BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

Order Instituting Investigation on the Commission's Own Motion into the Operations and Practices of Pacific Gas and Electric Company to Determine Violations of Public Utilities Code Section 451, General Order 112, and Other Applicable Standards, Laws, Rules and Regulations in Connection with the San Bruno Explosion and Fire on September 9, 2010.	I.12-01-007 (Filed January 12, 2012) (Not Consolidated)
Order Instituting Investigation on the Commission's Own Motion into the Operations and Practices of Pacific Gas and Electric Company with Respect to Facilities Records for its Natural Gas Transmission System Pipelines.	I.11-02-016 (Filed February 24, 2011) (Not Consolidated)
Order Instituting Investigation on the Commission's Own Motion into the Operations and Practices of Pacific Gas and Electric Company's Natural Gas Transmission Pipeline System in Locations with Higher Population Density.	I.11-11-009 (Filed November 10, 2011) (Not Consolidated)

MOTION OF THE CITY OF SAN BRUNO SEEKING THE RECUSAL OF ASSIGNED COMMISSIONER PEEVEY

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MOTION OF THE CITY OF SAN BRUNO SEEKING THE RECUSAL OF ASSIGNED COMMISSIONER PEEVEY

Pursuant to Rule 11.1 of the California Public Utilities Commission's ("Commission" or "CPUC") Rules for Practice and Procedure ("Commission Rules"), the City of San Bruno ("San Bruno") respectfully makes this motion for: (1) an Order to Show Cause why Commission President Michael R. Peevey (President Peevey) should not be recused from voting on decisions relating to the Orders Initiating Investigation ("OIIs") I.12-01-007, I.11-02-016, and I.11-11-009 (the "Line 132 OIIs") and (2) an Order to Show Cause why President Peevey should not be disqualified from serving as the assigned Commissioner in I.12-01-007. President Peevey should be disqualified from serving as the Assigned Commissioner and from voting on any decisions in the Line 132 OIIs for three reasons: (1) President Peevey and Pacific Gas and Electric Company (PG&E) violated the Commission rules against ex parte communications on a regular and

systematic basis; (2) the content of the communications between President Peevey and PG&E during the ongoing OIIs demonstrates bias in favor of PG&E; and (3) the conduct of President Peevey and PG&E has denied the parties to these proceedings due process of law by taking relevant evidence outside the record with no opportunity to examine such evidence. The Commission should designate a Commissioner other than President Peevey as the Assigned Commissioner in the Root Cause OII (I.12.01.007), and President Peevey should be recused from voting on any decision that might issue in these proceedings. This motion is filed concurrently with the "MOTION OF THE CITY OF SAN BRUNO FOR AN ORDER TO SHOW CAUSE WHY PACIFIC GAS AND ELECTRIC COMPANY SHOULD NOT BE HELD IN VIOLATION OF COMMISSION RULE OF PRACTICE AND PROCEDURE 8.3(b) (RULE AGAINST EX PARTE COMMUNICATIONS) AND FOR SANCTIONS AND FEES" (requesting an order that PG&E be found in violation of Rule 8.3(b) (rule against ex parte communications in adjudicatory proceedings)). In furtherance of this Motion and in order to insure transparency and objectivity to these proceedings, San Bruno renews its prior requests[1] that the Commission appoint an Independent Monitor to provide oversight function in the fine/penalty potion of this and the related OIIs. San Bruno now asks that an Independent Monitor oversee the proceedings immediately in light of these illegal and unethical communications. Additionally, San Bruno respectfully requests a hearing on the illegal ex parte contacts between PG&E and President Peevey (and his staff).

I. BACKGROUND

A. The Line 132 OIIs

The Commission instituted three formal adjudicatory and prosecutorial investigations into PG&E's gas operations after a PG&E-installed and operated 30 inch natural gas pipeline exploded in San Bruno killing eight people, injuring sixty-six people, and leveling thirty-eight homes on September 9, 2010. The first Commission-initiated investigation concerns PG&E's

[1] For example, see "Opening Brief of the City of San Bruno Concerning the Fines and Remedies to be Imposed on Pacific Gas and Electric Company" dated May 6, 2013 at pp. 43-49.

deficient recordkeeping practices and the safety implications of such practices for the utility's gas service and facilities (the "Recordkeeping OII" – filed on February 24, 2011).[2] The assigned presiding Commissioner in the Recordkeeping OII is Commissioner Florio. The record closed in the Recordkeeping OII in March of 2013. Pre-hearing conferences, oral arguments, and evidentiary hearings were held in the Recordkeeping OII from September 2012 until March 8, 2013.

The second Commission investigation into the explosion of PG&E's Line 132 concerns PG&E's violations of state and federal laws in connection with the utility's operation of pipelines in high population consequence areas (the "HCA OII" – filed on November 10, 2011).[3] The assigned presiding Commissioner in the HCA OII is also Commissioner Florio. The record in the HCA OII closed in March of 2013.

The third Commission-initiated investigation into PG&E misconduct is a comprehensive examination of PG&E's violations of federal and state pipeline safety law applicable to its natural gas system (the "Root Cause OII" – filed on January 12, 2012).[4] In addition to the events of September 9, 2010, the Root Cause OII expressly includes all past operations, practices, and other events or courses of conduct that could have led to or contributed to the explosion of PG&E's Line 132.[5] The assigned presiding Commissioner in the Root Cause OII is President Peevey.[6] The record on the Root Cause OII closed in March of 2013. Pre-hearing conferences, oral arguments, and evidentiary hearings were held in the Root Cause OII from September 2012 until March 8, 2013. The Commission has categorized all three Line 132 OIIs as "adjudicatory" pursuant to Rule 7.1(c) of the Commission's Rules.

President Peevey is a "decisionmaker" as that term is construed in Rule 8.1(b). PG&E is

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[2] I.11-02-016.

[3] I.11-11-009.

[4] I.12-01-007.

[5] I.12-01-007 at p. 2.

[6] http://docs.cpuc.ca.gov/efile/NOTICE/157982.pdf.

an interested party as that term is construed in Rule 8.1(d). Communication between a decisionmaker and an interested party on substantive adjudicatory matters are forbidden by Rule 8.3(b). During a three year period, there have been at least 41[7] instances of substantive ex parte communications between PG&E and President Peevey, most of which relate to the financial condition of PG&E and its capacity to absorb fines and penalties which may arise from these OIIs. These communications contained non-public, extra-record evidence not subject to authentication, examination, cross examination or rebuttal by the parties of the assigned ALJs.

B. Description of Ex Parte Communications Between President Peevey, the Assigned "Decisionmaker," and PG&E "the Defendant"

On May 30, 2013, San Bruno pursuant to state law (California Public Records Act- Gov't Code sections 6250 et seq.), duly filed with the custodian of records a request for the production of public records relating to the OIIs and particularly requests H, I, L, and M.[8] On November 19, 2013, San Bruno advised this Commission that in violation of the law, little to no records had been produced, and provided a last chance for the Commission to comply with the law.[9] On February 3, 2014, upon failure of the Commission to comply with the law, San Bruno filed a complaint and petition for a writ of mandate in the San Francisco Superior Court.[10] During the pendency of this action, the Commission produced approximately 7,000 pages of records responsive to San Bruno's outstanding and unanswered records requests.

An examination of the public records the CPUC produced as a result of this lawsuit demonstrate that President Peevey and PG&E have actively participated in improper, pervasive, systematic and continuous ex parte communications ("Peevey/PG&E ex parte communications")

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[7] For the link to the 41 violations, other Peevey/PG&E correspondence, please see https://meyersnave.sharefile.com/d/s911293af60143399.

[8] See Exhibit 1, May 30, 2013 letter; sections D, E, H, I, L, and M.

[9] See Exhibit 2, November 19, 2013.

[10] *City of San Bruno v. Public Utilities Commission*; CGC-14-537139; San Francisco Superior Court.

over a time period from March 16, 2011 to April 4, 2014 during the pendency of the Line 132 OII proceedings.[11] None of these 41 separate communications were proffered to the other parties, introduced into the record, made into the record, made public or noticed as ex parte communications. The record closed in the Line 132 OIIs in March of 2013.

The majority of the communications involve executives of PG&E's Regulatory Relations. In the Peevey/PG&E ex parte communications, PG&E Executives Brian Cherry and Laura Doll are advocating PG&E's legal position and providing evidence outside the record relevant for all of the three elements under Public Utilities Code Section 2104.5 that President Peevey needs to consider when adopting a decision levying the fine and/or penalties against PG&E. Those legal standards and the content of the communications are: (1) the appropriateness of the penalty to the size of the business of the person charged (forwarding President Peevey multiple investment analyst reports and PG&E financial internal analysis that the potential penalties in the OIIs will financially harm PG&E); (2) the gravity of the violation (forwarding Peevey emails from PG&E CEO Tony Earley and others that the violations are not so egregious because PG&E is fixing the system); and (3) the good faith of the person charged in attempting to achieve compliance, after notification of a violation (forwarding a PG&E press release to President Peevey that PG&E settled with the San Bruno victims, internal emails from PG&E CEO Tony Earley that PG&E is taking the necessary steps to fix its system, and forwarding news articles to President Peevey that PG&E is making progress post-San Bruno). The presiding Administrative Law Judges considered these legal standards in the penalty phase of the OIIs so critical that separate evidentiary proceedings were scheduled and held from September 12, 2012 until March 8, 2013, evidence was taken, testimony produced and extensive

[11] The Root Cause OII was filed on January 12, 2012, the Recordkeeping OII was filed on February 24, 2011, and the HCA OII was filed on November 10, 2011.

briefing was ordered. Yet during this same period of time PG&E was providing private, non-public, ex parte evidence to President Peevey regarding the exact same subject.

II. DISCUSSION

A. President Peevey Should be Recused from Serving as the Assigned Commissioner in the Root Cause OII Because he Engaged in Ex Parte Communications With PG&E During the Ongoing OII Proceedings

No one expects the Commissioners to be sequestered, barred from reading the newspaper or the financial news, but these communications from PG&E's Regulatory Affairs executives to the CPUC exhibit an ingratiating characteristic suggesting toadyism and unfettered access. While the content of these ex parte communications between President Peevey and PG&E may well violate the law, they also demonstrate in their tone, totality, and pervasiveness a relationship between the utility and this Commissioner which is familiar, collegial, and cozy. This is not a single instance of an errant email, nor a misplaced "cc," or a good faith mistake, rather, when taken in its entirety, the email traffic shows that PG&E has unrestricted access to President Peevey and his senior advisors; PG&E's executives feel comfortable enough with President Peevey to email "Mike" on a regular basis; and that President Peevey did nothing whatsoever to discourage, warn, or admonish PG&E from providing him extra record, highly relevant and probative evidence on a consistent basis for three years. The fact that these off the record communications occurred with the defendant and the "judge" in one of the most high-profile and high-stakes investigations that has ever come before the Commission engenders, at least for San Bruno, a total loss of confidence in the regulatory process. It is not enough for PG&E to say: "there was no email conversation with President Peevey"; these were just "for your information"; "we did not attempt to influence the outcome"; or "this is the way we do business". Nonsense, the rules forbid this conduct.[12] It is not enough for President Peevey to

[12] PG&E may argue in its opposition of this motion that the communications relate to the rulemaking proceeding in R.11.02.019, so they are not illegal (although if the communications truly related to the rulemaking proceeding, PG&E still violated the ex parte reporting requirements under Rule 8.4). This hollow defense would be in bad faith at best and goes against the CPUC's very own settlement position with San Bruno in San Bruno's lawsuit against

say, "I didn't respond"; "I didn't solicit the emails"; or "I don't control the email system." In fact, President Peevey responded to PG&E on three separate occasions and in one instance, actually gave PG&E public relations advice.[13] As one who holds the public trust, a public officer and fiduciary of the regulatory system, President Peevey had an affirmative duty to stop the communications and disclose to all the parties the content of those communications.[14] As the President of the Commission, the buck stops with President Peevey.

1. The Line 132 OIIs are Adjudicatory Pursuant to Rule 7.1

The three OIIs are categorized as "adjudicatory" pursuant to Rule 7.1(c) of the CPUC's Rules of Practice and Procedure. Pursuant to CPUC Rules of Practice and Procedure 8.3, in "any adjudicatory proceeding, ex parte communications are prohibited" with any decisionmaker.[15] Rule 8.1(c) defines "ex parte communication" as any written or oral communication that:

> (1) concerns any substantive issue in a formal proceeding,
> (2) takes place between an interested person and a decisionmaker, and
> (3) does not occur in a public hearing, workshop, or other public forum noticed by ruling or order in the proceeding, or on the record of the proceeding.

2. The Peevey/CPUC Communications Take Place Between an Interested Person and a Decisionmaker under Rule 8.1(c)(1)

Under the Rule 8.1(c)(1), an ex parte communication is prohibited between a

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the CPUC for Public Records Act violations that led to the disclosure of the Peevey/PG&E ex parte communications. On July 25, 2014, San Bruno and the CPUC entered into a settlement agreement, the settlement agreement expressly stated that the CPUC produced documents (the documents that are the subject of this motion) relating to the "Email communications related to the subject matter of the PG&E/***San Bruno OIIs*** between Commissioner Peevey and any employee of Pacific Gas & Electric" (emphasis added). See settlement agreement, Exhibit 3.

[13] See Exhibit 10.

[14] San Bruno acknowledges that D.08.06.023, at p. 24 found that an ex parte communication "reasonably falls on the entity intending to influence a decisionmaker" and "We continue to reject such efforts to shift or share the burden under the ex parte rules." However, there needs to be some accountability on a decisionmaker when a defendant in an adjudicatory proceeding systemically and continuously communicates with a decisionmaker in violation of the law. The pattern and practice of regularly violating the rules does impose a burden on the decision-maker. The rule in question (Rule 8.3(b)) doesn't designate who has the burden, it is an absolute ban.

[15] See also Public Utilities Code §§ 1701.1 to 1701.4.

"decisionmaker" and an "interested party." President Peevey falls under the definition of "decisionmaker" under Rule 8.1(b). An "interested person" includes "any party to the proceeding or the agents or employees of any party, including persons receiving consideration to represent any of them" and "any person with a financial interest . . . in a matter at issue before the Commission" under Rule 8.1(d). PG&E is clearly an interested party and PG&E is the "defendant"/subject of the investigations under the three OIIs.

3. The Peevey/CPUC Communications Concern Substantive Issues in a Formal Proceeding under Rule 8.1(c)(1)

Under Rule 8.1(c)(1), President Peevey and PG&E are prohibited from communicating on "any substantive issue in a formal proceeding." Under the law, when determining the amount of the penalty, President Peevey will consider 1) the appropriateness of the penalty to the size of the business of the person charged; 2) the gravity of the violation; and 3) the good faith of the person charged in attempting to achieve compliance, after notification of a violation.[16] The Peevey/PG&E ex parte communications directly relate to subjects germane to three major Line 132 OIIs. Here, the interested party (PG&E) and the decisionmaker (President Peevey) are directly communicating with each other secretly about all three elements President Peevey needs to take into consideration when levying a fine against PG&E under Public Utilities Code Section 2104.5. President Peevey and PG&E are not talking about the weather in these communications, PG&E is presenting its calculated defense in the OIIs through directly communicating with a decisionmaker that will decide its fate. The other parties to the OIIs, the City of San Bruno, The Utility Reform Network, the Office of Ratepayer Advocates, and the City and County of San Francisco didn't have the same opportunities to present their position off the record because they shouldn't have those opportunities - it is inequitable and against the law to communicate with a decisionmaker in an adjudicatory proceeding.

There are several examples of the Peevey/PG&E ex parte communications where PG&E and President Peevey are discussing the first element under the law that he has to consider when

[16] Public Utilities Code Section 2104.5.

levying a fine against PG&E: the appropriateness of the penalty to the size of the business of the person charged. For example, Brian Cherry forwards an article from the *Wall Street Journal, Contra Costa Times,* and articles from other various news outlets relating to PG&E posting 4th quarter losses dated February 21, 2013. The *Wall Street Journal* article is entitled "PG&E Posts 4th-Quarter Loss, Sees 2013 as 'Down Year.'" Mr. Cherry forwards the articles to President Peevey with the message: "Bad day for us today."[17] In another email, Brian Cherry forwards to President Peevey a Standards and Poors credit update and an internal email from PG&E analyzing PG&E's credit rating on March 16, 2011. President Peevey then replies to Brian Cherry five minutes later: "Yep. No surprise." Brian Cherry replies back two minutes later: "Some folks here have suggested it may be Tom and my failure to work with regulators....oh well, maybe I should call Brightsource back."[18] On its face, these emails may appear to be innocuous, however, PG&E is directly communicating with a decisionmaker about the financial health of the corporation that is under investigation in three OIIs – one of the three considerations that must be considered by the decisionmakers in levying a penalty.

There are examples of the Peevey/PG&E communications where PG&E and President Peevey are discussing the second element under the law that Peevey has to consider when levying a fine against PG&E: the gravity of the violation. For example, on August 9, 2011, Brian Cherry forwards an internal PG&E email from PG&E President Chris Johns to PG&E employees to President Peevey with the note: "FYI. Comments by Chris on the media articles."[19] The internal email from Chris Johns to "Fellow Employees" explains PG&E's position that a news article inaccurately reported that PG&E "failed to heed warnings about problems with our natural gas transmission system two months before the San Bruno accident" and PG&E's position that another news article inaccurately reported that "PG&E ignored

[17] See Exhibit 4; Violation 28 (for the list of 41 violations and accompanying email correspondence, see https://meyersnave.sharefile.com/d/s911293af60143399).

[18] See Exhibit 5; Violation 3.

[19] See Exhibit 6; Violation 17.

employees' safety concerns and retaliated against employees for raising safety issues." PG&E gets the unfair advantage by arguing its position about the gravity and legitimacy of the violations to the top decisionmaker not in a courtroom, but through off the record and unverified email communications.

There are several examples of the Peevey/PG&E communications where PG&E and President Peevey are discussing the last element under the law that President Peevey has to consider when levying a fine against PG&E: the good faith of the person charged in attempting to achieve compliance, after notification of a violation. On December 13, 2011, Brian Cherry forwards a PG&E press release entitled: "PG&E STATES IT IS LIABLE FOR THE SAN BRUNO PIPELINE ACCIDENT *Utility takes on financial responsibility to compensate victims.*"[20] The press release goes on to describe the steps PG&E is taking to "do the right thing in our response to this accident." Brian Cherry forwards the press release with the note: "Mike – FYI. Thought you'd appreciate this." President Peevey responds thirty minutes later: "Very good, Tom told me about (sic) at the lunch today." In another email communication between PG&E and President Peevey, on May 14, 2012, Brian Cherry forwards PG&E CEO Tony Earley and PG&E President Chris Johns' prepared remarks for its annual meeting to President Peevey.[21] The prepared remarks from PG&E's top two executives outline the steps PG&E has taken, and is going to take, to remedy the violations and make its system safer. Several of these "substantial changes" Mr. Earley and Mr. Johns refer to in their prepared remarks are hotly contested issues of fact and law in the OIIs. San Bruno and the other parties to the proceedings didn't get to cross examine Mr. Earley and Mr. Johns on PG&E's alleged "substantial changes." San Bruno and the other parties didn't get an opportunity to directly communicate with President Peevey on the steps PG&E is taking to fix its system and whether PG&E is in good faith attempting to achieve compliance.

There are two additional violations of the ex parte rules that do not directly relate to the

[20] See Exhibit 7; Violation 22.

[21] See Exhibit 8; Violation 26.

three elements that CPUC decisionmakers have to consider when levying a fine/penalty, but these two communications are substantive. In one communication, President Peevey's alter ego Chief of Staff Carol Brown is actually giving legal advice to PG&E, presumably about San Bruno's motion to recuse President Peevey and Commissioner Florio from attending the now cancelled Safety Symposium (because it also violated the ex parte rules).[22] In the communication, Carol Brown sends an email to PG&E Regulatory Affairs Director Laura Doll informing Ms. Doll that Ms. Brown spoke to the "judge:" – "Talked with the judge – they issued a ruling saying the hearing was moot – I think you have 2 ways of going (you may want to chat with your legal people)" and then Ms. Brown proceeds to lay out the two legal strategies: "Send back a sweet note saying the issue is moot since seminar not going forward (problem – it is not 'cancelled' only postponed) – and then wait for them to throw a fit" and "[a]nswer any simple question you can, and then object to the others as being outside the scope of the 3 OIIs – but offering to meet and confer on the issue – and then schedule a date out a little for the meet-and-confer – then they will file a motion to compel, no need for any expedition of the process – you respond – and a hearing is held in due course." Ms. Brown ends the correspondence with "Happy to chat." Ms. Doll responds eleven minutes later with the note: "Love you. Thanks. Not sure yet!"

In another example, on April 2, 2014, Brian Cherry forwards an internal PG&E email from PG&E CEO Tony Earley and PG&E President Chris Johns regarding the grand jury criminal indictments against PG&E. The underlying internal email explains the charges and PG&E's opinion of the Judge overseeing the case to PG&E's Officers. In response, President Peevey replies: "One comment: PG&E's decision to issue a press release last week anticipating all this only meant that the public got to read two big stories rather than one. I think this was inept."[23] If only San Bruno, the Safety and Enforcement Division (SED), and the other Intervenors in the Line 132 OIIs were able to get legal and public relations advice from the

[22] See Exhibit 9; Violation 31.

[23] See Exhibit 10; Violation 41.

President of the Commission and his staff.

