

## APPENDIX A

### PROPOSED CHANGES TO FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDERING PARAGRAPHS

#### Findings of Fact

1. On August 19, 2013, the Chief Administrative Law Judge and the assigned Administrative Law Judge issued their Ruling Directing PG&E to Show Cause Why It Should Not Be Sanctioned by the Commission for Violation of Rule 1.1 of the Commission's Rules of Practice and Procedure.
2. On September 6, 2013, the Commission convened a hearing and PG&E presented its Lead Counsel as a witness.
3. The Lead Counsel testified that he selected the title and was responsible for the content and timing of filing of the document presented to the Commission on July 3, 2013.
4. The Commission's Rules of Practice and Procedure do not provide for a document titled Errata.
5. The record for the pressure increase on Line 147 was closed prior to the Commission issuing D.11-12-048 on December 19, 2011.
6. After a record is closed, the only filings permitted pursuant to the Commission's Rules of Practice and Procedure are a Petition for Modification or a Motion to Reopen the Record.
7. The representations by Lead Counsel that he chose an errata after rejecting an amendment to the Supporting Information filing is logically flawed because neither document can be filed after a record is closed.
8. ~~By March 20, 2012, PG&E knew that it had made errors and had fully investigated in its Line 147 Supporting Information filed with the Commission on October 31, 2011 and November 15, 2011.~~

8. Lead Counsel's explanation that the soonest the errata could be filed was July 3, 2013 is not credible because there is no reason why PG&E could not have brought the records discrepancy to the Commission's attention while it investigated the application of its "one class out" policy.
9. By November 16, 2012, senior managers of PG&E were aware that there was a serious discrepancy in PG&E's pipeline records and that this discrepancy could have represented a significant safety risk. PG&E's obligation to inform the Commission and the parties to this proceeding of the error in its 2011 Supporting Information which was carried forward into D.11-12-048, began on that date.
10. PG&E did not establish that its March 20, 2013 conference call with Commission staff provided adequate notice regarding the errors in Line 147 pipeline specifications or the need to modify D.11-12-048.
11. PG&E did not fully and correctly disclose information regarding errors in pipeline specifications for Line 147 until August 30, 2013.
12. The natural gas transmission system safety procedures of PG&E have been one of the Commission's highest priorities for three years.
13. The management and legal decision-making reflected in the record regarding the treatment of the discovery of errors the Line 147 Supporting Information reflects a lack of candor and appreciation of the public interest.
14. PG&E's July 3, 2013, filing was neither forthright nor timely.

## Conclusions of Law

1. The Lead Counsel's testimony as to his rationale for deciding to title the document errata was not credible.

2. PG&E's management knew or should have known that the information about errors in the Line 147 Supporting Information would be of great interest to the Commission, the parties, and the public.
3. The Commission should impose the maximum fine on PG&E for its actions with regard to the treatment of the discovery of errors the Line 147 Supporting Information.
4. PG&E should be fined as follows: For delay in filing, \$50,000 per day for ~~105~~287 days = ~~\$5,250,000~~14,350,000. For submitting a misleadingly titled and factually incomplete document, \$50,000 per day for ~~305~~8 days it remained ~~pending uncorrected~~ at the Commission = ~~\$1,52,900,000~~. Total fine= \$6,717,250,000.
5. PG&E should be ordered to pay a fine of \$6,717,250,000.
6. PG&E's work performed pursuant to its Pipeline Safety Implementation Plan should be reviewed by an Independent Monitor(s) who reports to the Commission and to the public at regular intervals regarding the status and quality of the work to ensure that PG&E develops accurate and adequate recordkeeping systems and correctly tests and/or replaces the right pipelines at the right times.

### Ordering Paragraphs

1. Pacific Gas and Electric Company must pay a fine of \$6,717,250,000 by check or money order payable to the California Public Utilities Commission and mailed or delivered to the Commission's Fiscal Office at 505 Van Ness Avenue, Room 3000, San Francisco, CA 94102, within 40 days of the effective date of this order. Write on the face of the check or money order "For deposit to the General Fund per Decision \_\_\_\_."
2. All money received by the Commission's Fiscal Office pursuant to the preceding Ordering Paragraph shall be deposited or transferred to the State of California General Fund as soon as practical.

3. The Order to Show Cause on Rule 1.1 violations portion of this proceeding is closed.
4. -The Order to Show Cause regarding increased operating pressures and the Rulemaking portion of this proceeding shall remain open.
5. The Parties to this Proceeding shall meet and confer no later than 30 days after the effective date of today's decision to develop a plan for an Independent Monitor(s) to be hired by PG&E and to report to the Commission and the public regarding the status and quality of PG&E's work performed pursuant to the Implementation Plan. The Parties shall submit a joint proposal in this proceeding no later than 21 days after their first meeting. If the parties cannot agree on a joint proposal, they may submit separate proposals. The proposal or proposals shall include the elements and requirements set forth in Attachment A to this Order.

Attachment A:  
Minimum requirements for Independent Monitor proposal

1. A hiring process for the Independent Monitor(s) that ensures its independence
2. PG&E will hire and pay for the Independent Monitor(s);
3. PG&E shall permit the Independent Monitor(s) to inspect, review, observe, and examine all activities of any kind related to the Implementation Plan. PG&E and its agents shall promptly produce any document, analysis, test result, plan, or report related to the Implementation Plan as requested by the Independent Monitor(s). Confidential information should be protected by appropriate nondisclosure agreements
4. The Independent Monitor(s) will conduct and present all analyses and recommendations independently of PG&E and interested parties
5. Quarterly public reporting by the Independent Monitor(s) to a joint meeting of PG&E, the Commission, and interested parties
6. The Independent Monitor(s) must notify PG&E, the Commission, and interested parties in writing within 10 days of discovery of any potential noncompliance with the requirements of the PSEP that presents a potential, but not immediate, threat to public safety
7. The Independent Monitor(s) must notify PG&E, the Commission, and interested parties writing within 24 hours of any noncompliance with safety requirements or other condition that poses a potential and imminent threat to public safety
8. PG&E's contracts with the Independent Monitor(s) shall prohibit the Independent Monitor(s) from engaging in other work from PG&E while performing the duties of a PSEP Independent Monitor.