements.

Much of the Central Coast is served by PG&E. If the company suffers, we all suffer. PG&E pays some of the highest wages, pays the most property tax of any company in San Luis Obispo, and it is one of the largest charitable benefactors in the region.

The fine should not be so high as to affect the economy, put jobs at risk, and cause further consternation as the community begins to wonder about the company's ability to continue its multibillion-dollar capital improvement projects. That would do more harm than good.

Accidents happen. Fines should be levied accordingly, but they should not be so punitive that the rest of the community suffers as a result.

Andy Caldwell is the executive director of COLAB and host of the Andy Caldwell Show, weekdays from 3 to 5 p.m. on News-Press Radio AM 1290.