There are also unethical communications[24] between CPUC's Executive Director Paul Clanon[25] and senior executives within PG&E's Department of Regulatory Affairs which fall into five categories[26]: 1) correspondence from PG&E complaining about Senator Jerry Hill's dissatisfaction with PG&E's recordkeeping practices; 2) analyst reports that the penalties/fine in the investigations will impact the viability of PG&E, 3) SED's (the prosecutor) data requests to PG&E; 4) news articles about the proceedings; and 5) internal PG&E emails forwarded to Executive Director. The tone exchanged between the utility (PG&E) and its regulator (Executive Director Paul Clanon) reveal a level of familiarity and coziness that threatens the very function of the CPUC to provide objective oversight of PG&E. Below is a description of some of the Clanon/PG&E emails:

1. In December 2011, PG&E Regulatory Affairs Director Laura Doll sent Executive Director Paul Clanon a flurry of emails complaining about records requested during the course of the ongoing CPUC investigation of the 2010 PG&E explosion. This correspondence illustrates an improper relationship between utility and regulator when the defendant/PG&E is complaining to the regulator about the regulator's legal requests. Ms. Doll's friendly relationship with Executive Director Clanon is most clearly evident on Dec. 8, 2011, when she complains that she "can't get over the unchecked appetite for global data requests from legal. Its (sic) unmanageable. I mean, records back to the 1920's? Is this what florio (sic) intended? Seriously, is there any procedural opportunity to have other eyes on the scope and nature of these requests? These do nothing to improve safety, and we have already conceded our records suck. I'm being naïve again, right? But thanks for listening. Laura"[27]
2. In March 2011, then-Assemblyman Jerry Hill sent a letter to Commissioner Michael Peevey, demanding an update on PG&E's progress with regard to producing

[24] San Bruno understands that these communications are not violations of the rules against ex parte communications since Executive Director Clanon is not a "decisionmaker" under Rule 8.1(b).

[25] As the Executive Director of the Commission, Paul Clanon reports directly to President Peevey.

[26] To review Executive Director Clanon/PG&E communications, please see https://meyersnave.sharefile.com/d/s911293af60143399.

[27] See Exhibit 11.

traceable, verifiable and complete records of natural gas pipelines. The subsequent email thread between Executive Director Clanon and Mr. Cherry regarding Senator Hill's letter is concerning because it appears the state regulator is providing the utility company with advance warning about questions from a state legislator, begging us to question whose interest the regulator is more concerned with protecting. After receiving this letter on March 8, 2011 Executive Director Clanon sent an email to Mr. Cherry to provide an early warning about Senator Hill's letter: "Pls call me about this. Thx." Mr. Cherry then responded to Executive Director Clanon that he had just seen the letter: "Chat later tonight or tomorrow?" Executive Director Clanon responded that he just "wanted to give you (Cherry) some notice that we'd be replying to Hill." At this point, Mr. Cherry said: "Thanks. Can't wait to hear what you will tell him."[28]

3. In October 2012, Ms. Doll emailed Executive Director Clanon and Terrie Prosper, the CPUC's Director of News and Public Information, to warn them about a possible "protest" by San Bruno residents at an upcoming CPUC hearing related to the San Bruno pipeline explosion. This correspondence seemingly illustrates the budding collaboration between the utility and regulator as both appear to be threatened by public participation in the ongoing penalty proceedings. Three minutes after receiving the email on Oct. 10, 2012, Ms. Prosper responded to Ms. Doll: "Lovely. Thanks for the heads-up!" To which Ms. Doll clarified: "There weren't like 50 people standing and cheering or anything, just ONE person who urged people to get up to SF and put pressure on the CPUC. But it was televised on the public access channel . . . "[29]

4. On January 11, 2013, Executive Director Clanon sends a note presumably to his staff with the title "PG&E Shareholder Share of post-San Bruno." In the original email Executive Director Clanon tells his CPUC staff: "I told PG&E I've asked you for an analysis, FYI." Then Executive Director Clanon forwards the email to Laura Doll, who then responds: "Thank YOU."[30] This begs the question as to why is Executive Director Clanon directing his staff to do a post-San Bruno "shareholder share" analysis solely for PG&E's benefit?

4. The Peevey/CPUC Communications Do Not Occur in a Public Hearing, Workshop, or Other Public Forum Noticed by Ruling or Order in the Proceedings, or on the Record of the Proceeding Rule 8.1(c)(3)

Under the CPUC's own rules, President Peevey and PG&E are prohibited from discussing any subject matter related to the PG&E explosion when it does not occur in a public hearing, workshop, or other public forum noticed by the ruling or order in the proceeding, or on the record in the proceeding. PG&E was able to communicate with the top decisionmaker in this case not in the courtroom and through legal briefs, but through off the record secret email

[28] See Exhibit 12.

[29] See Exhibit 13.

[30] See Exhibit 14.

communications in front of the very decisionmaker that will determine its fate in just a few months. It is akin to a judge communicating with the defendant during the pendency of his case on how the defendant can receive a lower sentence. President Peevey assigned himself as the Commissioner who will oversee and judge the various legal and factual issues that PG&E is addressing in its communications to Peevey. President Peevey is supposed to act as an impartial decisionmaker, not as an advocate or mouthpiece for the defendant, PG&E.

Through sending President Peevey private internal PG&E analyst reports[31], press releases touting PG&E's progress and accountability, and internal PG&E communications on PG&E's actions post-San Bruno, PG&E is providing off the record evidence of the gravity of the violations, what the fine amount should look like, and trying to prove to President Peevey that it is remedying its behavior. These communications were not a part of the record in the three OIIs. These communications would not have been admitted into the record because they were not subject to cross examination during the extensive hearings, nor were its contents authenticated. Far from being accepted facts, the information that PG&E is forwarding to President Peevey in the Peevey/PG&E ex parte communications is disputed by San Bruno and the other Intervenors in the Line 132 Proceedings. PG&E gets to do an end-run around.

As well, PG&E cannot claim ignorance of the rules against ex parte communications. We are dealing with a sophisticated and highly regulated utility that is likely before this Commission 24/7/365 on various regulatory matters. It has a Senior Vice President in charge of Regulatory Affairs. It has had Special Counsel in practice before this Commission for 28 years[32] with the support of the entire regulatory portion of the in-house legal department. According to the 2012 GO-77 filings PG&E spends over $100 million dollars per year on lawyers. More

[31] The analyst reports were privy to only PG&E officers within the company and are privately paid-for communications. They are not public documents.

[32] See December 16, 2013 R.01.02.019 OSC hearing transcript at p. 17.

importantly, PG&E was dealing with an issue that directly involved the "most deadly tragedy in California history from public utility operations."[33]

Brian Cherry is also intimately familiar with the rules against ex parte communications. In documents San Bruno received from the CPUC post-litigation, Brian Cherry wrongly accuses San Bruno of violating the rules against ex parte communications to Executive Director Clanon on September 5, 2013: "I hate to be a stickler for details, but if this is going to the service list, it represents a continuing violation of the ex parte rules in an adjudicatory proceeding."[34] Executive Director Clanon responds in another email dated September 11, 2013 relating to San Bruno's press release distribution list: "We looked on the last one, and it wasn't sent to the ALJs or advisors/commissioners."[35] Brian Cherry cannot now claim ignorance of the ex parte rules – although contrary to his actual actions, he is a self-professed "stickler for details."

B. President Peevey Should be Recused from Serving as the Assigned Commissioner in the Root Cause OII Because of Bias

In D.05-06-062, the Commission discussed the legal standards for determining whether a decisionmaker's impartiality has been so compromised as to warrant recusal from the decisionmaking process in order to preserve parties' due process rights.[36] There are two categories of proceedings for purposes of determining the level of impartiality required of an agency decisionmaker – "quasi-legislative" and "adjudicatory." A stricter standard of impartiality applies to adjudicatory proceedings; if there is even an "appearance of bias," then the individual should be disqualified from the decisionmaking process.[37] For quasi-legislative proceedings, more is required -- "a decision-maker can be disqualified from voting

[33] D 11-06-017 at p 16.

[34] See Exhibit 15.

[35] See Exhibit 16.

[36] D.05-06-062, at pp. 11-16.

upon a 'clear and convincing showing that the agency member has an unalterably closed mind on matters critical to the disposition of the proceeding.'" [38]

Under the law, San Bruno does not need to prove bias, but the "appearance of bias" since the Line 132 OIIs are adjudicatory. These communications violated San Bruno's due process rights for several reasons. President Peevey cannot be an impartial decisionmaker when it comes to how PG&E should be punished for killing 8 people, injuring 66, and destroying a neighborhood when he is allowing PG&E to communicate with him off the record about the very issues he needs to consider in the OIIs. And since these emails were secret, we have no way of knowing how many phone calls, lunches,[39] or other in person meetings President Peevey may have had with PG&E.

It is also important to note that if a judge had ex parte contacts with either side of a matter in litigation in a civil matter, the judge would most likely be disqualified from hearing the case upon motion of the aggrieved party even without a showing of bias. We are more than troubled by the tone exchanged between the utility and its regulator, the tone reveals a level of familiarity and coziness that threatens the very function of the CPUC to provide objective oversight of PG&E. The President of the CPUC, Michael Peevey, has demonstrated abject bias and has manipulated the investigatory process rather than protect the people of California. The pervasive nature of these communications clearly supports the suggestion of bias especially in an environment where President Peevey never does anything to stop PG&E from sending him emails on a regular basis.

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[37] *Id.*, at p. 14.

[38] *Id.*

[39] Although we do know about one lunch President Peevey presumably had with Tom Botorff, PG&E's Senior Vice President of Regulatory Affairs, see Exhibit 7.

C. The PG&E-CPUC Illegal Ex Parte Communications is Yet Another Example of the Commission's Ineffective Posture as a Regulator and that Only an Independent Monitor Can Restore Badly Damaged Confidence in PG&E and the Commission

The fact that PG&E and President Peevey regularly communicate with each other in violation of the law is yet another example of the Commission failing to recognize its role as a regulator of the utilities as opposed to a facilitator of the utilities' economic interests. It also adds insult to injury when the Executive Director of the CPUC is actively assisting PG&E in its legal defenses and public relations strategy on a monthly basis for three years, and actually flagging potential problems for PG&E to PG&E. For San Bruno, the Commission's "cozy relationship" with PG&E, and vice versa, was a major contributor to the Line 132 explosion.[40] This is not just San Bruno's opinion, but the CPUC's and PG&E's cozy, inappropriate relationship was also criticized by the CPUC's internal report, the CPUC's Independent Review Panel and the National Transportation Safety Board (NTSB).

For example, an internal report commissioned by the CPUC revealed and exposed significant problems at the CPUC. Specifically, that the CPUC continues to have a cozy relationship with the utilities it regulates and that it doesn't make safety a priority.[41] The following statements in the report were compelling:

> *"An overly-cozy relationship with regulated utilities: Several respondents report that both Commissioners and PUC staff members have close ties to the industries they are supposed to be regulating. This has resulted in a reluctance on the part of the Commissioners and the PUC to impose significant fines and other consequences . . ."*[42]
>
> *"If we were enforcing the rules we would not have to worry about a safety culture. If we were holding the utilities accountable and doing what we were supposed to be doing, San Bruno would never have happened."*[43]
>
> *"The executive director's aversion to conflict discourages PUC staff from taking on*

[40] See NTSB report at pp. 122, 126; Independent Review Panel Report at pp. 20-21.

[41] See Exhibit 3; CPUC Memorandum dated February 11, 2013.

[42] *Id.* at p. 14.

[43] *Id.* at p. 2.

tough issues."[44]

"Some staff believe that it is the PUC's failure to thoroughly 'check the boxes' and enforce existing regulations that is at the root of the safety crisis."[45]

Not only do CPUC's own staff members believe that the CPUC is lax in its oversight and is too cozy with utilities, the NTSB found that CPUC's lack of oversight was a contributing cause to the explosion: "Also contributing to the explosion was the CPUC's failure to detect the inadequacies of PG&E's pipeline integrity management program."[46]

The NTSB further explained that: "The ineffective enforcement posture of the California Public Utilities Commission permitted PG&E's organizational failures to continue over many years."[47] NTSB Chairman Deborah Hersman further elaborated: "Our investigation revealed that for years, PG&E exploited weaknesses in a lax system of oversight . . . we also identified regulators that placed a blind trust in the companies that they were charged with overseeing to the detriment of public safety."[48] The Commission's blue ribbon panel also found that the CPUC failed to oversee PG&E's natural gas operations effectively finding that the Commission and PG&E "must confront and change elements of their respective cultures to assure the citizens of California that public safety is the foremost priority."[49]

The Peevey/CPUC communications are yet another example of the Commission's ineffective posture as a regulator. An additional email correspondence from former SED Director Jack Hagan demonstrates that fact. In an email dated April 24, 2013 from Ms. Doll to PG&E CEO Tony Earley, Jack Hagan, and other utility executives, Ms. Doll states: "Gentlemen

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[44] *Id.*

[45] *Id.*

[46] http://www.ntsb.gov/doclib/reports/2011/PAR1101.pdf, at p. xii.

[47] http://www.ntsb.gov/doclib/reports/2011/PAR1101.pdf, at p. 125.

[48] http://www.ntsb.gov/news/2011/110830.html.

[49] Independent Review Panel Report at pp. 8 and 18-22.

You have heard by now that the CPUC has cancelled the Safety Symposium scheduled for May 7 & 8. Just wanted to make sure you also understood that the Monday night dinner at Postrio is cancelled as well.[50] The former Director of the Safety and Enforcement Division was scheduled to break bread with PG&E's CEO during the same time as the Safety Symposium. This is a clear example of preferential treatment by the CPUC to PG&E. San Bruno has repeatedly urged this Commission to establish an Independent Monitor to oversee PG&E's compliance with the Pipeline Safety Enhancement Plan ("PSEP") and the remedies in the Order Instituting Investigation proceedings ("OII") I.12.01.007, I.11.02.016, and I.11.11.009 and by this motion and in light of these revelations we renew that request. An Independent Monitor is the only answer to restore badly damaged confidence the PG&E and the Commission.

III. CONCLUSION

At first blush, one reaction to the disclosure of email correspondence between President Peevey and senior executives at PG&E would be to dismiss the violations as inconsequential. President Peevey didn't respond to most, PG&E was in part forwarding third party analyst reports (though which are not public documents), and PG&E executives are regular denizens of the halls at 505 Van Ness Avenue. However, when woven in the context of all that has transpired in the past four years, this is the seedy, unethical underbelly of a regulatory system that is hopelessly broken. When the corporate leviathan casually, regularly, systematically ingratiates itself into the lap of someone who is expected to objectively, fairly and faithfully carry out his oath of office[51] and consider the largest fine ever imposed on an investor-owned public utility in American history, the perspective changes; when senior staff at the CPUC forwards to PG&E correspondence to his subordinates; when the Chief of Staff at the CPUC provides legal guidance to PG&E on how to handle a pending motion; when Commissioners

[50] See Exhibit 17.

[51] See California Constitution, Article XX, Section 3.

freely and regularly communicate outside the hearing and outside the record, there is an abject failure of due process of law.

Due process has been a part of our legal jurisprudence since 1215 and the Magna Carta. It is the embodiment of fairness, and rule by law, not men. Anything, no matter how trivially it may be described by President Peevey or PG&E, which diminishes the fundamental precept of American justice is to be assiduously avoided and rejected. This Commission and everything it does is at a watershed moment. PG&E didn't kill 8 people alone, it needed an inept and complacent regulator. Ineptitude can be replaced with competency. Bias and prejudice has to be removed root and branch.

San Bruno urges the CPUC to demonstrate to the Intervenors in these proceedings, the residents of San Bruno, and to the public at large that its commitment to accountability is more than mere posturing, and to do so in these cases that are gravely important to the residents of San Bruno and the ratepayers of the State of California. The Commission cannot, and should not, permit PG&E to effectively nullify the due process rights of San Bruno and the other Intervenors in the Line 132 Proceedings by allowing President Peevey to oversee and vote on the OIIs. This is a deadly serious situation as eight dead attest, the lives and property of Californians are at stake, the future of investor owned utilities is at stake, and the credibility of the regulatory mechanisms is at stake. The reputation of the State of California is threatened and it is because of the actions of President Peevey that he must now be removed from a decisionmaker on the ///

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Line 132 OIIs. It is time for the Commission to show resolve and recuse President Peevey as a decisionmaker in the Line 132 OIIs.

Respectfully Submitted,

/s/ Steven R. Meyers

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July 28, 2014

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EXHIBIT 1

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May 30, 2013

Via E-mail and U.S. Mail

Mr. Fred Harris
Legal Division, Public Records Office
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102

Re: Public Records Act Request
Communications re: I.12-01-007, I.11-02-016, I.11-11-009 Financial Institutions and Professionals; Commissioner Peevey documents; PG&E "Forging a New Vision of Safety in California" Symposium; Appointment of Senator George Mitchell in October 2012; Fines, Penalties, and/or Remedies; California Foundation on the Environment and the Economy Conference on April 25, 2013 in Napa Valley, CA; and Senate Budget and Fiscal Review subcommittee hearing on April 25

Dear Mr. Harris:

Pursuant to the California Public Records Act, California Government Code Section 6250 *et seq.* the City of San Bruno ("San Bruno") hereby requests copies of the public records identified below. Each of San Bruno's requests relates to:

- ☐ Financial Institutions and Professionals;
- ☐ Commissioner Peevey documents;
- ☐ The CPUC-PG&E "Forging a New Vision of Safety in California" Symposium scheduled for May 7-8, 2013;
- ☐ The appointment of Senator George Mitchell as mediator in October 2012;
- ☐ The California Public Utilities Commission's ongoing investigations in I.12-01-007, I.11-02-016, and I.11-11-009, including the discussion of fines, penalties, and/or remedies in I.12-01-007, I.11-02-016, and I.11-11-009;
- ☐ California Foundation on the Environment and the Economy Conference on April 25-26 and dinner on April 25, 2013 in Napa Valley, CA; and
- ☐ Senate Budget and Fiscal Review subcommittee hearing on April 25, 2013.

EXHIBIT 1

For purposes of San Bruno's request, all italicized terms set forth below are defined in Exhibit A.

SAN BRUNO PUBLIC RECORDS ACT REQUESTS

Documents Related to Ongoing Investigations in I.12-01-007, I.11-02-016, and I.11-11-009

Financial Institutions and Professionals

A. Meetings with Financial Institutions. Identify any individual or recurring meetings scheduled or held amongst *Commissioners and/or CPUC Employees* and *Financial Institutions* concerning the Subject Matter of I.12-01-007, I.11-02-016, and I.11-11-009. Please specify the invitees, attendees and location for each such meeting and the individual(s) that requested and/or organized the meeting.

B. Meetings with Financial Professionals. Identify any individual or recurring meetings scheduled or held amongst *Commissioners and/or CPUC Employees* and *Financial Professionals* concerning the Subject Matter of I.12-01-007, I.11-02-016, and I.11-11-009. Please specify the invitees, attendees and location for each such meeting and the individual(s) that requested and/or organized the meeting.

C. Documentation related to Financial Meetings.

- ☐ Preparation, Handouts, Documentation, Summaries. Any and all *Documents* generated in preparation for, reflecting, summarizing or discussing the communications identified in paragraphs A and B of this public records act request.

- ☐ Follow-Up. Any and all *Documents* used or generated in or as a result of the meetings or communications identified in paragraphs A and B of this public records act request.

Commissioner Peevey Documents

D. I.12-01-007, I.11-02-016, I.11-11-009. Any and all *Documents* wherein Commissioner Peevey or his staff is an author, recipient, copied, blind carbon copied, or otherwise included upon in which the subject matter of I.12-01-007, I.11-02-016, or I.11-11-009 are mentioned, discussed, referenced or otherwise covered.

E. Fines, Penalties, and/or Remedies. Any and all *Documents* wherein Commissioner Peevey or his staff is an author, recipient, copied, blind carbon copied, in which *Fines, Penalties, and/or Remedies* are mentioned, discussed, referenced or otherwise covered.

F. Safety Symposium. Any and all *Documents* wherein Commissioner Peevey or his staff is an author, recipient, copied, blind carbon copied, in which *Safety Symposium* is mentioned, discussed, referenced or otherwise covered.

G. Mitchell Mediator Appointment. Any and all *Documents* wherein Commissioner Peevey or his staff is an author, recipient, copied, blind carbon copied, in which the *Mitchell Appointment* is mentioned, discussed, referenced or otherwise covered.

Communications Between Commission - CPUC Employee-PG&E Employees

H. Meetings between Commissioners, CPUC Employees and PG&E Employees. Identify any individual or recurring meetings scheduled or held amongst *Commissioners (including staff members) and/or CPUC Employees* and *PG&E Employees*, or any combination thereof, concerning the Subject Matter of I.12-01-007, I.11-02-016, and I.11-11-009. Please specify the invitees, attendees and location for each such meeting and the individual(s) that requested and/or organized the meeting.

I. Documentation related to CPUC-PG&E Meetings.

- ☐ Preparation, Handouts, Documentation, Summaries. Any and all *Documents* used in preparation for, reflecting, summarizing or otherwise discussing the communications identified in paragraph F of this public records act request.

- ☐ Follow Up. Any and all *Documents* used or generated in or as a result of the meetings or communications identified in paragraph F of this public records act request.

Internal Commission Discussions Regarding Fines, Penalties, and/or Remedies

J. Internal Commission Discussions Re: Fines, Penalties, and/or Remedies.

- ☐ Meetings. Identify any individual or recurring meetings scheduled or held amongst *the Commissioners themselves, CPUC Employees themselves, or amongst the Commission and CPUC Employees*, concerning *Fines, Penalties, and/or Remedies* from January 2013 to the present.

