

From: Cherry, Brian K
Sent: 4/1/2014 6:40:49 PM
To: Michael R. Peevey (michael.peevey@cpuc.ca.gov)
Cc:
Bcc:
Subject: Fwd: San Bruno Charges Update

FYI

Sent from my iPad

Begin forwarded message:

From: A Message from Tony Earley and Chris Johns
<AMessagefromTEandCJ@pge.com>
Date: April 1, 2014 at 6:04:07 PM PDT
To: All PG&E Mail Recipients <ALLPG&E@exchange.pge.com>, All PGE
Corp Employees <AllPGECorpEmployees@exchange.pge.com>
Subject: San Bruno Charges Update

Fellow Employees:

As expected, and as we announced last week, today the U.S. Attorney's Office in San Francisco filed federal criminal charges against PG&E in connection with the 2010 San Bruno gas transmission pipeline accident.

The charges specifically allege that PG&E's past operating practices violated the federal Pipeline Safety Act in areas such as record keeping, pipeline integrity management and identification of pipeline threats.

As we discussed on our all-employee call, our strong belief is that these allegations are not supported by the evidence. Nothing that we have seen indicates that people at PG&E knowingly and willfully broke the law. Where mistakes were made, we believe our employees were acting in good faith to provide customers with safe, reliable and affordable energy.

San Bruno was a tragic accident. We've taken accountability and are deeply sorry. We have worked hard to do the right thing for the victims, their families and the community, and we will continue to do so.

We want all of our customers and their families to know that nothing will distract us from our mission of transforming this 100-plus-year-old system into the safest and most reliable natural gas system in the country.

While we have just received word of the federal indictment today, we wanted to communicate what we know to you as quickly as possible. In the coming days, we will study the charges carefully and we will communicate more as appropriate. We would expect that we will have another all-employee call soon. At a minimum we will address this on our regular quarterly all-employee call on May 1. In the meantime, if you have questions, you can continue to email them to corporaterelations@pge.com and we will develop a Q&A document from these for our intranet.

It is not unusual for cases of this type to take a year or two to resolve through the courts. We will keep you updated throughout the process. In addition, you can also point your family and neighbors to information at www.PGEresponds.com, which discusses the issues and facts involved and which we will update on a regular basis.

In the meantime, please continue to help ensure that we put safety first in everything we do at PG&E. Thank you for your continued hard work and dedication.

Tony and Chris

A Summary of Important Points:

- San Bruno was a tragic accident that caused a great deal of pain for many people. We're accountable for that and make no excuses. Most of all, we are deeply sorry. We have worked hard to do the right thing for victims, their families and the community, and we will continue to do so.
- We've learned the tragic lesson of San Bruno that safety must always come first. Toward this end, we've implemented enormous change here at PG&E. We're working to transform this 100-plus-year-old natural gas system into the safest and most reliable in America. In support of this, we've committed \$2.7 billion of shareholders' money to date and we're making excellent operational progress. We have more work to do and we intend to do it right.
- PG&E believes that its employees did not intentionally violate the federal Pipeline Safety Act. The company believes that, even where mistakes were made, employees were acting in good faith to provide customers with safe, reliable and affordable energy. We pledge to maintain our strong focus on safety during what is expected to be a lengthy legal process.
- For additional information and ongoing updates on this issue you can visit www.PGEresponds.com.

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