- ☐ Preparation, Handouts, Documentation, Summaries. Any and all *Documents* reflecting, summarizing or discussing communication by or amongst *the Commission (including Commission General Counsel Frank Lindh, Executive Director Paul Clanon, and CPSD Director Jack Hagan), Commissioners, Commissioner's staff, and CPUC Employees*, or any combination of such parties, in relation to the meetings or communications identified in this paragraph H or otherwise concerning *Fines, Penalties, and/or Remedies* from January 2013 to the present.

- ☐ Follow Up. Any and all *Documents* used or generated in or as a result of any meetings or communications identified in this paragraph H from January 2013 to the present.

K. Internal CPUC Employee Discussions Re: Fines, Penalties, and/or Remedies.

- ☐ Preparation, Handouts, Documentation, Summaries. Any and all *Documents* reflecting, summarizing or discussing communication by or amongst *the Commission (including Commission Executive Director Paul Clanon and CPSD Director Jack Hagan), CPUC Commissioners, Commission staff, and CPUC Employees,* or any combination of such parties concerning the *Fines, Penalties, and/or Remedies* from January 2013 to the present.

- ☐ Follow Up. Any and all *Documents* used or generated in or as a result of such meetings or communications from January 2013 to the present.

L. CPUC-PG&E Discussions Re: Fines, Penalties, and/or Remedies.

- ☐ Meetings. Identify any individual or recurring meetings scheduled or held amongst *PG&E Employees, Commissioners, and/or CPUC Employees,* or any combination thereof, concerning *Fines, Penalties, and/or Remedies* from January 2013 to the present.

- ☐ Preparation, Handouts, Documentation, Summaries. All *Documents* reflecting, summarizing or discussing communication by or amongst *the Commissioners, CPUC Employees, (including Commission Executive Director Paul Clanon and CPSD Director Jack Hagan), PG&E Employees, and CPUC Employees,* or any combination of such parties, related to the meetings identified in this paragraph J or otherwise concerning *Fines, Penalties, and/or Remedies* from January 2013 to the present.

- ☐ Follow Up. Any *Documents* used or generated in or as a result of meetings identified in this paragraph J from January 2013 to the present.

M. Specific Fines, Penalties, and/or Remedies Documents. All draft and the final versions of *Documents* related to the imposition of *Fines, Penalties, and/or Remedies,* including, without limitation, the *Documents* specifically identified below, along with disclosure of whether such *Documents* were drafted by *Commissioners, CPUC Employees, or PG&E Employees* from January 2013 to the present:

- ☐ Any and all proposals, including, without limitation proposals related to the amount, scope, structure, timeframe or composition of *Fines, Penalties, and/or Remedies* whether made by *PG&E Employees, Commissioners, CPUC Employees,* or any combination thereof.

- ☐ Any proposals, requests or suggestions from *Commissioners, CPUC Employees, or PG&E Employees* related to *Fines, Penalties, and/or Remedies.*

- ☐ Copies of all contracts, agreements or any amendments thereto related to *Fines, Penalties, and/or Remedies.*

- ☐ Copies of all draft and final materials to be distributed publicly, including, without limitation, statements, press releases and flyers related to related *Fines, Penalties, and/or Remedies.*

CPUC-PG&E Safety-Symposium Related Documents

N. Payment for Safety Symposium. All *Documents* reflecting, summarizing or discussing communication by or amongst *PG&E Employees (including Jane Yura, Vice President Gas Operations Standards & Policies at PG&E), Commissioners, CPUC Employees, and/or Hall and Associates* or any combination of such parties, concerning payment for the Safety Symposium, including payment for the previously scheduled May 7, 2013 dinner at the Marines' Memorial Club and Hotel.

O. CPUC-PG&E Safety Symposium Planning. All *Documents* reflecting, summarizing or discussing communication by or amongst *PG&E Employees (including Jane Yura, Vice President Gas Operations Standards & Policies at PG&E), Commissioners, and CPUC Employees, and/or Hall and Associates* or any combination of such parties, concerning the agenda, speakers, topics, logistics, issues or presentations or panels for the *Safety Symposium*, including payment for the May 7, 2013 dinner at the Marines' Memorial Club and Hotel, along with:

- ☐ Any *Documents* used or generated in or as a result of such meetings or communications.

- ☐ Any *Documents* regarding potential overlap between the *Safety Symposium* and the *Subject Matter of I.12-01-007, I.11-02-016, and I.11-11-009.*

P. Internal CPUC Safety Symposium Planning.

- ☐ All *Documents* reflecting, summarizing or discussing communication by or amongst *the Commission and CPUC Employees*, or any combination of such parties, concerning the agenda, speakers, topics, logistics, issues or presentations or panels for the Safety Symposium, including payment for the May 7, 2013 dinner at the Marines' Memorial Club and Hotel, along with:

- ☐ Any *Documents* used or generated in or as a result of such meetings or communications.

- ☐ Any *Documents* regarding potential overlap between the *Safety Symposium* and the *Subject Matter of I.12-01-007, I.11-02-016, and I.11-11-009.*

Q. CPUC-PG&E Meetings Re: Safety Symposium. Identify any individual or recurring meetings scheduled or held amongst *PG&E Employees, the Commission, CPUC Employees, and/or Hall and Associates* concerning the preparation of the *Safety Symposium.*

R. Internal CPUC Meetings Re: Safety Symposium. Identify any individual or recurring meetings scheduled or held amongst *the Commission itself, CPUC Employees themselves, or amongst the Commission and CPUC Employees,* concerning the preparation of the *Safety Symposium.*

S. Safety Symposium-related Documents. All drafts and the final versions of *Documents* related to *Safety Symposium,* along with an indication of whether such documents were drafted by *the Commission, CPUC Employees, PG&E Employees (including Jane Yura, Vice President Gas Operations Standards & Policies at PG&E), and/or Hall and Associates* including, without limitations, the following:

- ☐ Any proposals, whether made by *PG&E Employees, Commissioners or CPUC Employees, and/or Hall and Associates* related to compensation, rates, scope of work for the *Safety Symposium.*
- ☐ Any proposals, requests or suggestions from *Commissioners, CPUC Employees, PG&E Employees, and/or Hall and Associates* related to speakers, agendas, seating arrangements, panels or other issues or topics for the *Safety Symposium.*
- ☐ Copies of all contracts, agreements or any amendments thereto related to the *Safety Symposium.*
- ☐ Copies of all draft and final *Safety Symposium* materials to be distributed publicly, including, without limitation, statements, press releases and flyers.

T. Consultants Assisting with Safety Symposium. Identify any consultants or contractors, if any, that *Commissioners, CPUC Employees, and/or PG&E Employees* considered to perform any tasks in connection with planning, publicizing, executing, or otherwise undertaking the *Safety Symposium.*

Appointment of Mediator in Settlement Negotiations Related Documents:

U. Internal Commission Discussions Re: the Mitchell Appointment.

- ☐ Meetings. Identify any individual or recurring meetings scheduled or held amongst *the Commissioners themselves, CPUC Employees themselves, or amongst the Commission and CPUC Employees,* concerning the *Mitchell Appointment.*

- ☐ Preparation, Handouts, Documentation, Summaries. Any and all *Documents* reflecting, summarizing or discussing communication by or amongst *the Commission (including President Peevey and Commissioner Florio's Commission staff), and CPUC Employees,* or any combination of such parties concerning the Mitchell Appointment.

- ☐ Follow Up. Any and all *Documents* used or generated in or as a result of such meetings or communications.

V. Commission – PG&E Discussions Re: the Mitchell Appointment:

- ☐ Meetings. Identify any individual or recurring meetings scheduled or held amongst *PG&E Employees, Commissioners and/ or CPUC Employees,* or any combination thereof, concerning the *Mitchell Appointment.*

- ☐ Preparation, Handouts, Documentation, Summaries. Any and all *Documents* reflecting, summarizing or discussing communication by or amongst *PG&E Employees, Commissioners (specifically including President Peevey and Commissioner Florio, and each Commissioner's staff), and CPUC Employees,* or any combination of such parties, concerning the *Mitchell Appointment.*

- ☐ Follow Up. Any and all *Documents* used or generated in or as a result of such meetings or communications.

W. Specific Mitchell Appointment Documents. Without limiting the generality of the foregoing, San Bruno requests any and all drafts and the final versions *Documents* related to the *Mitchell Appointment,* including without limitation, the following, along with an indication of whether such documents were drafted by *Commissioners, CPUC Employees, or PG&E Employees:*

- ☐ Any proposals, requests or suggestions, whether made by *PG&E Employees, Commissioners or CPUC Employees,* related to the *Mitchell Appointment.*

- ☐ Copies of all contracts, agreements or any amendments thereto related to the *Mitchell Appointment.*

- ☐ Copies of all draft and final materials to be distributed publicly concerning the *Mitchell Appointment,* including, without limitation, statements, press releases and flyers.

- ☐ A list of all background documents provided to Senator Mitchell or his representatives concerning the *Subject Matter of I.12-01-007, I.11-02-016, and I.11-11-009.*

California Foundation on the Environment and the Economy (CFEE) Conference on April 25-26, 2013 at the Silverado Resort in Napa Valley, CA and CFEE dinner at Merryvale Winery in Napa, CA on April 25, 2013:

X. Internal Commission Discussions Re: CFEE Conference on April 25-26, 2013 and CFEE dinner on April 25, 2013.

- ☐ Meetings. Identify any individual or recurring meetings scheduled or held amongst *the Commissioners themselves, CPUC Employees themselves (including President Peevey's Commission staff), or amongst the Commission and CPUC Employees,* concerning the *CFEE Conference on April 25-26, 2013 and CFEE dinner on April 25, 2013.*

- ☐ Preparation, Handouts, Documentation, Summaries. Any and all *Documents* reflecting, summarizing or discussing communication by or amongst *the Commission (including President Peevey's Commission staff), and CPUC Employees,* or any combination of such parties concerning the *CFEE Conference on April 25-26, 2013 and CFEE dinner on April 25, 2013.*

- ☐ Follow Up. Any and all *Documents* used or generated in or as a result of such meetings or communications.

Y. Commission – PG&E Discussions Re: the CFEE Conference on April 25-26, 2013 and CFEE dinner on April 25, 2013.

- ☐ Meetings. Identify any individual or recurring meetings scheduled or held amongst *PG&E Employees (including Thomas (Tom) Bottorff, Senior Vice President, Regulatory Affairs), Commissioners and/or CPUC Employees,* or any combination thereof, concerning the *CFEE Conference on April 25-26, 2013 and CFEE dinner on April 25, 2013.*

- ☐ Preparation, Handouts, Documentation, Summaries. Any and all *Documents* reflecting, summarizing or discussing communication by or amongst *PG&E Employees (including Thomas (Tom) Bottorff, Senior Vice President, Regulatory Affairs), Commissioners (specifically including President Peevey's Commissioner's staff), and CPUC Employees,* or any combination of such parties, concerning the *CFEE Conference on April 25-26, 2013 and CFEE dinner on April 25, 2013.*

- ☐ Follow Up. Any and all *Documents* used or generated in or as a result of such meetings or communications.

Z. Specific CFEE Conference on April 25-26, 2013 and CFEE dinner on April 25, 2013 Documents. Without limiting the generality of the foregoing, San Bruno requests any and all drafts and the final versions *Documents* related to the CFEE conference on April 25-26, 2013 and CFEE dinner on April 25, 2013, including without limitation, the following, along with an indication of whether such documents were drafted by *Commissioners (including Commissioner Peevey's staff), CPUC Employees, or PG&E Employees (including Thomas Bottorff, Sr. Vice President of Regulatory Affairs for PG&E)*:

- ☐ Any proposals, requests or suggestions, whether made by *PG&E Employees, Commissioners or CPUC Employees*, related to the *CFEE conference on April 25-26, 2013 and CFEE dinner on April 25, 2013.*
- ☐ Copies of all contracts, agreements or any amendments thereto related to the *CFEE conference on April 25-26, 2013 and CFEE dinner on April 25, 2013.*
- ☐ Copies of all draft and final materials to be distributed publicly concerning the *CFEE conference on April 25-26, 2013 and CFEE dinner on April 25, 2013*, including, without limitation, statements, press releases and flyers.
- ☐ A list of all background documents provided to CFEE or its representatives concerning the *Subject Matter of I.12-01-007, I.11-02-016, and I.11-11-009.*

Senate Budget and Fiscal Review Subcommittee Hearing on April 25, 2013:

AA. Internal Commission Discussions Re: Senate Budget and Fiscal Review subcommittee hearing on April 25, 2013.

- ☐ Meetings. Identify any individual or recurring meetings scheduled or held amongst *the Commissioners themselves, CPUC Employees themselves (including President Peevey's Commission staff), or amongst the Commission and CPUC Employees*, concerning the *Senate Budget and Fiscal Review subcommittee hearing on April 25, 2013.*
- ☐ Preparation, Handouts, Documentation, Summaries. Any and all *Documents* reflecting, summarizing or discussing communication by or amongst *the Commission (including President Peevey's Commission staff), and CPUC Employees*, or any combination of such parties concerning the *Senate Budget and Fiscal Review subcommittee hearing on April 25, 2013.*
- ☐ Follow Up. Any and all *Documents* used or generated in or as a result of such meetings or communications.

BB. Commission – PG&E Discussions Re: Senate Budget and Fiscal Review subcommittee hearing on April 25, 2013.

- ☐ Meetings. Identify any individual or recurring meetings scheduled or held amongst *PG&E Employees, Commissioners and/or CPUC Employees,* or any combination thereof, concerning the *Senate Budget and Fiscal Review subcommittee hearing on April 25, 2013.*

- ☐ Preparation, Handouts, Documentation, Summaries. Any and all *Documents* reflecting, summarizing or discussing communication by or amongst *PG&E Employees, Commissioners (specifically including President Peevey's Commissioner's staff), and CPUC Employees,* or any combination of such parties, concerning the *Senate Budget and Fiscal Review subcommittee hearing on April 25, 2013.*

- ☐ Follow Up. Any and all *Documents* used or generated in or as a result of such meetings or communications.

CC. Specific Senate Budget and Fiscal Review subcommittee hearing on April 25, 2013 Documents. Without limiting the generality of the foregoing, San Bruno requests any and all drafts and the final versions *Documents* related to the *Senate Budget and Fiscal Review subcommittee hearing on April 25, 2013*, including without limitation, the following, along with an indication of whether such documents were drafted by *Commissioners, CPUC Employees, or PG&E Employees*:

- ☐ Any proposals, requests or suggestions, whether made by *PG&E Employees, Commissioners or CPUC Employees*, related to the *Senate Budget and Fiscal Review subcommittee hearing on April 25, 2013.*

- ☐ Copies of all contracts, agreements or any amendments thereto related to the *Senate Budget and Fiscal Review subcommittee hearing on April 25, 2013.*

- ☐ Copies of all draft and final materials to be distributed publicly concerning the *Senate Budget and Fiscal Review subcommittee hearing on April 25, 2013*, including, without limitation, statements, press releases and flyers.

- ☐ A list of all background documents provided to the Senate Budget and Fiscal Review subcommittee hearing or its representatives concerning the *Subject Matter of I.12-01-007, I.11-02-016, and I.11-11-009.*

Any responsive records that are withheld from inspection should be specifically and separately identified in writing, and accompanied by the claimed justification for withholding as provided by California Government Code Section 6255, stating the nature of the document withheld and the basis for such withholding. Should you contend that any portion of a particular document is exempt from disclosure, San Bruno requests, pursuant to Section 6253(a) of the California Government Code that the exempt portion be redacted and the remaining portions be produced. San Bruno reserves the right to object to any decision to withhold materials, or portions of documents. San Bruno requests copies of public

records in electronic form where available, and in hard copy where copies in electronic form are not available.

In accordance with Section 6253(c) of the California Government Code, please respond to San Bruno's request within ten (10) days. Any questions regarding San Bruno's public records act request should be addressed to me. Thank you in advance for your prompt attention and timely cooperation with San Bruno's request.

Sincerely,

Steven R. Meyers
Special Counsel, City of San Bruno
Meyers Nave
(510) 808-2000
smeyers@meyersnave.com

Enclosures: Exhibit A – Public Records Act Request Definitions and Instructions
Exhibit B – Forging a New Vision of Safety in California" Natural Gas Safety Symposium Flyer
Exhibit C – Press release dated October 15, 2012 entitled: "Former U.S. Senator George Mitchell Appointed as Mediator for Negotiations Over PG&E San Bruno Pipeline Explosion Fines and Remedies"
Exhibit D – Draft agenda for CFEE conference and dinner on April 25-26, 2013
Exhibit E – Letter from Senator Jerry Hill to Commissioner Peevey regarding the Senate and Fiscal Review subcommittee hearing on April 25, 2013

cc: Connie Jackson, City Manager, San Bruno (via Email)
Marc Zafferano, City Attorney, San Bruno (via Email)
State Senator Jerry Hill (via Email)
Commissioner Michael R. Peevey (via Email)
Commissioner Michel Peter Florio (via Email)
Commissioner Catherine J.K. Sandoval (via Email)
Commissioner Mark J. Ferron (via Email)
Commissioner Carla J. Peterman (via Email)
Jack Hagan, Director, SED (formerly CPSD) (via Email)
Frank Lindh, General Counsel, CPUC (via Email)
Paul Clanon, Executive Director, CPUC (via Email)

EXHIBIT A

EXHIBIT A

CITY OF SAN BRUNO
PUBLIC RECORDS ACT REQUEST
TO THE CALIFORNIA PUBLIC UTILITIES COMMISSION

DEFINITIONS AND INSTRUCTIONS

A. "Commission" means the California Public Utilities Commission.

B. "Commissioners" means the specific CPUC Commissioners assigned to I.12-01-007, I.11-02-016, I.11-11-009, Commissioner Peevey and Commissioner Florio and all staff members for each Commissioner from the time the three investigations were opened to the present. Commission shall also include Commissioners Sandoval, Ferron and Peterman and their staff.

C. "CPSD" means both the Consumer Protection and Safety Division, and the recently renamed organization, Safety Enforcement Division.

D. "CPUC Employee" or "CPUC Employee(s)" includes, without limitation all employees, management, appointees and executives at the CPUC, the Executive Director, consultants to CPUC, the Safety and Enforcement Division, any in-house attorneys and any outside counsel to the CPUC. "CPUC Employee(s)" specifically includes, without limitation, President Michael Peevey and any of his staff members, Mr. Frank Lindh, Director Jack Hagan, Mr. Paul Clanon, Julie Halligan, and Michelle Cooke.

E. "Hall & Associates" means Hall and Associates, LLC, including without limitation Jim Hall, Bob Chipkevich, Bill Scott, and any additional staff or experts engaged by or on behalf of Hall and Associates to assist with preparation of the "Forging a New Vision of Safety in California" safety symposium.

F. "Documents" means all notes, minutes of meetings, documents, summaries, e-mails, e-mail attachments, texts, calendar entries, memoranda, proposals, PowerPoint presentations, memoranda, other briefings, records of follow-up tasks, list of attendees, documentation of notes made on white boards or other records, whatever the format (oral, written, electronic, including twitter, facebook, instant messaging, etc.), whether in draft or final form.

G. "Financial Institution" means any institution in the business of underwriting, distributing and trading utility equity and debt securities, including, without limitation, any such institutions or consultants that presently or previously have performed such services for Pacific Gas and Electric Company or PG&E Corporation

H. "Financial Professional" means any entity or consultant in the business of advising concerning underwriting, distribution and trading of utility equity and debt securities, including, without limitation, any such institutions or consultants that presently or previously have performed such services for Pacific Gas and Electric Company or PG&E Corporation.

I. "Mitchell Appointment" refers to the attempted appointment of former U.S. Senator George Mitchell to serve as mediator in talks in 2012 in order to resolve the enforcement cases (I.12-01-007, I.11-02-016, and I.11-11-009) against PG&E, as described in Exhibit C, attached hereto for reference.

J. "Penalties and Fines" means the fines, penalties and/or equitable remedies considered, imposed, and/or recommended in Commission Investigations I.12-01-007, I.11-02-016, and I.11-11-009 for the violations identified in the Consumer Protection Safety Division (now Safety Enforcement Division) investigative reports and further clarified by the Scoping Memorandum issued in each proceeding.

K. "PG&E Employee" or "PG&E Employee(s)" includes, without limitation, all employees, management and executives at Pacific Gas and Electric Company and PG&E Corporation, the Board of Directors to Pacific Gas and Electric Company, the Board of Directors to PG&E Corporation, consultants to Pacific Gas and Electric Company, consultants to PG&E Corporation and any in-house attorneys and any outside counsel to Pacific Gas and Electric Company and PG&E Corporation.

L. "Safety Symposium" means the CPUC "Forging a New Vision of Safety in California" Natural Gas Safety Symposium, previously scheduled on May 7-8, 2013 in San Francisco, California (see Exhibit B), including, without limitation, the May 7, 2013 dinner at the Marines' Memorial Club and Hotel.

M. "Subject Matter of I.12-01-007, I.11-02-016, and I.11-11-009" means the issues identified in the Order Instituting Investigation in each proceeding, as further clarified by the Scoping Memorandum issued in each proceeding.

N. "CFEE Conference on April 25-26, 2013 and CFEE dinner on April 25, 2013" means the California Foundation on the Environment and the Economy Conference on April 25-26, 2013 at the Silverado Resort in Napa Valley, CA and CFEE dinner at Merryvale Winery in Napa, CA on April 25, 2013 (see Exhibit D).

O. "Senate Budget and Fiscal Review subcommittee hearing" means the Senate Budget and Fiscal Review subcommittee hearing chaired by Senator Jim Beall on April 25, 2013 in Sacramento, CA (see Exhibit E).

EXHIBIT B

STATE OF CALIFORNIA — EDMUND G. BROWN JR., *Governor*

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

April 4, 2013

Greetings,

On behalf of the California Public Utilities Commission (CPUC), I invite you to attend the first in a series of safety symposiums to explore solutions to safety within California's utility services and infrastructure sectors. This symposium, *Forging a New Vision of Safety in California*, will be held May 7-8, 2013, in downtown San Francisco and will focus on natural gas safety issues. Sessions will be held at the Milton Marks Auditorium in the Johnson State Office Building at 455 Golden Gate Avenue. Please see the agenda below.

This symposium will allow representatives of the natural gas industry, government, and the public to convene and discuss ways to help create a climate and culture that embraces safety as an underlying and timeless principle in everything we do. The keynote speaker on the first day is Deborah A.P. Hersman, Chairman of the National Transportation Safety Board. Panels will follow Chairman Hersman's introduction to explore the climate and culture of safety, the regulator's role in leading safety change, and effective emergency response.

There is no charge to attend the conference, but reservations are requested so we can ensure space availability. Simply click on this symposium registration link and enter your information: http://events.signup4.com/cpucsafetysymposium. (Note that an optional dinner Tuesday evening at the Marines' Memorial Club requires an RSVP by May 1.)

As Director of the Safety and Enforcement Division of the CPUC, I believe our (industry and regulator) mission is to create a climate and culture that embraces safety as a tool and an enhancement to accomplish our organization's mission. This culture uses risk assessment and risk management as the foundation of assessing safety and the consequences of failure, and to assert that safety, with respect to human life and property, is non-negotiable. This symposium is an opportunity to establish collaborative relationships to develop solutions to the safety challenges we face in these dynamic times. I hope you will join me in this important dialog.

Sincerely,

Emory J. Hagan, III
Brigadier General (CA)
Director, Safety and Enforcement Division
California Public Utilities Commission

California Public Utilities Commission

Forging a New Vision of Safety in California

Natural Gas Safety Symposium

May 7-8, 2013, San Francisco

What: The first-ever gathering of California natural gas industry and regulatory leaders for a dialog about safety culture, the regulatory role in leading safety change, and effective emergency response.

Keynote speakers:

- Deborah A.P. Hersman, Chairman, National Transportation Safety Board
- Captain Chesley Sullenberger, *former US Air Captain*

Plus, panel discussions by industry and regulatory leaders

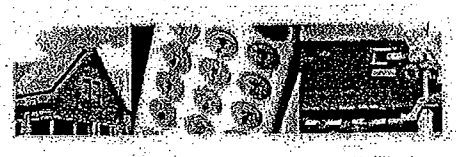
Where: Hiram Johnson State Building, Milton Marks Auditorium, 455 Golden Gate Ave., San Francisco

When: May 7, 2013, 1:30 – 4:45 p.m. and May 8, 2013, 8:30 a.m. – 12:30 p.m.

Agenda

Day 1: Tuesday, May 7, 2013, 1:30 p.m. – 4:45 p.m.

1:30 p.m.	Welcome Brigadier General (CA) Jack Hagan, *Director, Safety and Enforcement Division, California Public Utilities Commission*
2 p.m.	Keynote Deborah A.P. Hersman, *Chairman, National Transportation Safety Board*
3:15 – 3:30	Break



3:30 p.m.	**Panel 1: Building a Climate and Culture of Safety**
	Moderator: TBD
	TBD, Alaska Airlines
	Captain Jody Bridges, *USN, Director School of Aviation Safety, Pensacola FL*
	Robert C. Figlock, *President, Advanced Survey Design, LLC*
	Paul Levy, *former Chair of the Massachusetts Department of Public Utilities and former CEO of Beth Israel Deaconess Medical Center*
	Nick Stavropoulos, *Senior Vice President, Gas Operations, Pacific Gas and Electric Company*
5 p.m.	**Adjourn**

Evening Event (Optional)

6 p.m.	**Reception (cash bar), Marines' Memorial Club & Hotel, 609 Sutter St., San Francisco**
7 p.m.	**Dinner**
	Evening Keynote: Captain Chesley Sullenberger, *former US Air Captain, pilot of the "Miracle on the Hudson" aviation incident*

Day 2: Wednesday, May 8, 2013, 8:30 a.m. – 12:30 p.m.

8:30 a.m.	**Panel 2: Effectively Managing Pipeline Emergency Response**
	Moderator: TBD
	Jerry Schmitz, *Vice President, Engineering, SouthWest Gas*
	Joanne Hayes-White, *Chief, San Francisco Fire Department*
	Tim Butters, *Deputy Administrator, Pipeline and Hazardous Materials Safety Administration*
	Carl Weimer, *Executive Director, Pipeline Safety Trust*
10 a.m.	**Break**
10:15 a.m.	**Panel 3: Leading Safety – What Does Regulatory Leadership Look Like?**
	Moderator: Paul Clanon, *Executive Director, California Public Utilities Commission*
	Commissioner Mike Florio, *California Public Utilities Commission*
	Commissioner Paul J. Roberti, *Rhode Island Public Utilities Commission*
	Chris Johns, President, *Pacific Gas and Electric Company*
	Dennis Arriola, *President & Chief Operating Officer, Southern California Gas Company*
12 p.m.	**Concluding Remarks**
	President Michael R. Peevey, *California Public Utilities Commission*
	Brigadier General (CA) Jack Hagan, *Director, Safety and Enforcement Division, California Public Utilities Commission*
12:30 p.m.	**Adjourn**

EXHIBIT C

California Public Utilities Commission
505 Van Ness Ave., San Francisco

FOR IMMEDIATE RELEASE **PRESS RELEASE**

Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov

FORMER U.S. SENATOR GEORGE MITCHELL APPOINTED AS MEDIATOR FOR NEGOTIATIONS OVER PG&E SAN BRUNO PIPELINE EXPLOSION FINES AND REMEDIES

SAN FRANCISCO, October 15, 2012 -- The California Public Utilities Commission (CPUC) today announced the appointment of former U.S. Senator George Mitchell to serve as mediator in ongoing talks aimed at resolving by stipulated agreement a series of enforcement cases against Pacific Gas and Electric Company (PG&E), stemming from the September 2010 explosion of a high-pressure PG&E natural gas pipeline in San Bruno, Calif.

Senator Mitchell is known, among other things, for his role as the U.S. Special Envoy for Northern Ireland, where he brokered the landmark Good Friday Peace Treaty in April 1998, and more recently as President Obama's Special Envoy to the Middle East. He was nominated for the Nobel Peace Prize for his success in the Northern Ireland peace process. He is the chairman emeritus of DLA Piper LLP (US), an international law firm, and he will be assisted by lawyers from that firm in his role as mediator.

"We are very grateful to Senator Mitchell for agreeing to devote his skills as mediator to this difficult and painful series of cases," said CPUC President Michael R. Peevey. "We are confident Senator Mitchell can help achieve a solution that will resolve these cases sooner rather than later, bring justice to the good people of San Bruno, and move California forward to our goal of a much safer natural gas system."

Commissioner Mike Florio also applauded the appointment of Senator Mitchell, describing him as "a truly world-class mediator and peace-maker."

Senator Mitchell will serve as mediator in ongoing negotiations between PG&E, the CPUC's safety enforcement staff, and other parties to the proceedings. The other parties include the City of San Bruno, the City and County of San Francisco, the CPUC's Division of Ratepayer Advocates, and ratepayer advocacy group The Utility Reform Network (TURN). The parties to the mediation will

be asked to sign a mediation agreement confirming their participation and giving their consent for Senator Mitchell's law firm to provide these mediation services.

In their report and testimony in the enforcement cases, the CPUC's safety staff allege that PG&E committed significant violations of pipeline safety rules, which staff claim contributed to the blast. The National Transportation Safety Board also found many deficiencies in PG&E's operations and its slow response to the explosion on the evening of September 9, 2010. PG&E faces the prospect of millions of dollars in fines in the CPUC proceedings, and other remedies.

"I encourage all of the parties to make a good-faith effort at a negotiated solution, working with Senator Mitchell," said Commissioner Florio. "This is the most expeditious way to resolve these cases and bring closure to the people of San Bruno. More than two years have passed since the tragedy. The evidence is all in, and the time has come to resolve these cases once and for all."

The CPUC's rules require that any stipulation the parties might agree to in the mediation process must be publicly filed with the CPUC, and considered by the CPUC's five Commissioners in public after an opportunity for public review and comment.

The CPUC previously ordered PG&E to fund all the costs of the San Bruno investigation from shareholders, and not to pass any of the costs along to ratepayers. The costs of Senator Mitchell's services will be paid in this same manner.

For more information on the CPUC, please visit www.cpuc.ca.gov.

###

EXHIBIT D

DRAFT AGENDA

CFEE Energy Conference: Transitioning to a Clean Energy Future

April 25-26, 2013
Silverado Conference Center, Napa, California

Thursday, April 25th—TBD

12:00 pm-1:00 pm – Buffet Lunch – TBD

1:00 pm-1:15 pm – Welcome and Introduction

**Patrick F. Mason,* President, CFEE

1:15 pm-1:30 pm—SESSION 1: California Energy 101
A short video will provide basic information regarding California's energy sector and the production and delivery of power in the state.

**Jan Smutny-Jones,* Executive Director, Independent Energy Producers

1:30 pm-2:30 pm—SESSION 2: The Cornerstone of California's Energy Policy – The Loading Order
Since the energy crisis, state policy has been that the overarching goal is for California's energy to be reliable, affordable, technologically advanced, and environmentally-sound. The loading order, first adopted in the 2003 Energy Action Plan, describes the priority sequence for actions to address future energy needs. The loading order identifies energy efficiency and demand response as the State's preferred means of meeting growing energy needs. After cost-effective efficiency and demand response, we rely on renewable sources of power and distributed generation, such as combined heat and power applications. To the extent efficiency, demand response, renewable resources, and distributed generation are unable to satisfy increasing energy and capacity needs, we support clean and efficient fossil-fired generation. Concurrently, the bulk electricity transmission grid and distribution facility infrastructure must be improved to support growing demand centers and the interconnection of new generation, both on the utility and customer side of the meter. Energy procurement over the last decade has been guided by these principles. How was the loading order established and why has it endured for over a decade? Is it still effective policy?

During the sessions to follow, we will examine the detailed policies that evolved from the loading order, the related goals, status towards achieving those goals, and next steps. We will also consider how these key policies line up with California's climate change policies.

Mike Peevey, President, California Public Utilities Commission *(5-7 min)*
**Bob Weisenmiller,* Chair, California Energy Commission *(5-7 min)*

Roundtable Discussion

2:30 pm-2:45 pm – Break

*presenter confirmed

2:45 pm – 4:00 pm—SESSION 3: Pushing the Envelope on Energy Efficiency and Demand Response
What are our energy efficiency goals in terms of state and local energy policies, and climate change goals? What is the current policy on demand response? What has been achieved and what is our current status? How can we capture 100% of cost-effective energy efficiency? What are the challenges? What are the costs and benefits involved? What are the next steps?

Andrew McAllister, Chair, California Energy Commission
Jeanne Clinton, Special Advisor to the California Public Utilities Commission

Responders:
Rep, IOU
Rep, MUNI
**Sheryl Carter,* Co-Director Energy Program, Natural Resources Defense Council
Rep, Industry

Roundtable Discussion

4:00 pm - 5:30 pm—SESSION 4: Renewable Resources and Distributed Generation
What are our renewable goals in terms of state and local energy policies, and climate change policy? The state has a goal to procure 33% of the state's generation from renewable resources, and reportedly the utilities have executed sufficient power purchase agreements to exceed this goal. What is the current status towards achieving these goals? What are the challenges (e.g. How will the influx of renewable and DG energy impact the transmission and distribution system? Can we expect all of these contracts to deliver?) Are there examples from outside the state that can inform our response? How does the Distributed Generation policy goal fit with other state policies, e.g. electrification and energy storage policies? What are the costs and benefits involved? What are the next steps?

Michael Picker, Sr. Advisor to the Governor for Renewable Energy Facilities, Office of the Governor

Responders:
Rep, Pacific Gas & Electric
Rep, MUNI
Rep, Enviro
Rep, Industry
Rep, CAISO

Roundtable Discussion

6:00 pm – Reception and Dinner—TBD

Friday, April 26th—TBD

7:30 am - 8:30 am – Continental Breakfast – TBD

8:30 am - 10:00 am—SESSION 5: Role of Clean and Efficient Fossil Fuel Generation
Integrating renewables into the system puts a new focus on the role and attributes of fossil fuel resources. What are the challenges and what is the strategy for long term procurement? What

*presenter confirmed

are the costs and benefits involved? As once-thru-cooling plants retire and the future of SONGS is uncertain, how have state policies evolved and what does the future hold?

Stephen Berberich, President & CEO, California Independent System Operator
**Mike Florio*, Commissioner, California Public Utilities Commission
John Chillemi, Senior Vice President and President, West Region, NRG
Rep, Southern California Edison

Roundtable Discussion

10:00 am - 10:15 am – Break

10:15 am - 11:45 am—SESSION 6: Planning for an Evolving Electricity Industry Structure
How do we accommodate and integrate this evolving structure both in long-term planning and procurement, but also in business/regulatory models or structures? This includes increasing levels of energy efficiency and demand response; a smarter grid, new types of electric services enabled by them; electric vehicles; intermittent renewables and flexible fossil resources; rate design issues, etc. Are we too insular in our approach to meeting our future energy needs in a carbon constrained economy? For example, meeting existing 2020-2050 greenhouse gas goals require electrification of the transportation sector—do our policies and structures recognize this new reality?

John DiStasio, General Manager and CEO, Sacramento Municipal Utilities District
Joe Ronan, Senior VP, Government and Regulatory Affairs, Calpine Corporation
Rep,

Roundtable Discussion

11:45 am - 1:00 pm—SESSION 7: Aligning Energy and Climate Policies
What has been the impact of AB 32 on California's electricity sector in terms of both the implementation of Scoping Plan measures, and the cap-and-trade program? What results and trends are apparent from recent auctions and how might the revenue be used to further the goals of the state? What transformative changes are needed to meet 2050 climate change goals?

Mary Nichols, Chairman, Air Resources Board
Rep, Electricity producer
Rep, Manufacturer (EITE)
Rep, Manufacturer (non-EITE)
Rep, Enviro

Roundtable Discussion

1:00 pm – Adjourn

@ 2.9.13

*presenter confirmed

DRAFT AGENDA

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Andrew McAllister, Chair, California Energy Commission
Jeanne Clinton, Special Advisor to the California Public Utilities Commission

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Michael Picker, Sr. Advisor to the Governor for Renewable Energy Facilities, Office of the Governor

Responders:
Rep, Pacific Gas & Electric
Rep, MUNI
Rep, Enviro
Rep, Industry
Rep, CAISO

Roundtable Discussion

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**Mike Florio*, Commissioner, California Public Utilities Commission
John Chillemi, Senior Vice President and President, West Region, NRG
Rep, Southern California Edison

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Rep,

Roundtable Discussion

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Mary Nichols, Chairman, Air Resources Board
Rep, Electricity producer
Rep, Manufacturer (EITE)
Rep, Manufacturer (non-EITE)
Rep, Enviro

Roundtable Discussion

1:00 pm – Adjourn

@ 2.9.13

*presenter confirmed

EXHIBIT E

CAPITOL OFFICE
STATE CAPITOL, ROOM 5064
SACRAMENTO, CA 95814
TEL (916) 651-4013
FAX (916) 324-0283
WWW.SENATE.CA.GOV/HILL
SENATOR.HILL@SENATE.CA.GOV

California State Senate

SENATOR
JERRY HILL
THIRTEENTH SENATE DISTRICT
DEMOCRATIC CAUCUS CHAIR

COMMITTEES
BANKING & FINANCIAL INSTITUTIONS
CHAIR
APPROPRIATIONS
BUDGET & FISCAL REVIEW
BUDGET SUBCOMMITTEE #4
STATE ADMINISTRATION & GENERAL GOVERNMENT
BUSINESS, PROFESSIONS & ECONOMIC DEVELOPMENT
ENERGY, UTILITIES & COMMUNICATIONS
LABOR & INDUSTRIAL RELATIONS

April 18, 2013

Michael Peevey
President, California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

RE: Request to participate in April 25, 2013 Senate Budget and Fiscal Review Subcommittee Hearing

Dear President Peevey:

I'm writing to request your presence at next week's Senate Budget and Fiscal Review Subcommittee hearing, chaired by Senator Jim Beall, at which time the California Public Utilities Commission (CPUC) will be questioned about various fiscal, accountability and safety issues.

In light of the CPUC "Safety Culture" document that was made public this week and exposes serious problems within your Commission, I think it's appropriate for you to answer questions about the agency you've overseen for the last ten years. Here are a few examples of CPUC employee quotes from the report that warrant your participation in next week's hearing:

- "For years, the Commissioners did not want to levy fines for safety violations. The culture was: we will work with the utilities without using the stick…A decade of no fines."
- "Safety staff did not feel empowered to suggest large fines because the Commissioners would not approve them."
- Commissioners need more political backbone to fine or punish utilities."
- "When Commissioners vote, they don't support safety, so there's no incentive for the utilities to be safer. If they knew they were 100% liable for safety problems, they'd take it more seriously. If the commission lets them put the burden on ratepayers, rather than shareholders, there is no incentive for the utilities to change."

This isn't the first time an independent report has been highly critical of the CPUC's practices under your watch. The CPUC's Independent Review Panel report released in 2011 after the San Bruno gas pipeline explosion stated that the CPUC, "…must confront and change elements of their respective cultures to assure the citizens of California that public safety is the foremost priority."

The National Transportation Safety Board investigation of the San Bruno gas-pipeline explosion was highly critical of your oversight of PG&E during your term as CPUC President. The report stated, "The CPUC, as the regulator for pipeline safety within California, failed to uncover the pervasive and long-standing problems within PG&E." The report continues, "Consequently, this failure precluded the CPUC from taking any enforcement action against PG&E."

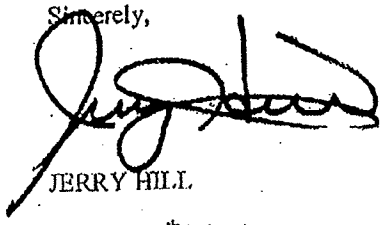
In January of 2012 another independent audit commissioned by the CPUC confirmed that PG&E collected more than a half-billion dollars from ratepayers in recent years for system improvements that never were made. Some of that money was spent instead on cash bonuses to PG&E's corporate executives. Had the money been invested as promised, it might have prevented the San Bruno gas pipeline explosion that killed eight people and destroyed 38 homes.

Earlier this year the Legislative Analyst's Office found "fiscal mismanagement" in the CPUC's budgeting process including failure to complete basic audits of utilities' special accounts raising the possibility that ratepayers have been routinely overcharged by utilities.

For all of the shortcomings under your leadership at the CPUC over the last ten years as documented by independent reports, it's critical that you testify before the Senate Budget and Fiscal Review Subcommittee hearing next week to justify your continued appointment as president of the California Public Utilities Commission.

I look forward to seeing you next week. Thank you for your consideration of this request.

Sincerely,



JERRY HILL

Senator, 13th District

EXHIBIT 2

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Britt K. Strottman
Attorney at Law
Direct Dial: (510) 808-2083
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meyers | nave

November 19, 2013

Via E-mail and U.S. Mail

Mr. Fred Harris
Legal Division, Public Records Office
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102

Re: Four Public Records Act Requests on behalf of the City of San Bruno Timeframe of 5/30/13-9/4/13

Dear Mr. Harris:

The purpose of this letter is to provide the California Public Utilities Commission (CPUC) one final opportunity to comply with the California Public Records Act (CPRA) and produce documents about the public's business. A complete accounting of the City of San Bruno's (San Bruno) CPRA requests and the CPUC's response to San Bruno requests (or lack thereof) is attached hereto as Exhibit A.

In brief, San Bruno has submitted four separate requests, dating from May 30, 2013 to September 4, 2013, requesting a total of sixteen categories of documents concerning the conduct of the public's business before the CPUC by Commissioners, the Consumer Protection and Safety Division (CPSD),[1] and Pacific Gas and Electric Company (PG&E) in the wake of the September 9, 2010 explosion of PG&E Line 132 in San Bruno. To date, the CPUC has failed to provide documents that are responsive to San Bruno's requests and in some cases, completely failed to even respond to San Bruno's requests in violation of the 10 day requirement.[2]

Like the CPUC, San Bruno is a public agency subject to CPRA requirements. While San Bruno takes its obligation to conduct the public's business in public seriously, including the core premise that "access to information concerning the conduct of the people's business is a *fundamental and necessary right* of every person in this state,"[3] it is abundantly clear from the CPUC's response to San Bruno's CPRA requests (or lack thereof as the case may be), that the CPUC has elected to play by a different set of rules. Rather than satisfy its

[1] See Exhibit A.
[2] Cal. Govt. Code § 6253(c).
[3] Cal. Govt. Code § 6250 (emphasis added); *See also, Haynie v. Superior Court,* (2001) 26 Cal. 4th 1061, 1064.

EXHIBIT 2

obligations under the CPRA, the CPUC has evaded production of responsive documents that fall squarely within the purview of San Bruno's requests by:

1. Improperly withholding production of responsive documents based on an interpretation of the deliberative process privilege that is unsupported by the law[4]; and

2. Failing to provide any response whatsoever to San Bruno's CPRA requests in clear violation of the CPRA requirement that agencies, including the CPUC, promptly notify requestors of agency determinations and reasons therefore within ten (10) days of the agency's receipt of the request.[5]

The documents San Bruno requested under the CPRA evidence the willingness on the part of CPUC staff to improperly tamper with the adjudicatory process in the Line 132 Proceedings. In particular, San Bruno requested and was denied access to the following documents:

- Email document dated sometime between May 2013 to June 3, 2013 from Paul Clanon, Executive Director of the CPUC, to Administrative Law Judges Amy Yip-Kikugawa and Mark Wetzell regarding CPSD's motion to strike filed on May 29, 2013 in the OIIs

- Email document dated sometime between May 2013 to June 3, 2013 from Administrative Law Judge Mark Wetzell to Paul Clanon in response to Paul Clanon's correspondence to Administrative Law Judge Mark Wetzell and Administrative Law Judge Amy Yip-Kikugawa regarding CPSD's motion to strike in the OIIs.

- Any subsequent emails from May 2013 to the present regarding Paul Clanon's correspondence to Administrative Law Judge Mark Wetzell and Administrative Law Judge Amy Yip-Kikugawa regarding CPSD's motion to strike in investigations in the OIIs.

The CPUC cannot hide behind the deliberative process privilege when the requested documents themselves would show that Mr. Clanon violated the CPUC rules prohibiting ex parte communications with the administrative law judges. Under your theory of the privilege, parties to these proceedings and CPUC staff could engage in all types of illegal ex parte communications to improperly influence the objectivity of the judges, and then refuse to produce the documents that would establish the violation of the CPUC's own rules.

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[4] The deliberative process privilege only permits a public official to withhold information submitted to him or her in confidence, until and unless the information has been expressly relied upon in the making of a decision *and* if the public interest in secrecy outweighs the public interest in disclosure. Cal. Evid. Code § 1040; *San Gabriel Valley Tribune v. Sup. Ct.*, 143 Cal.App.3d 762, 776 (1983).

[5] Cal. Govt. Code § 6253(c).

San Bruno's CPRA request also covers documents that indicate that the CPUC has failed to prosecute utilities for self-reported citations as required by Resolution ALJ-274. San Bruno specifically requested:

- Citations CPSD Director Jack Hagan has issued against gas utilities since his tenure at the Commission.
- Proposed citations that have been submitted, but are outstanding for final approval, by CPSD Director Jack Hagan.
- Any citations investigated or issued under Resolution ALJ-274 by the CPSD against natural gas utilities from December 7, 2011 until the present.

It is possible (and indeed likely) that the information San Bruno has requested under the CPRA will further embarrass the CPUC. However, the California Supreme Court has determined, "...all public records are subject to disclosure unless the Legislature has expressly provided to the contrary."[6] Unfortunately for the CPUC, there is no express exception to the CPRA for documents that have the potential to embarrass the agency.

Over the course of the CPUC's investigations into PG&E practices leading up to and during the explosion of PG&E's Line 132 on September 9, 2010,[7] the CPUC has:

- Been mired in controversy over its failure to provide leadership on safety matters;[8]
- Faced criticism for its lax oversight over PG&E operations;[9]
- Violated the CPUC's own strict rules against *ex parte* communications during adjudicatory proceedings;
- Exhibited signs of extreme disarray following the resignation of and subsequent reassignment of CPUC lawyers to and from the Line 132 Proceeding;[10] and
- Maintained its cozy relationship with PG&E.[11]

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[6] *Williams v. Superior Court,* (1993) 5 Cal. 4th 337.
[7] I.11-02-019 (the "Recordkeeping OII"); I.11-11-009 (the "HCA OII") and I.12-01-007 (the "Root Cause OII") (collectively, the "Line 132 Proceedings").
[8] http://www.sfgate.com/file/504/504-Safety%20Culture%20Change%20Project%20Report.pdf.
[9] http://www.ntsb.gov/doclib/reports/2011/PAR1101.pdf, page 122.
[10] http://www.sfchronicle.com/bayarea/article/PUC-s-gun-toting-enforcer-denies-threats-to-4622472.php.
[11] http://www.cnn.com/2011/US/08/30/california.pipeline.explosion/index.html.
http://www.sfgate.com/bayarea/article/PUC-chief-promises-stricter-oversight-of-pipelines-2334904.php.

San Bruno strongly urges the CPUC to release documents responsive to the City's request by close of business, November 21, 2013. It is San Bruno's strong preference to avoid the need to pursue further action to enforce its rights under the CPRA. Thank you in advance for your prompt attention to this important matter and timely cooperation with San Bruno's request.

Sincerely,

Britt K. Strottman

Britt K. Strottman
Special Counsel, City of San Bruno
Meyers Nave
(510) 808-2000
bstrottman@meyersnave.com

Enclosures: EXHIBIT A – Summary of San Bruno CPRA Requests and CPUC Responses

c: Connie Jackson, City Manager, San Bruno (via E-mail)
San Bruno City Council
Marc Zafferano, City Attorney, San Bruno (via E-mail)
Steven Meyers, Special Counsel
California State Senator Jerry Hill (via E-mail)
California Assemblymember Kevin Mullin (via E-mail)
Paul Clanon, Executive Director, CPUC (via E-mail)

EXHIBIT A

Summary of San Bruno CPRA Requests and CPUC Responses

Please see the below outline of the CPUC's Public Records Act violations and San Bruno's Public Records Act requests.

Summary of San Bruno Requests to the CPUC and Response by the CPUC

1. **First request to the CPUC:**

   A. San Bruno PRA Request Dated 5/30/13:

   - Documents between financial institutions and professionals and the CPUC regarding the fine and penalties in the OIIs;
   - Documents relating to Commissioner Peevey documents and discussions regarding the fine and penalties in the OIIs;
   - Documents relating to the CPUC-PG&E "Forging a New Vision of Safety in California" Symposium scheduled for May 7-8, 2013;
   - Documents relating to the appointment of Senator George Mitchell as mediator in October 2012;
   - Documents relating to the CPUC's ongoing investigations in I.12-01-007, I.11-02-016, and I.11-11-009, including the discussion of fines, penalties, and/or remedies in the OIIs;
   - California Foundation on the Environment and the Economy Conference on April 25-26 and dinner on April 25, 2013 in Napa Valley, CA; and
   - Senate Budget and Fiscal Review subcommittee hearing on April 25, 2013.

   B. CPUC Response:

   - Received letter dated 6/19/13[12] from Fred Harris. Mr. Harris gives San Bruno an "estimate" that San Bruno will be able to review and collect the documents responsive to San Bruno's request by 6/27/13.

[12] Missed 10 day deadline under Government Code Section 6253(C).

- San Bruno received a handful of documents from Fred Harris relating to the CPUC Safety Symposium on 6/28/13.
- It has been almost six months and San Bruno has not received the requested documents.

2. **Second request to the CPUC:**

A. San Bruno's PRA Request Dated 6/18/13 and 6/19/13:

- Email document dated sometime between May 2013 to June 3, 2013 from Paul Clanon, Executive Director of the CPUC, to Administrative Law Judges Amy Yip-Kikugawa and Mark Wetzell regarding CPSD's motion to strike filed on May 29, 2013 in the OIIs.
- Email document dated sometime between May 2013 to June 3, 2013 from Administrative Law Judge Mark Wetzell to Paul Clanon in response to Paul Clanon's correspondence to Administrative Law Judge Mark Wetzell and Administrative Law Judge Amy Yip-Kikugawa regarding CPSD's motion to strike in the OIIs.
- Any subsequent emails from May 2013 to the present regarding Paul Clanon's correspondence to Administrative Law Judge Mark Wetzell and Administrative Law Judge Amy Yip-Kikugawa regarding CPSD's motion to strike in investigations in the OIIs.

B. CPUC Response:

- Letter from Harris dated 7/1/13 denying San Bruno's request based on the deliberative process privilege.

C. San Bruno Response to CPUC's Response:

- Drafted letter on 7/23/13 arguing against the defense of the deliberative process privilege.
- No response back from the CPUC.

2. **Third request to the CPUC:**

A. San Bruno's Verbal PRA Request Dated 8/13/13:

- Verbal request dated 8/13/13 asking for documents (including investigation reports) between Pacific Gas and Electric Company (PG&E) and CPSD relating to the 2-inch diameter PG&E gas distribution pipeline rupture in the Crestmoor neighborhood of San Bruno, CA by Shaw Construction on August 2, 2012.

- Documents (including investigation reports) between PG&E and CPSD relating to the puncture of a 4-inch diameter PG&E gas pipeline on Burlingame Ave in Burlingame, CA by JMB Construction on August 8, 2013.

- Documents (including investigation reports) between PG&E and CPSD relating to any hits, ruptures, puncture, or line breaks of PG&E natural gas transmission or gas distribution lines in San Mateo County, whether caused by a third party contractor, from August 1, 2010 to the present.

B. CPUC Response:

- Letter dated 8/22/13 attaching the Commission's report regarding the August 2, 2012 incident in San Bruno. Mr. Harris didn't provide the report for the incident in Burlingame because the Commission "has not yet completed its investigation of the August 8, 2013 incident." Mr. Harris added that "Once the Commission's investigation of this incident, and incident report, are complete, I will provide the Commission's report to you."

2. **Fourth Request to the CPUC:**

A. San Bruno's PRA Request Dated 9/4/13:

- Citations CPSD Director Jack Hagan has issued against gas utilities since his tenure at the Commission.

- Proposed citations that have been submitted, but are outstanding for final approval, by CPSD Director Jack Hagan.

- Any citations investigated or issued under Resolution ALJ-274 by the CPSD against natural gas utilities from December 7, 2011 until the present.

B. CPUC Response:

- No response.[13]

[13] Missed 10 day deadline under Government Code § 6253(c).

EXHIBIT 3

RELEASE AND SETTLEMENT AGREEMENT

This Release and Settlement Agreement ("Agreement") is entered into as of the 24th day of July, 2014, by and among the CITY OF SAN BRUNO ("CITY"), on the one hand, and the CALIFORNIA PUBLIC UTILITIES COMMISSION ("CPUC"), on the other hand. Each of the Parties may be referred to individually as "PARTY" or are sometimes collectively referred to as the "PARTIES."

RECITALS

1. On or about February 3, 2014, the CITY filed a Complaint and Petition for Writ of Mandate ("COMPLAINT") in San Francisco County Superior Court bearing case number CGC-14-537139 ("ACTION"). In this ACTION, the CITY alleges three causes of action seeking disclosure of public records pursuant to the California Public Records Act, Government Code §6250 *et seq.* and the CITY's Public Records Act requests to the CPUC dated May 30, 2013, June 17 and 18, 2013, August 13, 2013, September 4, 2013, and January 10, 2014, respectively (collectively "PRA REQUESTS"). The CITY's COMPLAINT also contains a cause of action seeking a declaration that General Order 66-C of the CPUC is unconstitutional and a cause of action for attorney fees' pursuant to the Public Records Act.

2. On or about March 5, 2014, the CPUC filed a Demurrer to the CITY's COMPLAINT, which it asserted that the Superior Court lacked subject matter jurisdiction over this ACTION pursuant to Public Utilities Code §1759. Moreover, the CPUC denies and disputes all of the CITY's claims and allegations and denies all liability to the CITY.

3. On June 28, 2013, the CPUC produced public records responsive to the CITY's May 30, 2013 PRA Request. On August 22, 2013, the CPUC produced public records responsive to the CITY's August 13, 2013 PRA Request. On December 6, 2013, the CPUC produced public records responsive to the CITY's September 4, 2013 PRA Request. On January 22, 2014, the CPUC produced public records responsive to the CITY's January 10, 2014 PRA Requests. After the City filed an ACTION, on March 7, 2014, CPUC produced documents, responsive to CITY's May 30, 2013 and September 4, 2013 PRA Requests. On May 5, 2014, CPUC produced documents responsive to CITY's May 30, 2013 PRA Request. On June 4, 2014, CPUC produced documents responsive to CITY's May 30, 2013 PRA Request. In order to avoid the expense, uncertainty and inconvenience of further litigation, the PARTIES now desire to fully settle all claims asserted in, as well as all issues that were raised or could have been raised, in the ACTION on the terms set forth in this Agreement.

EXHIBIT 3

4. It is understood that this settlement and the execution of this Agreement by the PARTIES is **not** an admission of any liability whatsoever for any wrongdoing with respect to each other, but is in compromise of a disputed claim.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated into this Agreement as terms thereof, the mutual covenants and agreements and the terms and conditions set forth herein and other valuable consideration, the CITY and the CPUC agree as follows:

1. Consideration

A. In fulfillment of the CPUC's obligation to disclose records with respect to the following requested document categories, the CITY agrees to accept and the CPUC agrees to produce, to the extent not already produced, the following records:

1. For Meetings with Financial Institutions and Professionals regarding the subject matter of the PG&E/San Bruno OIIs from the May 30, 2013 PRA Request: Calendar entries from the calendars of Commissioners Peevey, Florio, Sandoval, Peterman and Ferron and from Paul Clanon regarding meetings with market analyst covering the energy market sector; and Email communications discussing or arranging meetings between Commissioners and/or Paul Clanon and with market analyst covering the energy market sector;

2. For Commissioner Peevey Documents regarding the subject matter of the PG&E/San Bruno OIIs from the May 30, 2013 PRA Request: Email communications related to the subject matter of the PG&E/San Bruno OIIs between Commissioner Peevey and any employee of Pacific Gas & Electric;

3. For Meetings Between Commission-CPUC Employees and PG&E Employees regarding the subject matter of the PG&E/San Bruno OIIs from the May 30, 2013 PRA Request: Email communications related to the subject matter of the PG&E/San Bruno OIIs between Commissioner Peevey and any employee of Pacific Gas & Electric; and Email communications related to the subject matter of the PG&E/San Bruno OIIs between Paul Clanon and any employee of Pacific Gas & Electric;

4. For CPUC-PG&E Safety Symposium Related Documents from the May 30, 2013 PRA Request: Email communications related to the

planning, payment and implementation of the Safety Symposium by and amongst CPUC employees and between CPUC employees and PG&E employees;

5. For Specific Mitchell Appointment Related Documents from the May 30, 2013 PRA Request: Email communications to and from the press and CPUC employees regarding the Mitchell Appointment;

6. For Internal Commission Discussions Re: California Foundation on the Environment and the Economy Conference on April 25-26, 2013 and dinner from the May 30, 2013 PRA Request: Email communications regarding the CFEE Conference and dinner on April 25-26, 2013 by and amongst Commissioners and CPUC employees;

7. For Internal Commission Discussions Re: the Senate Budget and Fiscal subcommittee hearing on April 25, 2013 from the May 30, 2013 PRA Request: Non-exempt email communications regarding the Senate Budget and Fiscal subcommittee hearing on April 25, 2013 by and amongst CPUC employees;

8. For the Incident Report for the August 8, 2013 gas line incident in Burlingame, California from the August 13, 2013 PRA Request: the final report for the gas pipe incident on August 8, 2013 in Burlingame, once the investigation into this incident is completed and the report is finalized;

9. For documents related to gas line incidents in San Mateo County from August 1, 2010 to August 13, 2013, allegedly from the August 13, 2013 PRA Request: a spreadsheet identifying all such gas incidents and any incident reports for those identified incidents that have been completed and finalized as of the date of execution of this Agreement;

10. For citations issued by the PUC's SED director Jack Hagan during his tenure from the September 4, 2013 PRA Request: copies of each citation and the enclosures attached thereto, as well as any related public records that are posted on the CPUC's website; and

11. For citations investigated or issued under Resolution ALJ-274 by the SED against natural gas utilities from December 7, 2011 to the present from the September 4, 2013 PRA Request: copies of each citation and the enclosures attached thereto, as well as any related public records that are posted on the CPUC's website.

To the extent these documents have not been produced to date, the CPUC shall produce all documents set forth above prior to the execution of this Agreement. However, if at that time, the investigation into the August 8, 2013 gas line incident in Burlingame is not complete and the report is not finalized, the CPUC shall produce the report within 14 days of completion of final report.

B. With the exception for those documents specifically listed above in Paragraph 1.A, the CITY waives its claims seeking disclosure, or further disclosure, of records responsive to each of its PRA REQUESTS.

C. Prior to the execution of this Agreement, CPUC agrees to serve on the CITY a declaration(s), to be signed under penalty of perjury, from the person(s) with personal knowledge of the CPUC's search for responsive documents. The declaration(s) shall cover the scope of the CPUC's search for: (1) the documents listed above in paragraph 1.A.1-11; and (2) documents responsive to those requested document categories for which the CPUC produced all existing non-exempt records prior to the litigation. The declaration shall state the manner in which the search was conducted so as to ascertain that a reasonable and diligent attempt was made to locate and retrieve all responsive writings, and that the writings produced are complete, accurate, and responsive. For required document categories, the declaration shall specify whether any responsive documents were withheld based on privilege, the number of documents withheld, and the basis for said privilege(s) asserted.

D. CPUC agrees it will update its webpage, to provide the public with information about the process to request and obtain the California Public Utilities Commission's public records. The updated webpage will facilitate public access to the various public records already disclosed and posted on the CPUC's website, as well as inform the public of the process to obtain public records from the CPUC and of the public's rights under the Public Records Act. (Gov. Code § 6250 et seq.) CPUC's updated webpage shall be in effect and available to the public on CPUC's website (www.cpuc.gov) by November 1, 2014.

1. Specifically, CPUC agrees to make the following changes to its webpage with respect to public records:

(a) Provide an icon, tab or easily identifiable link on the home page linking users to the Public Records web page;

(b) Provide a description or list of the types of public records already available on the CPUC's website and links to this information;

(c) Explain that if the documents the user is looking for are not available online, they can make a public records request;

(d) Provide a Frequently Asked Questions Section regarding the Public Records Act and requesting public records from the CPUC similar to the State Lands Commission webpage.

2. CPUC agrees that its Executive Director, Paul Clanon, shall send an agency-wide email to all CPUC's personnel, informing the agency of the updated public records webpage, CPUC's commitment to providing the general public with access to documents relating to the people's business, and the internal protocol for promptly responding to public records requests in compliance with the Public Records Act by November 1, 2014. CPUC agrees to produce a draft of the Executive Director's email to CITY within a reasonable amount of time prior to its sending for the CITY's review. The purpose of the CITY's review is limited to verify that the email comports to the spirit and intent of the Public Records Act.

E. CPUC agrees that by December 31, 2014, CPUC's staff will place on the agenda of a Commission meeting a proposed order initiating a rulemaking proceeding amending General Order 66-C.

1. If the Commission decides to initiate such a proceeding, the proceeding will be conducted in accordance with the procedures, timelines and requirements set forth in the CPUC's Rules of Practice and Procedure and Public Utilities Code section 1701 *et seq.*, the statutes governing hearings before the Commission and rehearing and judicial review of Commission decisions and orders.

2. As a member of the public, the CITY has the ability to request party status in any rulemaking proceeding as set forth in CPUC's Rules of Practice and Procedure. CPUC agrees it will not object to the CITY's participation as an intervenor in said rulemaking proceedings.

F. Within 5 days of execution of this Agreement by both PARTIES, the CITY shall file a Request for Dismissal with prejudice of all claims asserted in its COMPLAINT (CGC-14-537139), each party to bear their own costs and fees. The CITY agrees to provide notice to the CPUC upon receipt of the Court's executed dismissal of the CITY's lawsuit.

G. In exchange for the consideration set forth above in Paragraphs 1.A through 1.F inclusive, the CITY agrees to the terms of the release and covenant not to sue set forth below.

2. Release Except for the executory obligations hereunder, the CITY, on behalf of itself, as well as its City Council, members of its City Council, employees, officers, agents, attorneys, affiliates, consultants, successors, assigns and all other representatives of the CITY ("RELEASING PARTIES"), hereby unconditionally, irrevocably and absolutely releases and discharges the CPUC as well as any other present or former, members of the California Public Utilities Commission, employees, officers, agents, attorneys, affiliates, successors, assigns and all other representatives of the CPUC (collectively, "RELEASED PARTIES"), from any and all causes of action, judgments, liens, indebtedness, damages, losses, claims (including attorneys' fees and costs), liabilities and demands of whatsoever kind and character that the RELEASING PARTIES may now or hereafter have against the RELEASED PARTIES arising prior to the Effective Date of this Agreement which relate to or arise from: (1) the allegations contained in the ACTION; and (2) claims that should have been alleged in the ACTION ("RELEASED MATTERS"). To the extent permitted by law, this release is intended to be interpreted broadly to apply to any and all claims, losses, liabilities, charges, demands and causes of action, known or unknown, suspected or unsuspected, liquidated or unliquidated, related to the CITY's PRA REQUESTS, the CPUC's compliance with the Public Records Act in response to the CITY's PRA REQUESTS, the CPUC's General Order 66-C and/or any other matter relating to or arising from the allegations contained in the ACTION. Nothing in this Agreement, including the release and covenant not to sue provisions, however, precludes the CITY from making any arguments in a rulemaking proceeding to amend General Order 66-C or in any subsequent appeals of any orders arising out of such rulemaking proceeding. Nothing in this Agreement, including the release and covenant not to sue provisions, precludes the CITY from requesting the CPUC to provide public records in the future, subsequent to the execution of this Agreement. This Agreement expressly does not apply to any claims relating to or arising from future requests under the Public Records Act subsequent to the execution of this Agreement. Nothing in this Agreement, including the release and covenant not to sue provisions, precludes the City from any action at law, equity, or before the Commission that pertains to the content and substance of the public records released pursuant to the City's Public Records Act requests.

A. Waiver of Civil Code Section 1542. THE CITY SPECIFICALLY WAIVES ANY RIGHT THAT IT HAS UNDER SECTION 1542 OF THE CALIFORNIA CIVIL CODE AS TO UNKNOWN OR UNSUSPECTED CLAIMS ARISING OUT OF THE ALLEGATIONS OF THE ACTION AND ITS PRA REQUESTS, AND ACKNOWLEDGES THAT IT HAS READ AND UNDERSTOOD THE FOLLOWING STATUTORY LANGUAGE OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

THE CITY UNDERSTANDS AND ACKNOWLEDGES THE SIGNIFICANCE AND CONSEQUENCES OF SUCH SPECIFIC WAIVER OF SECTION 1542 OF CALIFORNIA CIVIL CODE AND HEREBY ASSUME FULL RESPONSIBILITY FOR ITS OWN INJURIES, DAMAGES, LOSSES OR LIABILITY THAT MAY HEREAFTER OCCUR.

3. Covenant Not to Sue. Except for proceedings to enforce the terms of this Agreement, the CITY covenants and agrees that at no time subsequent to the date of its execution of this Agreement will it file or maintain or cause or knowingly permit the filing or maintenance of, in any state, federal or foreign court, or before any local, state, federal or foreign administrative agency, or any other tribunal, any charge, claim, or action of any kind, nature or character whatsoever, known or unknown, which it may now have, or have ever had, or which it may later discover, against any RELEASED PARTY, which is based in whole or in part on any act, omission or event relating to a RELEASED MATTER. The PARTIES agree that this Agreement shall constitute a full and complete defense to, and may be used as a basis for a permanent injunction against, any action, suit, or other proceeding which may be instituted, prosecuted, or attempted by the CITY in breach of the Release and Covenant Not to Sue provisions of this Agreement. Any damages suffered by any RELEASED PARTY by reason of any breach of the provisions of the Release and Covenant Not to Sue provisions of this Agreement shall include attorneys' fees and costs reasonably incurred in instituting, prosecuting or defending any action, grievance, or proceeding resulting from said breach of the Release and Covenant Not to Sue provisions of this Agreement.

4. No Admission of Liability. This Agreement embodies a compromise of disputed issues and is made in good faith. The PARTIES understand that no PARTY hereto admits to any wrongdoing or liability in connection with the matters herein referred to. The PARTIES acknowledge that the purpose of this Agreement is to avoid the expense and delay of protracted litigation and the expenses associated therewith. This Agreement is the result of a compromise of disputed claims. In executing the Agreement, no party to this Agreement shall be deemed to have admitted any fault or liability in connection with any matter or thing. The compromise embodied in this Agreement is not an admission of any fault, liability, or culpability by any PARTY.

5. Waiver of Costs and Attorneys Fees. Each of the PARTIES hereto agrees to bear its own attorney fees and costs incurred in connection with the matters covered by this

Agreement, the negotiation and preparation of this Agreement and the resolution of the matters referred to herein.

6. Authority to Execute Agreement. Each PARTY represents and warrants that it has full power and authority to enter into and perform this Agreement and that the person executing this Agreement on behalf of that PARTY has been properly authorized and empowered to enter into this Agreement and bind that PARTY hereto. The PARTIES acknowledge that this Agreement must be approved by the CITY's City Council and the Commission of the CPUC, and that until it is approved by these respective governing bodies, it is not binding on the PARTIES. If this Agreement is rejected by either the City Council or the Commission, it is null and void.

7. Enforcement of Agreement. This Agreement shall be interpreted and enforced in accordance with the laws of the State of California. In any action to enforce this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs incurred therein.

8. Notice of Default and Right to Cure. As a condition precedent to presenting a claim and/or filing an action to enforce this Agreement, the PARTY seeking to enforce the Agreement must give thirty-five (35) days written notice of any alleged breach to the PARTY allegedly in breach of this Agreement. The allegedly breaching PARTY will then have thirty-five (35) days to cure the alleged breach. The PARTIES may extend this cure period by mutual written agreement. If the alleged breaching PARTY remains in default beyond the cure period, the other PARTY may then avail itself of any available remedies in law or equity.

Such written notice will be given by first class certified or registered mail, return receipt requested, or by a nationally recognized overnight courier, postage prepaid, to be effective when properly sent and received, refused or returned undelivered. Notices will be addressed to the parties as follows:

To the CITY:
City Attorney
City of San Bruno
567 El Camino Real
San Bruno, CA 94066

To the CPUC:
Executive Director
California Public Utilities Commission
505 Van Ness Ave.
San Francisco, CA 94102

and

General Counsel
California Public Utilities Commission
505 Van Ness Ave.
San Francisco, CA 94102

9. Public Statements and Press Releases: At no time prior to 1 p.m. on Friday, July 25, 2014 shall either Party make any public statement or issue any press release regarding this Action, the resolution of this Action or the terms of this Agreement. The terms of this paragraph apply not only to the Parties themselves, but also to the Parties' respective elected or appointed officials, officers, employees, consultants and/or agents.

10. Representation by Counsel. Each of the PARTIES to this Agreement warrants that it has been represented by counsel of their choice throughout the negotiations that preceded the execution of this Agreement, and that it, through its representatives, has read this Agreement in its entirety, has had the opportunity to review this Agreement with counsel, is fully aware of and understands all of its terms and the legal consequences thereof and has not relied upon the representations or advice of any other PARTY or any attorney not its own. The PARTIES further respectively acknowledge that they have, through their respective counsel, mutually participated in the preparation of this Agreement and that no provision herein shall be construed against any party by virtue of the activities of that party.

11. No Oral Modification. No modification, waiver, or amendment to this Agreement shall be valid unless the same is in writing and executed by the PARTY against which the enforcement of such modification, waiver or amendment is or may be sought and approved by the CITY's City Council and the Commission of the CPUC.

12. Counterparts and Facsimile Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. A facsimile or electronic signature shall be deemed to be the equivalent of the actual original signature. All counterparts so executed shall constitute one Agreement binding all the PARTIES hereto.

13. No Assignment. The CITY represent that either (1) it is the sole and lawful owners of all right, title and interest in and to every claim and other matter which it purports to release in this Agreement, and represents and warrants that it has not assigned or transferred, or purported to assign or transfer, any such claim or other matter to any person or entity, or (2) that it has obtained the written consent of the assignee to enter into this Agreement, and such written consent is attached hereto. No PARTY hereto shall in the future transfer or assign in any manner to any entity or person any claim, cause of action or demand based upon or arising out of or in connection with this Agreement or the RELEASED MATTERS.

14. Severability. The PARTIES agree that should any provision of this Agreement, or any portion of any provision, be declared or determined by any court of competent jurisdiction to be illegal, invalid or unenforceable, the remainder of the provision and the Agreement shall nonetheless remain binding in effect, unless this would result in a substantial failure of consideration.

15. No Waiver of Terms. Except as may be provided expressly in writing by each PARTY to be charged, no action or want of action on the part of any PARTY hereto at any time to exercise any rights or remedies conferred upon it under this Agreement shall be, or shall be asserted to be, a waiver on the part of any such PARTY of any of its rights or remedies hereunder.

16. Other Documents. The PARTIES agree to cooperate reasonably, and in good faith in the implementation of this Agreement and to perform any further acts and execute and deliver any further documents that may reasonably be necessary to carry out the provisions of this Agreement.

17. Obligations Under Agreement Survive Releases. Notwithstanding any other provision in the Agreement to the contrary, the obligations arising under this Agreement are not affected by and shall survive the releases granted in this Agreement.

18. Successors in Interest. This Agreement is binding upon, and inures to the benefit of the PARTIES, their successors, agents, servants, employees, officers, attorneys and assigns.

19. Captions and Interpretation. Section titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend or describe the scope of this Agreement or any provision hereof. This Agreement is mutually drafted, and no provision in this Agreement is to be interpreted for or against either PARTY because that PARTY or its legal representative drafted such provision.

20. Number and Gender. Whenever required by the context hereof, the singular shall be deemed to include the plural and the plural shall be deemed to include the singular, and the masculine, feminine and neutral genders shall each be deemed to include the other.

21. Entire Agreement. There are no representations, warranties, agreements, arrangements, or undertakings, oral or written, between or among the PARTIES hereto relating to the subject matter of this Agreement which are not fully expressed herein. This Agreement shall be interpreted according to its own terms, as defined in this Agreement or otherwise according to their ordinary meaning without any parol evidence. This is an integrated Agreement.

22. Voluntary Agreement. Each of the PARTIES further represents and declares that it has carefully read this Agreement and knows its contents and that each PARTY signs the same freely and voluntarily.

23. Effective Date. The Effective Date of this Agreement shall be the date on which the last Party signs the Agreement.

CITY OF SAN BRUNO

Constance C Jackson

By: Constance C. Jackson
Its: City Manager
Date: July 23, 2014

CALIFORNIA PUBLIC UTILITIES COMMISSION

By: Karen V. Clopton
Its: Acting General Counsel
Date: 7/24/14

APPROVED AS TO FORM:

CITY OF SAN BRUNO

MARC ZAFFERANO
Attorneys for Petitioner and Plaintiff
CITY OF SAN BRUNO

STUBBS & LEONE

KATHERINE A. ALBERTS
Attorneys for Respondent and Defendant
CALIFORNIA PUBLIC UTILITIES COMMISSION

2297326.1

EXHIBIT 4

From: Cherry, Brian K
To: Michael R. Peevey (michael.peevey@cpuc.ca.gov)
Subject: FW: DJ, CCT, Bloomberg, PCN - PG&E Posts 4th-Quarter Loss, Sees 2013 as "Down Year"
Date: Thursday, February 21, 2013 5:10:01 PM

Bad day for us today.

From: owner-Newsflash-Real-Time@pge.com [mailto:owner-Newsflash-Real-Time@pge.com] **On Behalf Of** News Flash
Sent: Thursday, February 21, 2013 4:59 PM
To: Newsflash-Real-Time
Subject: DJ, CCT, Bloomberg, PCN - PG&E Posts 4th-Quarter Loss, Sees 2013 as 'Down Year'

Dow Jones Newswires, *Contra Costa Times*, *Bloomberg* and *Platts Commodity News* reported on PG&E's fourth-quarter 2012 earnings. PG&E Corp. Chairman, CEO and President Anthony Earley and PG&E Chief Financial Officer Kent Harvey were quoted. Chris Johns, PG&E President, was mentioned in the *Platts Commodity News* story.

PG&E Posts 4th-Quarter Loss, Sees 2013 as 'Down Year'

By Cassandra Sweet, Ben Fox Rubin
Dow Jones Newswires, February 21, 2013

-- PG&E posts quarterly loss amid costs tied to San Bruno pipeline explosion
-- PG&E forecasts 2013 earnings below those of 2012
-- Company expects to spend about $1 billion in 2013 that it can't charge to customers

PG&E Corp. (PCG) reported a fourth-quarter loss Thursday amid rising costs from the San Bruno pipeline explosion, which the company said would contribute to making 2013 a "down year."

The San Francisco utility said it expects 2013 adjusted earnings of $2.55 to $2.75 a share, down from 2012 earnings of $3.22 a share and missing analysts' estimates of $2.78 a share.

PG&E has continued to face expenses and liabilities stemming from the explosion of the utility's natural gas pipeline in San Bruno, Calif., in September 2010, in which eight people died, 58 people were injured and more than 100 homes were damaged or destroyed.

"We weren't able to resolve all of the San Bruno issues last year as we had hoped to do, but we have resolved many of them," **PG&E Chief Executive Anthony Earley** said Thursday during a conference call with analysts.

Shares of PG&E were recently trading down 4% at about $41.24.

Federal investigators blamed PG&E for the blast and concluded that pipeline defects that went unnoticed for decades caused the rupture. The investigators also found the utility's poor record-keeping and inadequate attention to pipeline safety were contributing factors.

State investigators have accused PG&E of violating numerous safety rules over several years and state regulators have vowed to make the company pay fines, that could be as much as $1 billion. In addition, more than 100 victims of the disaster have filed lawsuits against the company, with many of those lawsuits still pending.

CPCU001801
EXHIBIT 4

To date, PG&E has spent about $1.9 billion on costs related to San Bruno and the company's troubled pipeline system. PG&E said Thursday it plans to spend about $1 billion in 2013 on pipeline and other work that the company won't be able to charge to its customers this year.

Those costs and a decision by state regulators in December to cut PG&E's authorized rate of return on capital investments will contribute to lower expected profit in 2013, said **PG&E Chief Financial Officer Kent Harvey**.

"2013 is going to be a down year for us," **Mr. Harvey** said during a conference call with analysts.

PG&E has set aside $200 million to cover the pending fines, although company executives said they expect the fines to exceed that amount. The company has estimated that the lawsuits could cost up to $600 million. And the company faces hundreds of millions of dollars in other costs associated with beefing up its pipeline system over the next few years.

While the fines and lawsuits remained unresolved, California regulators in December ordered PG&E to pay a little less than half of an estimated $2.2 billion effort to improve the safety of the company's natural gas pipeline system, with the utility's customers paying the rest.

PG&E reported a fourth-quarter loss of $13 million, or three cents a share, compared with a year-earlier profit of $83 million, or 20 cents. The latest period includes pipeline-related costs, penalties, third-party claims, and insurance recoveries, as well as environmental costs associated with historic operations at the natural gas compressor station in Hinkley, Calif. Excluding these items, earnings from operations fell to 59 cents from 89 cents.

Analysts most recently forecast earnings of 59 cents a share.

PG&E Suffers Fourth-Quarter Loss, Weighed Down by Natural Gas and Environmental Expenses

By George Avalos
Contra Costa Times, February 21, 2013
http://www.mercurynews.com/business/ci_22637273/pg-e-suffers-fourth-quarter-loss-weighed-down

PG&E suffered a fourth-quarter loss, burdened by natural gas pipeline costs and penalties, as well as environmental expenses at a gas compressor station, in a report that caused the company's shares to plunge Thursday.

San Francisco-based PG&E lost $13 million during the October-December fourth quarter, compared to a year-ago profit of $83 million.

PG&E shares fell nearly 5 percent in mid-day trading.

Excluding the one-time costs from the environmental opertations, PG&E earned 59 cents a share from its operations. Analysts had been expecting earnings of 60 cents a share.

"Our results continue to reflect the significant impact of legacy issues, but we are encouraged by our continued progress in building a stronger utility to serve our customers," said **Tony Earley, Chairman, CEO, and President of PG&E Corporation.**

PG&E has been upgrading its pipeline system after a fatal natural gas explosion in San Bruno in 2010.

The total cost for natural gas pipeline-related actions since the San Bruno accident in 2010 is now approximately $1.4 billion on a pre-tax basis. All of those expenses have been borne by PG&E's shareholders, the utility said.

The company expects to undertake infrastructure investments of $4.5 billion to $6.0 billion per year during 2014, 2015 and 2016 period in order to maintain safe and reliable electric and gas service.

PG&E also anticipates needing substantial amounts of equity to fund a portion of these investments.

The company pointed to 2014 as a year for it "to significantly recover from the uncertainties of the past several years, pending resolution of the San Bruno investigations and the company's 2014 general rate case," PG&E said as part of its earnings statement.

For all of 2012, PG&E earned $816 million. That was down 3.3 percent from 2011.

"In 2012, we accomplished all of our ambitious work plans aimed at making us a better performing company," **Earley** said. "We are starting to transition from the uncertainties of the past couple of years, and regain the confidence and support of our customers and our other stakeholders."

PG&E Falls as Forecast Misses Estimates: San Francisco Mover

By Mark Chediak
Bloomberg, February 21, 2013
http://www.businessweek.com/news/2013-02-21/pg-and-e-falls-as-forecast-misses-estimates-san-francisco-mover

PG&E Corp. (PCG), California's largest utility, fell the most in more than fifteen months after forecasting earnings below analysts' estimates on natural gas pipeline improvement costs after a deadly 2010 explosion.

The shares dropped 4.5 percent to $41.15 at 12:42 p.m. in New York. Earlier the shares fell 4.9 percent, the biggest intraday loss since Nov. 3, 2011.

PG&E sees 2013 earnings from continuing operations between $2.55 a share to $2.75 a share, below the $2.79 average of 17 analysts' estimates (PCG) compiled by Bloomberg. The forecast includes the need to issue $1 billion to $1.2 billion of new shares to fund improvements to its gas system, the San Francisco-based company said in a statement today.

"There is still remaining uncertainty from the San Bruno incident and the costs that are coming from that," Andrew Smith, a St. Louis-based analyst for Edward Jones, said in a

telephone interview. "Investors would like to see some resolution and it is taking longer than they would like," said Smith, who rates the company's shares a hold and doesn't own any.

The utility expects $400 million to $500 million in unrecoverable expenses for pipeline safety projects this year from the gas explosion in San Bruno, California, that killed eight people. PG&E's allowed return on equity was also reduced to 10.4 percent, the company said.

PG&E Chief Executive Officer Tony Earley in a conference call today settlement talks with state regulators and other parties related to blast penalties broke down late last year and the company is now involved in resolving regulatory investigations into the pipeline rupture.

PG&E reported a fourth-quarter loss of $13 million, or 3 cents a share, compared with net income of $83 million, or 20 cents a share, from the same period a year ago. Excluding pipeline work and other one-time costs, earnings were 59 cents a share, in line with the average of 13 estimates compiled by Bloomberg.

PG&E Records $426 Million in San Bruno Related Costs in Fourth Quarter 2012

By Stephanie Seay
Platts Commodity News, February 21, 2013

PG&E Corporation said Thursday that it recorded $426 million more in unrecoverable costs in the fourth quarter 2012 related to the deadly San Bruno pipeline explosion and resulting efforts to modernize its gas system.

Unrecoverable gas costs were $812 million for all of 2012, and now stand at $1.4 billion since the September 2010 gas transmission line explosion. The total rises to $1.9 billion when taking into account charges related to potential penalties, the utility's $70 million payment to San Bruno, and charges for incremental work to make improvements across its utility operations, the company said in discussing its earnings for the quarter and the year.

In the fourth quarter, pipeline-related costs, including pipeline testing and legal expenses, were $106 million, and for the full year came in at $477 million. PG&E also recorded $353 million in the quarter for capital costs disallowed under its Pipeline Safety Enhancement Plan approved by state regulators late last year.

The utility recorded $17 million more in potential fines in the San Bruno penalty proceeding during the fourth quarter. PG&E originally estimated in late 2011 that it would pay $200 million in total penalties. Since then, the utility actually paid $17 million in fines related to missing pipeline maps, so the new accrual keeps the estimate at $200 million, PG&E said. The utility said that estimate remains a low-end scenario.

PG&E noted that settlement talks over the San Bruno penalties have reached an impasse, and that regulatory proceedings are going ahead as scheduled in the case.

The utility said it recorded an additional $50 million insurance recoveries in the quarter, and $185 million for the year. Total recoveries since the accident stand at $284 million.

PG&E also estimated for the first time how much it expects to spend on dealing with gas pipeline right-of-way encroachment mitigation. Based on a survey it is conducting of its rights of way, the utility estimates it will spend $500 million on such work over five years. Since the utility failed to conduct previous surveys as needed, these costs will not be recoverable, noted **PG&E President Chris Johns**.

PG&E reported an overall loss of $13 million for the fourth quarter 2012, compared with $83 million in earnings a year ago. Full-year earnings were $816 million, down from $844 million in 2011.

Looking forward, PG&E said it expects to incur another $400-$500 million in unrecoverable pipeline-related costs in 2013, including PSEP unrecovered costs, and emerging pipeline work such as the cost to survey and clear its rights of way.

It also expects up to $145 million in new costs for third-party liability. Third-party liability related to San Bruno currently stands at $455 million. Guidance does not include future insurance recoveries, penalties or punitive damages related to San Bruno, PG&E noted.

EXHIBIT 5

From: Cherry, Brian K
To: Peevey, Michael R.
Subject: RE: S&P Ratings Action
Date: Wednesday, March 16, 2011 4:06:25 PM
Attachments: winmail.dat

Some folks here have suggested it may be Tom and my failure to work with regulators....oh well, maybe I should call Brightsource back.

From: Peevey, Michael R. [mailto:michael.peevey@cpuc.ca.gov]
Sent: Wednesday, March 16, 2011 4:04 PM
To: Cherry, Brian K
Subject: RE: S&P Ratings Action

Yep. No surprise.

From: Cherry, Brian K [mailto:BKC7@pge.com]
Sent: Wednesday, March 16, 2011 3:59 PM
To: Peevey, Michael R.
Subject: FW: S&P Ratings Action

FYI

From: Kapil, Vivek [mailto:VXKG@pge.com]
Sent: Wednesday, March 16, 2011 01:54 PM
To: Harvey, Kent M; Togneri, Gabriel
Cc: Bijur, Nicholas M.; Steel, Brian; Lee, Kenneth; Lew, Stella; DeSanze, Christine M. (Law); Hayes, Kathleen (Law); Ludemann, Doreen (Law); Dore, Jay; Patterson, Dick; Patel, Neha; Chakravarty, Prateek
Subject: S&P Ratings Action

Kent,

Just a few minutes before market close today, S&P officially released its latest credit update. I have attached the report for your review along with some of our initial thoughts.

Action Summary

* Ratings outlook revised to "negative" from "stable"
* Business profile revised to strong from excellent
* Liquidity revised from "adequate" to "less than adequate" with the expectation that upon successful refinance of the credit facilities liquidity will be revised back to "adequate"
* Current long term ratings remain at BBB+ with risk or lower rating over the next 18 months

Fixed Income market reaction

I talked to some of our capital markets bankers after the release went public and we have not seen any

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EXHIBIT 5

immediate impact to both our CDS levels or credit spreads, we are at levels similar to yesterday, but given the late press release we will probably have to wait till tomorrow morning to refresh our thoughts.

The rationale behind the decision was the same as what Nick had shared with you yesterday but just to re-summarize.

Rationale for rating action

San Bruno - According to S&P, San Bruno situation seems to have taken a life of its own.
1) Concerns around federal/state scrutiny on PG&E operations
a. Public and regulatory sentiment is at its lowest in years
b. CPUC is under significant political pressure as evidence by strong language in the recent order (This creates a high uncertainty around punitive damages/fines that CPUC may assess that S&P imagines to be large and extremely uncertain).

2) Management is in a tough spot
i. Level of scrutiny is too great
ii. It will be difficult for management to contest the charges
iii. Issues lead S&P to believe that management has not focused on gas operations which has severely damaged its credibility

3) Heavy Capex program, RPS, and rate pressures further complicate the variability of outcome and weaken the business profile

4) Direct Cost Estimates - There sense is that this will be a moving number with a high level of variability and if it is large enough it materially impacts the business profile of the company

5) Third Party Liability Costs -S&P feels comfortable that PG&E can expect to receive insurance proceeds to repay third party claims.

Regards,
Vivek

Vivek Kapil
Treasury | Pacific Gas and Electric Company
Office: 415-267-7211 | Mobile: 415-722-2849
e-mail: vxkg@pge.com

<<S&P PGE negative outlook 03-16-2011.pdf>>

EXHIBIT 6

From:	Cherry, Brian K
To:	"mp1@cpuc.ca.gov"
Subject:	Fw: Responses to Recent Articles
Date:	Tuesday, August 09, 2011 12:36:26 AM

FYI. Comments by Chris on the media articles.

From: A Message from Chris Johns
Sent: Monday, August 08, 2011 07:48 PM
To: All PG&E Mail Recipients; All PGE Corp Employees
Subject: Responses to Recent Articles

Fellow Employees:

In the 11 months since the San Bruno accident, our company has been the subject of numerous news reports criticizing our operations, safety practices and commitment to our customers. As difficult as it is to read these reports, we cannot allow items in the media to distract us from our priority: to provide safe, reliable, customer-focused gas and electric service.

Two reports were published over the weekend that demand a response. The first, published in the *San Francisco Chronicle*, suggested that we failed to heed warnings about problems with our natural gas transmission system two months before the San Bruno accident. This report mischaracterized facts.

The second report from the *San Jose Mercury News* alleged PG&E ignored employees' safety concerns and retaliated against employees for raising safety issues. Let me be absolutely clear—we encourage all employees to bring any concerns to our attention and we do not tolerate retaliation of any kind.

In each of these situations, we provided the reporters with information, including documented evidence of our actions to respond to the risk reports and the employee concerns. In fact, based upon the employee concerns and our subsequent follow-up, we launched a multi-year, multi-million dollar project to enhance the safety of our gas distribution system, including the performance of five years of work in a little over two years. It was a phenomenal effort and result by our gas distribution team. Unfortunately, even upon providing this information to the reporters, they chose not utilize the full facts in their articles.

You can read our full response and get the facts on Currents.

Chris

CPCU001694
EXHIBIT 6

EXHIBIT 7

From: Peevey, Michael R.
To: "Cherry, Brian K"
Subject: RE: Pacific Gas and Electric Company News Release: PG&E STATES IT IS LIABLE FOR THE SAN BRUNO PIPELINE ACCIDENT
Date: Tuesday, December 13, 2011 3:40:55 PM

Very good. Tom told me about at the lunch today.

From: Cherry, Brian K [mailto:BKC7@pge.com]
Sent: Tuesday, December 13, 2011 3:10 PM
To: Peevey, Michael R.
Subject: FW: Pacific Gas and Electric Company News Release: PG&E STATES IT IS LIABLE FOR THE SAN BRUNO PIPELINE ACCIDENT

Mike - FYI. Thought you'd appreciate this.

From: Corporate Relations Mailbox
Sent: Tuesday, December 13, 2011 2:26 PM
To: News Release Distribution
Subject: Pacific Gas and Electric Company News Release: PG&E STATES IT IS LIABLE FOR THE SAN BRUNO PIPELINE ACCIDENT

Pacific Gas and Electric Company issued the following release entitled:

PG&E STATES IT IS LIABLE FOR THE SAN BRUNO PIPELINE ACCIDENT

Utility takes on financial responsibility to compensate victims

SAN FRANCISCO, Calif. – Pacific Gas and Electric Company (PG&E) today stated that it is liable for the fatal natural gas pipeline accident in San Bruno in September 2010.

This means that PG&E is taking on financial responsibility to compensate all of the victims for the injuries they suffered as a result of the accident. PG&E has made this statement in response to a San Mateo County Superior Court judge's request for PG&E's official position and comes ahead of a court hearing Friday to discuss various issues regarding the case.

"PG&E is hopeful that today's announcement will allow the families affected by this terrible tragedy to receive compensation sooner, without unnecessary legal proceedings," said PG&E President Chris Johns. "We are affirming our commitment to do the right thing in our response to this accident."

Over the past 14 months, PG&E has been working with those impacted by the

CPCU001756
EXHIBIT 7

accident to resolve all claims fairly and promptly. The company remains committed to helping the city of San Bruno and the victims of the accident and their families recover and rebuild.

Today's announcement also makes clear that none of the plaintiffs, San Bruno residents or the city itself is at fault. "We would never consider holding the residents accountable for this accident," Johns added. "Since the accident, PG&E has stood by the community of San Bruno, and we will bear the cost to make things right for the city and its people."

Pacific Gas and Electric Company, a subsidiary of PG&E Corporation (NYSE:PCG), is one of the largest combined natural gas and electric utilities in the United States. Based in San Francisco, with 20,000 employees, the company delivers some of the nation's cleanest energy to 15 million people in Northern and Central California. For more information, visit http://www.pge.com/about/newsroom/.

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EXHIBIT 8

From:	Cherry, Brian K
To:	Michael R. Peevey (michael.peevey@cpuc.ca.gov)
Subject:	FW: Annual Meeting remarks
Date:	Monday, May 14, 2012 2:08:08 PM
Attachments:	Chris Johns.doc Tony Earley.doc

FYI

From: Frizzell, Roger
Sent: Monday, May 14, 2012 1:56 PM
To: Officers - All
Cc: Officers Assistants – All; All PGE Chiefs of Staff
Subject: FYI: Annual Meeting remarks

All,

FYI. Attached are the prepared remarks by Tony and Chris from this morning's Annual Meeting.

Roger

CPCU001773
EXHIBIT 8

Annual Shareholders Meeting - Chris Johns Remarks

As you can tell from Tony's remarks, we've made substantial changes at PG&E since our last Annual Shareholders Meeting.

Thanks to those changes and the dedication of our 20,000 employees, we are making significant progress in key areas across our company.

Today, I'd like to share three areas where we are making a difference as we look to position the company for long-term success: safety, reliability, and affordability.

Safety

Starting with safety. Our goal is to have the safest operations in the country. Our customers won't accept anything less, and neither will we.

Nowhere is that commitment more visible than in the work we're doing to upgrade our gas system.

We've now strength-tested more than 250 miles of our transmission pipeline, the majority through a technique called hydrotesting.

In each hydrotest, we take the pipe out of service, remove the gas, clean the line, fill it with water and then pressurize it beyond normal operating pressure so we can identify and repair any potential weaknesses.

Through 2014, we're going to hydrotest more than 780 miles of pipe.

We expect to be the first utility in the country to complete such an extensive amount of hydrotesting on vintage pipe.

In addition, our engineers are re-confirming the calculations for the safe operating pressures for all of our lines.

We've now validated the maximum allowable operating pressure for more than 3,000 miles of pipe, including 100% of the pipe located in densely populated neighborhoods.

As a result, we now have a state-of-the-art electronic database for these records that is the most advanced in our industry.

We're making similar progress when it comes to the safety of our electric system.

For example, utilities across the country face the challenge of equipment failures that dislodge manhole covers – creating a potentially unsafe situation.

Last year, we became one of the first utilities in the nation to install new locking manhole covers designed to keep the public safe.

By the end of 2012 we will have installed almost 1,500 of these safety devices.

Finally, safety is a cornerstone of our operations at the Diablo Canyon Power Plant.

In 2011, we completed another strong year, with a refueling outage that was in the first decile for safety.

In addition, we're making progress in our seismic studies of the area surrounding Diablo Canyon. And we continue to incorporate lessons learned from the events in Fukushima.

Our pledge is that we will continue to operate Diablo Canyon as one of the safest nuclear plants in the United States.

Something like that is easy enough to say. But our commitment to safety goes beyond words.

This year, PG&E has introduced a set of public safety measures, with specific targets so that we and others can track our performance.

We are one of the only companies in the country with a public safety dashboard that we report on externally.

We've also updated our emergency response plans, introduced new mobile command vehicles and hosted trainings with local fire and police departments and other members of the first responder community.

By including metrics for public and employee safety in the goals we measure, upgrading our gas and electric systems, and strengthening our partnership with emergency responders, we are sending a powerful message to our customers, employees, regulators and shareholders: safety comes first at PG&E.

Reliability

Turning now to reliability. In 2011, we continued to make progress toward delivering first-quartile electric service for our customers. In fact, 2011 was the third consecutive year that we've set all-time records at PG&E for the fewest number of outages and the shortest average duration of those outages.

A number of programs drove these improvements, in particular our work to upgrade the worst-performing electric circuits on our system.

We prioritize circuits that cause a disproportionate number of outages and significantly reduce those outages by upgrading our infrastructure through everything from installing overhead line reclosers to adding bird guards.

I know that there are four peregrine falcon hatchlings right here on the roof our 77 Beale building that will be happy to hear that.

And for our customers, this work has led to a 50 percent improvement in reliability on each of these circuits, and we expect to see similar results again this year.

Thanks to these and many other investments in our electric system, we expect to deliver record-setting reliability for the fourth straight year in 2012.

Affordability

Reliability is one of the two things that customers tell us is the most important to them. The other one is affordability.

In this difficult economy, with high unemployment in much of our customer base, it's important that we do what we can to help our customers manage their energy costs.

So, in addition to the points Tony mentioned earlier, we continue to offer rate relief to our customers through the CARE and REACH programs. We work with businesses and residents on energy efficiency options. And, we offer rebates and discounts to customers who switch to efficient appliances and use less gas during the winter.

But we also realize that when it comes to managing energy usage, information is power. For more of our customers than ever before, that information is now provided by SmartMeter devices.

We've installed more than 9 million SmartMeters throughout our service area, giving customers the ability to view and manage their energy usage in a timely manner and reduce their bills accordingly.

We also recognize that our customers want choice. So for our customers who don't want a SmartMeter, we're now also pleased to be able to offer an opt-out option.

So far, with over 9 million SmartMeters installed, about 27,000 customers have taken advantage of this choice and opted to retain their traditional analog meter.

Finally, we know that renewable energy and the environment are important to many of our customers.

Right now, about 20 percent of the power we deliver to customers comes from renewables – and if you include our entire hydroelectric system, it's about 40 percent. Add in the power supplied by Diablo Canyon and nearly 60 percent of the energy we deliver to our customers – today – is carbon-free.

Continuing our environmental leadership, just a few weeks ago, we proposed a new program that would offer our customers a way to support 100 percent renewable energy through our Green Option, which we hope to begin offering as soon as the CPUC gives us the green light, no pun intended.

Conclusion

I'd like to close my remarks this year, as I did at our last meeting, with a word about trust.

Serving our customers and providing gas and electric service is a privilege – one that comes with enormous responsibility. Our job is to prove to our customers that they can count on us to provide safe, reliable and affordable gas and electric service.

That's the only way we'll earn back their trust.

Thanks to the work of our 20,000 men and women, we are making progress.

- Our systems today are safer.
- They're more reliable.
- And we're able to offer our customers more options and a better overall experience.

Our commitment – to our customers, our employees and our shareholders – is that we won't stop until we're the safest and most reliable utility in the country – and even then we still won't stop.

We're not going to become the utility we aspire to be overnight. But we are on the right path. We are positioning our Company for long-term success. We are building a better PG&E.

Thank you.

TONY EARLEY

We'd like to now spend a few minutes giving you an overview of the state of the company. But first, let me share a few of my personal reflections at my first PG&E Annual Shareholder meeting. This is the 27th consecutive year that I have been on the podium at a utility shareholder meeting and so you might think this is pretty routine for me. You would be absolutely wrong. I can't tell you how honored I am to lead such a storied company and how determined I am to help lead it back to where you, our shareholders want it to be. And I say "help" because I am just one part of a very talented team that will make this company an organization you will be proud of and our customers will be pleased to be served by.

So let me start by sharing our high-level goals for this year, and then Chris is going to provide some more specific updates on our operations.

We need to do three things this year.

First, resolve the gas-related regulatory and legal issues resulting from the San Bruno tragedy.

Second, position PG&E for long-term success.

And third, rebuild our relationships with customers, regulators and other stakeholders.

Let me address each of these areas, starting with the gas pipeline issues.

The past couple years have been some of the most difficult in PG&E's long history, as a result of the San Bruno accident and its aftermath.

In response, we've initiated sweeping changes across the company – starting with a clear commitment to safety as our absolute highest priority.

And to be explicit, we mean not just employee safety, but also public safety. I believe we are one of the first utilities to include both employee and public safety measures in its incentive plans.

To deliver on our commitment to safety, we've brought new leadership and expertise into the company, at all levels.

We've restructured our operations, most significantly separating our gas and electric operating units, creating clear accountability for each of our business units.

We've conducted extensive safety testing and validation work on our gas system, which continues today.

We're in the process now of completely revamping our approach to safety processes and our culture.

And we've committed hundreds of millions of dollars in new resources over this year and next, so that we can accelerate work that's needed to bring our operations in line with what we expect, what our regulators expect, and what our customers expect.

In the legal and regulatory arenas, we're continuing to work through a number of pipeline-related proceedings.

Our desire is to resolve as many of the regulatory proceedings as possible this year at the CPUC.

And on the legal front, our goal is to settle the various individual claims related to the tragedy in San Bruno.

This accident had a terrible impact on many families, and no one can replace what the victims lost.

What we can do – and what we're committed to – is follow through on our pledge to do the right thing and get the victims the fair compensation they're entitled to.

We understand how important this is to the healing process for these families, and we're making progress toward that goal, having reached resolution with some of the victims who suffered very serious injuries. Our hope is that we can arrive at resolutions with all of the victims, and we're pursuing every opportunity to do that.

Along those same lines, we also recognize the impact on the community as a whole. Recently, we reached a critical agreement with the City of San Bruno, which provides for a very substantial financial contribution that will be used to benefit the citizens of the community.

This was an important milestone, in that it helps the city move forward – and for us, it was another step on the road to resolution.

Let me shift now to the steps we're taking to position the company for long-term success.

We've now essentially completed the restructuring of the gas business, which has significantly improved accountability and expertise in that organization. We have also made plans to consolidate multiple parts of our gas organization in a single location to provide better opportunities for collaboration.

With a mix of industry veterans and PG&E talent, the team is maintaining the momentum we established last year with safety and improvement efforts in gas operations.

The extensive testing we're conducting on our pipeline system is continuing at an unprecedented pace.

We're continuing to refine and strengthen our operating processes.

And we're also significantly upgrading the technology we use to monitor and manage the system.

For example, earlier this year, we became the first utility to start using a new ultra-sensitive gas leak detection technology, which should allow us to dramatically increase the frequency and accuracy of our gas leak surveys.

This is a technology that could be a game changer for the industry – and we're pioneering it here at PG&E.

We've upgraded the information technology used by our field employees to improve efficiency and accuracy.

We've also proposed a comprehensive, multiyear plan to upgrade our system – known as our Pipeline Safety Enhancement Plan.

We're also moving forward with other actions – and, as I mentioned, we've committed to spend an additional $200 million this year – and again next year – to accelerate gas, electric and customer service improvements that we know are critical.

The other major area in which we've been working to position PG&E for long-term success is building our team.

I've already mentioned the changes in our gas leadership, headed by Nick Stavropoulos who has decades of gas operations experience.

We've also brought in a number of veteran leaders across the company, all of whom bring impressive credentials.

Karen Austin, our new CIO, is significantly improving our use of technology to drive better operations and service.

Roger Frizzell, our new Vice President of Communications, is helping us reach out more effectively with customers and the public.

Ed Halpin, our new Chief Nuclear Officer, is ensuring that Diablo Canyon maintains its outstanding operational and safety record as we work to relicense that facility for the future.

These are just a few of the new team members who are working now with our veteran PG&E talent to move the company forward and achieve a new level of performance.

Our goal is to make PG&E the best operated utility in the country, but that will take time and lots of hard work.

To understand where we are now, we're benchmarking our performance compared with the best in the industry. We are identifying the gaps in our performance.

And we're implementing improvement plans to close the gaps between where we are today, and where we need to be to deliver outstanding results for customers.

Finally, let me touch on rebuilding relationships.

Chris and I and many other senior leaders continue to meet as often as possible with customers, policy makers, business partners and others.

It's clear from our conversations that stakeholders want us to be successful – and, we are starting to get positive feedback on our

direction. Stakeholders appreciate what our employees do for them, but our corporate reputation still has a long way to go. Our objective is to win back our customers' trust one step at a time.

In that vein, we're trying to do a better job of listening to customers and reconnecting with our communities.

For example... we now have an opt-out alternative for customers who do not want to participate in our SmartMeter program.

We have proposed an economic development rate as a way to bring electric rate relief to businesses that need it to preserve or create jobs in our service area.

And we're working to further streamline and simplify the current multi-tiered rate structure, in a way that helps improve the affordability of our service.

And finally, in our communities, we're working to step up our volunteer work and our philanthropic giving to support local economic development and community vitality.

A great example is our new Bright Minds Scholarships. This is a program to help students who have been active in giving back to their communities go on to higher education.

We've gotten an incredible response from all around our service area, and in the next couple weeks, we'll be announcing our first winners.

These are the kind of steps that are moving us in the right direction.

Ultimately, though, rebuilding relationships is a long-term effort.

The most important thing for us to do is stay true to our word, and simply continue delivering what we say we're going to deliver.

That's what our entire team is focused on. And now, Chris is going to talk about some of the progress we're making on delivering those results.

* * * * * * * * * *

AT THE BEGINNING OF THE Q&A SESSION

Thank you, Chris.

Now we'll turn to your questions and comments.

[NOTE: BEFORE HYUN CONCLUDES THE BUSINESS PORTION OF THE MEETING, HE WILL DESCRIBE THE Q&A PROCEDURES AND PROVIDE AN OPPORTUNITY FOR SHAREHOLDERS TO OBTAIN Q&A CARDS FROM THE USHERS. AT THE BEGINNING OF THE Q&A SESSION, TONY WILL REMIND SHAREHOLDERS OF THESE PROCEDURES AND PROVIDE ANOTHER OPPORTUNITY TO OBTAIN Q&A CARDS.]

As a reminder, if you have a question or comment, please write your name, your city or town, and the topic of your question or comment on a Q&A card, and then go to the nearest aisle.

For those of you seated on the main floor, please line up behind the microphone stand located in your aisle. For those of you in the balcony, please stay in your aisle and wait for a microphone to be brought to you.

The microphone monitor in your aisle will collect your completed Q&A card before you are called on. When it is your turn to speak, please wait for the microphone monitor to announce your name, where you're from, and the topic of your question.

If you would like a Q&A card, please raise your hand, and an usher will bring one to you.

In order to leave time for other shareholders who wish to speak, we ask that you limit your questions or comments to three minutes.

We also ask that you focus your questions and comments on issues of general interest to shareholders. If you have a question that requires an individualized answer, company officers will be available after the meeting to talk with you one-to-one.

If you're a PG&E employee, please hold your question until non-employee shareholders have had a chance to speak.

And now for the first question.

* * * * * * * * * *

AT THE END OF THE Q&A SESSION

We have time for one more question.

Thank you for your questions and comments this morning. We've come to the end of our meeting, but if you still have questions, please come to the front of the room near the stage after the meeting and talk with one of our officers.

Now I'd like to ask Chuck Roberts from Corporate Election Services, the independent Inspector of Election, to present the preliminary voting results based on proxies that have been counted as of 6:00 a.m. this morning.

The final results will include the votes cast here this morning. They will be posted on our website and reported in an upcoming SEC filing.

Chuck, would you please give the preliminary report?

* * * * * * * * * *

EXHIBIT 9

From: Doll, Laura
To: Brown, Carol A.
Subject: RE: nice seeing you
Date: Thursday, April 25, 2013 4:17:05 PM

Love you. Thanks.
Not sure yet!

From: Brown, Carol A. [mailto:carol.brown@cpuc.ca.gov]
Sent: Thursday, April 25, 2013 4:06 PM
To: Doll, Laura
Subject: nice seeing you

Talked with the judge – they issued a ruling saying the hearing was moot – I think you have 2 ways of going (you might want to chat with your legal people)

1. Send back a sweet note saying the issue is moot since seminar not going forward (problem – it is not "cancelled" only postponed) – and then wait for them to throw a fit
2. Answer any simple question you can, and then object to the others as being outside the scope of the 3 OIIs – but offering to meet and confer on the issue – and schedule a date out a little for the meet-and-confer – then they will file a motion to compel, no need for any expedition of the process – you respond – and a hearing is held in due course.

Happy to chat

CPCU001814
EXHIBIT 9

EXHIBIT 10

From:	Peevey, Michael R.
To:	Cherry, Brian K
Subject:	RE: Federal Indictment - Note from Tony Earley and Chris Johns
Date:	Wednesday, April 02, 2014 10:55:14 AM

One comment: PG&E's decision to issue a press release last week anticipating all this only meant that the public got to read two big stories rather than one. I think this was inept.

From: Cherry, Brian K [BKC7@pge.com]
Sent: Wednesday, April 02, 2014 6:07 AM
To: Peevey, Michael R.
Subject: Fwd: Federal Indictment - Note from Tony Earley and Chris Johns

FYI.

Brian K. Cherry
PG&E Company
VP, Regulatory Relations
77 Beale Street
San Francisco, CA. 94105
(415) 973-4977

Begin forwarded message:

From: "Cheng, Linda Y H" <LYC1@pge.com<mailto:LYC1@pge.com>>
Date: April 1, 2014 at 10:26:32 PM PDT
To: Officers - All <AllPGEOfficers@exchange.pge.com<mailto:AllPGEOfficers@exchange.pge.com>>
Subject: Federal Indictment - Note from Tony Earley and Chris Johns

Officers: I'm sending the following note on behalf of Tony and Chris. It contains additional information regarding the charges filed today by the U.S. Attorney's Office.

Linda

* * * * *

Officers:

As expected, the grand jury returned an indictment against Pacific Gas and Electric Company this afternoon. The indictment is 19 pages and alleges 12 counts of felony violations of the Pipeline Safety Act (49 U.S.C. Section 60123) for knowing and willful violations of several federal pipeline regulations relating to integrity management and recordkeeping. It is a technical and bare-bones document. The charges include:

* one count of failure to gather and integrate existing data and information (49 C.F.R. Section 192.917(b)) relating to Line 132;

* one count of failure to maintain repair records (49 C.F.R. Section 192.709(a)) relating to Line 132;

* three counts of failure to identify and evaluate potential threats (49 C.F.R. Section 192.917(a)) relating to Lines 132 and 153 (in Alameda County), and Distribution Feeder Main (DFM) 1816-01 (in Santa Cruz County);

CPCU002020

EXHIBIT 10

* three counts of failure to include all potential threats in the baseline assessment plan and failure to select the most suitable method to assess all potential threats (49 C.F.R. Section 192.919) relating to Lines 132 and 153, and DFM 1816-01;

* three counts of failure to prioritize segments as high risk for baseline assessment or reassessment after a changed circumstance rendered manufacturing threats unstable (49 C.F.R. Section 192.917(e)(3)) relating to Lines 132 and 153, and DFM 1816-01; and

* one count of failure to prioritize segments as high risk for a baseline assessment or reassessment after a changed circumstance rendered manufacturing threats unstable, and failure to analyze to determine risk of failure from such manufacturing threats (49 C.F.R. Section 192.917(e)(4)) relating to DFM 1816-01.

The indictment seeks monetary penalties of $6 million, or $500,000 per count, which is the maximum penalty allowed under the statute (the indictment also includes a special assessment of $400 per count, amounting to $4,800). The indictment makes no mention of a fine under the Alternative Fines Act. It also makes no mention of a monitor.

The indictment was filed in the Northern District of California in San Francisco. Arraignment is currently scheduled for April 9, 2014 before Magistrate Judge Spero. Our counsel will enter a not-guilty plea at this hearing.

The case is assigned to the Honorable Thelton E. Henderson, who is a senior judge nominated to the federal bench in 1980 by President Jimmy Carter. Prior to becoming a judge, he was a U.S. Army Corporal, attorney in the DOJ Civil Rights Division in the 1960s, assistant dean at Stanford Law School, and attorney in private practice. Judge Henderson is particularly well known for his work as a civil rights attorney, and more recently for a lawsuit regarding misconduct in the Oakland Police Department. He is currently overseeing a monitor of the Oakland PD in that case. He is also the subject of a documentary titled "Soul of Justice." We believe he is an experienced and capable federal judge with a good reputation. We can expect Judge Henderson to schedule a status conference at some point after the arraignment.

If you have any questions, please feel free to call either of us or Hyun. Thank you for all your support.

Tony and Chris

EXHIBIT 11

From: Doll, Laura <LRDD@pge.com>
Sent: Thursday, December 8, 2011 10:57 PM
To: 'paul.clanon@cpuc.ca.gov'
Subject: Re: I.11-02-016: PG&E's Response to Legal Division's December 7, 2011, Letter

---

Yes and they are blaming it on our failure to answer their requests. Obviously I think their requests are unreasonable facially. (Probably not the right use, but I'm dying to.)

Don't think about this tonight, but I'd appreciate your reading our letter. I think this is out of control.

Thanks!

----- Original Message -----
From: Clanon, Paul [mailto:paul.clanon@cpuc.ca.gov]
Sent: Thursday, December 08, 2011 10:28 PM
To: Doll, Laura
Subject: Re: I.11-02-016: PG&E's Response to Legal Division's December 7, 2011, Letter

Is there a request by Legal for a three-week extension in filing their testimony??

On Dec 8, 2011, at 10:16 PM, "Doll, Laura" <LRDD@pge.com> wrote:

> Paul
> I doubt you have time to look at these things, but I can't get over the unchecked appetite for global data requests from legal. Its unmanageable.
>
> I mean, records back to the 1920's? Is this what florio intended?
>
> Seriously, is there any procedural opportunity to have other eyes on the scope and nature of these requests? These do nothing to improve safety, and we have already conceded our records suck.
>
> I'm being na□ve again, right?
> But thanks for listening.
> Laura
>
> From: Jordan, Lise (Law)
> Sent: Thursday, December 08, 2011 05:13 PM
> To: Reg Rel Gas Trans Records OII; Horner, Trina; mana.raval@us.pwc.com <mana.raval@us.pwc.com>; madhavi.kanteti@us.pwc.com <madhavi.kanteti@us.pwc.com>; Jamison.Narbaitz@sedgwicklaw.com <Jamison.Narbaitz@sedgwicklaw.com>
> Subject: FW: I.11-02-016: PG&E's Response to Legal Division's December 7, 2011, Letter
>
> Here is our letter in response to Legal Division's letter from yesterday.
>
>
> Lise H. Jordan | Attorney | Pacific Gas and Electric Company
> 415.973.6965 office
>
>
>
> _____
> From: Jordan, Lise (Law)
> Sent: Thursday, December 08, 2011 5:13 PM
> To: 'Gruen, Darryl'; robert.cagen@cpuc.ca.gov; catherine.johnson@cpuc.ca.gov; Kinosian, Robert; Margaret Felts
> Cc: 'frank.lindh@cpuc.ca.gov'; Linn, Courtney (Law); Malkin, Joseph M (Law); Pendleton, Jonathan (Law)
> Subject: I.11-02-016: PG&E's Response to Legal Division's December 7, 2011, Letter
>

CPUC01087
EXHIBIT 11

> Dear Darryl,
>
> Attached is PG&E's response to your letter from yesterday. Please contact us if you have any questions.
>
> Lise H. Jordan | Attorney | Pacific Gas and Electric Company
> 415.973.6965 office
>
>
>
> _____
> From: Gruen, Darryl [mailto:darryl.gruen@cpuc.ca.gov]
> Sent: Wednesday, December 07, 2011 10:37 AM
> To: robert.cagen@cpuc.ca.gov; catherine.johnson@cpuc.ca.gov; Jordan, Lise (Law); Kinosian, Robert; Linn, Courtney (Law); Malkin, Joseph M (Law); Margaret Felts; Pendleton, Jonathan (Law)
> Subject: I.11-02-016: Letter to PG&E
>
> Good Morning:
>
> Attached, please find a letter from Legal Division regarding the latest discovery matters. Please feel free to contact us with any questions.
>
> Darryl Gruen
> Staff Counsel
> California Public Utilities Commission
> 505 Van Ness Ave. - San Francisco, CA 94102
> (415) 703-1973 - djg@cpuc.ca.gov
>
>
> <LettertoGruen - 120811.pdf>

EXHIBIT 12

From: Clanon, Paul <paul.clanon@cpuc.ca.gov>
Sent: Tuesday, March 8, 2011 4:14 PM
To: 'Cherry, Brian K' <BKC7@pge.com>
Subject: Jerry Hill Letter
Attach: 03-08-11 - letter to PUC.pdf

Pls call me about this. Thx.

EXHIBIT 12

CPUC00817

STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0019
(916) 319-2019
FAX (916) 319-2119

DISTRICT OFFICE
1528 SOUTH EL CAMINO REAL SUITE 302
SAN MATEO, CA 94402
(650) 349-1900
FAX (650) 341-4676

Assembly California Legislature

JERRY HILL
ASSEMBLYMEMBER, NINETEENTH DISTRICT
CHAIR, ASSEMBLY DEMOCRATIC CAUCUS

COMMITTEES
AGRICULTURE
BUSINESS AND PROFESSIONS
GOVERNMENTAL ORGANIZATION
NATURAL RESOURCES
PUBLIC SAFETY

SELECT COMMITTEES
CHAIR, BIOTECHNOLOGY
IMPROVING STATE GOVERNMENT
RENEWABLE ENERGY

March 8, 2011

Michael R. Peevey, President
Timothy Allen Simon, Commissioner
Mike Florio, Commissioner
Catherine Sandoval, Commissioner

California Public Utilities Commission
San Francisco Office
505 Van Ness Avenue
San Francisco, CA 94102

Dear Commissioners,

I am writing regarding the March 15, 2011 deadline for Pacific Gas and Electric Company (PG&E) to submit records to the California Public Utilities Commission (PUC) of the utility's natural gas transmission pipeline infrastructure in any high consequence areas that have not had their maximum allowable operating pressure (MAOP) established through prior hydrostatic testing.

After learning that PG&E had been increasing the pressure on certain transmission lines above the MAOP without knowing what the condition or type of pipe they had underground, I wrote to you on January 19, 2011 requesting that PG&E be required to report gas pipeline information to the PUC by February 1, 2011. The PUC, however, decided to extend PG&E's deadline to provide the documents through March 15, 2011.

Given that last month the President of the PG&E utility, Chris Johns, said that the utility had been unable to find documents for thirty percent of its 1,000-plus miles of pipeline running under urban areas, and given that the utility has recently begun an intensive record searching operation housed at the Cow Palace, I want to ensure that the PUC will take all actions within its power to require that PG&E complies with the March 15th deadline.

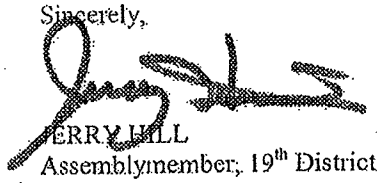
After communicating with the PUC yesterday morning, it is my understanding that if PG&E does not meet the March 15 deadline, the PUC will undertake the following:

- Immediately deploy PUC staff to PG&E facilities in order to obtain the necessary records and information.
- Immediately levy fines and sanctions against PG&E until they provide the necessary records and information.

Also, should the Commission have any concerns regarding the information submitted by PG&E, I ask that it take immediate action to preserve public safety by requiring PG&E to reduce the pressure on the suspect lines until both PG&E and the Commission can verify their integrity.

I would greatly appreciate any information you can provide to confirm the information above as we work together to ensure the safety of all Californians.

Sincerely,



JERRY HILL
Assemblymember, 19th District

cc: Paul Clanon, Executive Director, California Public Utilities Commission
Edward Randolph, Governmental Affairs Director, California Public Utilities Commission

From: Cherry, Brian K <BKC7@pge.com>
Sent: Tuesday, March 8, 2011 7:45 PM
To: paul.clanon@cpuc.ca.gov
Subject: Re: Re:

Could not open that one.

----- Original Message -----
From: Clanon, Paul [mailto:paul.clanon@cpuc.ca.gov]
Sent: Tuesday, March 08, 2011 07:41 PM
To: Cherry, Brian K
Subject: Re: Re:

It's in your email too.

On Mar 8, 2011, at 7:29 PM, "Cherry, Brian K" <BKC7@pge.com> wrote:

> Thanks. Can't wait to hear what you will tell him.
>
> ----- Original Message -----
> From: Clanon, Paul [mailto:paul.clanon@cpuc.ca.gov]
> Sent: Tuesday, March 08, 2011 07:28 PM
> To: Cherry, Brian K
> Subject: Re:
>
> I know. Just wanted to give you some notice that we'd be replying to Hill.
>
> On Mar 8, 2011, at 7:21 PM, "Cherry, Brian K" <BKC7@pge.com> wrote:
>
>> Sorry. Just got the Jerry Hill letter. On BART now. Chat later tonight or tomorrow ? I was at the big meeting on Lawrence Livermore all afternoon.

EXHIBIT 13

From:	Doll, Laura <LRDD@pge.com>
Sent:	Wednesday, October 10, 2012 4:26 PM
To:	Prosper, Terrie D. <terrie.prosper@cpuc.ca.gov>; Clanon, Paul <paul.clanon@cpuc.ca.gov>
Subject:	RE: Tomorrow's CPUC meeting -- possible visitors from SB

There weren't like 50 people standing and cheering or anything, just ONE person who urged people to get up to SF and put pressure on the CPUC. But it was televised on the public access channel . . .

From: Prosper, Terrie D. [mailto:terrie.prosper@cpuc.ca.gov]
Sent: Wednesday, October 10, 2012 4:25 PM
To: Doll, Laura; Clanon, Paul
Subject: RE: Tomorrow's CPUC meeting -- possible visitors from SB

Lovely. Thanks for the heads-up!

From: Doll, Laura [mailto:LRDD@pge.com]
Sent: Wednesday, October 10, 2012 4:22 PM
To: Prosper, Terrie D.; Clanon, Paul
Subject: Tomorrow's CPUC meeting -- possible visitors from SB

Heads up that we heard some San Bruno citizens may show up at the Comm meeting tomorrow to protest the CPSD motion to suspend proceedings. A resident spoke at last night's SB City Council meeting and urged others to join her there In support of the Mayor's position.

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

EXHIBIT 13

CPUC01219

EXHIBIT 14

From: Doll, Laura <LRDD@pge.com>
Sent: Friday, January 11, 2013 4:34 PM
To: Clanon, Paul <paul.clanon@cpuc.ca.gov>
Subject: RE: PG&E Shareholder Share of post-San Bruno

Thank YOU

From: Clanon, Paul [mailto:paul.clanon@cpuc.ca.gov]
Sent: Friday, January 11, 2013 4:34 PM
To: Doll, Laura
Subject: FW: PG&E Shareholder Share of post-San Bruno

From: Clanon, Paul
Sent: Friday, January 11, 2013 4:33 PM
To: Kahlon, Gurbux; Cadenasso, Eugene; Myers, Richard A.
Cc: Randolph, Edward F.
Subject: PG&E Shareholder Share of post-San Bruno

I told PG&E I've asked you for an analysis, FYI.

EXHIBIT 14

CPUC01269

EXHIBIT 15

From: Cherry, Brian K <BKC7@pge.com>
Sent: Friday, September 6, 2013 9:04 AM
To: Clanon, Paul <paul.clanon@cpuc.ca.gov>
Subject: RE: PG&E Admits Falsely Reporting Safety of S.F. Peninsula Pipelines

Because only people here on the service list receive it and receive it consistently.

From: Clanon, Paul [mailto:paul.clanon@cpuc.ca.gov]
Sent: Friday, September 06, 2013 9:03 AM
To: Cherry, Brian K
Subject: Re: PG&E Admits Falsely Reporting Safety of S.F. Peninsula Pipelines

Is there any particular reason to think it went to the service list, as opposed to just being a press release?

(Removing Frank from the thread; he's not advising on these cases.)

On Sep 5, 2013, at 3:19 PM, "Cherry, Brian K" <BKC7@pge.com> wrote:

> I hate to be a stickler for details, but if this is going to the service list, it represents a continuing violation of the ex parte rules in an adjudicatory proceeding.
>
> ---
>
> **From:** Ramaiya, Shilpa R
> **Sent:** Thursday, September 05, 2013 3:15 PM
> **To:** Doll, Laura; Horner, Trina; Cherry, Brian K; Allen, Meredith
> **Subject:** FW: PG&E Admits Falsely Reporting Safety of S.F. Peninsula Pipelines
> **Importance:** High
>
> FYI – this appears to have been just circulated to the service list. See the Red font statement reminding folks of the hearing tomorrow and "fining PG&E"
>
> ---
>
> **From:** Alex Doniach [mailto:alex@singersf.com]
> **Sent:** Thursday, September 05, 2013 2:10 PM
> **To:** Alex Doniach
> **Cc:** Sam Singer
> **Subject:** PG&E Admits Falsely Reporting Safety of S.F. Peninsula Pipelines
> **Importance:** High
>
> <image001.jpg>
>
> 5 September 2013

EXHIBIT 15

CPUC01358

For Immediate Release:

PG&E Admits Falsely Reporting Safety of S.F. Peninsula Pipelines

Utility faces unprecedented hearing and possible fine by CPUC regulators three years after San Bruno explosion and fire

San Francisco – Three years after bad recordkeeping resulted in the deadly Pacific Gas & Electric Company explosion and fire in San Bruno, the California Public Utilities Commission has requested an unprecedented special hearing and possible fine for PG&E this Friday, Sept. 6, after company officials recently admitted using bad records to falsely assume it was safely operating two major gas pipelines stretching 34 miles from Milpitas to San Francisco.

San Bruno City officials say the latest revelation raises serious concerns about whether PG&E has made any attempt to fix the flawed recordkeeping that federal and state investigators found to be a major factor in the Sept. 9, 2010 PG&E pipeline explosion in San Bruno that killed eight people, destroyed 38 homes and damaged scores more.

"The fatal disaster that struck our community happened as a result of gross negligence and bad recordkeeping and here we are, three years later, and PG&E is admitting to negligent oversight and bad records," said San Bruno Mayor Jim Ruane. "This latest 'error' is more than troubling – it's disgusting. How many innocent lives must be lost, how many communities must endure tragedy before PG&E and our State regulators finally wake up and put safety first?"

Faulty recordkeeping was found to be a major contributor to the explosion and fire in San Bruno after federal and state investigators found that PG&E had maintained bad or nonexistent pipeline safety records for much of its more than 1,000 miles of urban natural gas transmission lines. As a result, state regulators required PG&E to lower pressure on its other Peninsula gas pipelines until safety records could be verified.

In 2011, PG&E declared that the pipeline construction records were accurate for both Lines 101, which runs from Milpitas to San Francisco, and Line 147, which runs in the San Carlos area. Based on PG&E's representations, the CPUC allowed PG&E to increase the pressure back to pre-explosion levels.

But two years later, the company recently admitted that the records it had relied on to make that determination were bad. In reality, PG&E's pipelines were found too weak to withstand higher pressure after an October 2012 corrosion-related leak in San Carlos revealed seams in the pipeline previously not thought to exist.

Attorneys for PG&E acknowledged this mistake in a corrected filing submitted on July 3 of this year, alarming state regulators who called the latest revelation and "continuing inaccuracy of PG&E's records" "profoundly troubling" given the three years since the San Bruno tragedy and "the expenditure of hundreds of millions of dollars for record review and validation."

The CPUC's Administrative Law Judges also said that submitting the filing before the Fourth of July "raises questions" about whether PG&E was trying to hide the error or "mislead the Commission" given that PG&E's record-keeping practices continue to be an "extraordinarily controversial issue."

Judges have summoned PG&E for a hearing on Friday, at which time the company faces fines of up to $50,000 for each of five rules it may have violated.

These fines are the latest for PG&E, which is also facing possible penalties fines of more than $2 billion for the 2010 explosion and fire in San Bruno.

Ruane said this latest breach by PG&E and lack of oversight by the CPUC more than ever underscores the need for a series of additional and critical remedial measures to ensure systemic regulatory change in the future.

City officials are calling for an Independent Monitor to ensure PG&E follows its own safety plan in the face of possible lax enforcement by politically appointed CPUC Commissioners with close ties to utilities. They are also pushing for $5 million per year for a "California Pipeline Safety Trust," which will serve as a legacy to this tragedy and will function as an important, impartial advocate for pipeline safety, and the installation of lifesaving fully Automated Shutoff Valves.

"We believe critical and remedial measures – and specifically an Independent Monitor —is essential to ensuring the accuracy and integrity of PG&E's records and the active oversight of the CPUC," Ruane said. "The tragedy in San Bruno could have been prevented and now, three years later, we will continue to work so that the legacy of the disaster in our City is the opportunity to prevent future tragedy here and in communities across the nation."

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PLEASE NOTE: Two CPUC hearings will take place starting at 10 a.m. and 1:30 p.m. tomorrow, Friday, Sept. 6, in the auditorium at 505 Van Ness Ave. to consider fining PG&E for falsely reporting pipeline information.

Media Contact:
Connie Jackson, City Manager
Phone: (650) 616-7056
Email: cjackson@sanbruno.ca.gov

Alex Doniach, Singer Associates
Office: (415) 227-9700
Cell: (415) 806-8566
Email: Alex@Singersf.com

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

EXHIBIT 16

From: Cherry, Brian K <BKC7@pge.com>
Sent: Wednesday, September 11, 2013 9:03 AM
To: Clanon, Paul <paul.clanon@cpuc.ca.gov>
Subject: RE: Coverage: Michael Peevey's aggressive language, Jackie Speier calls on PG&E and CPUC to improve pipeline safety, San Bruno commemorates 3rd anniversary of explosion and fire

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Thanks.

-----Original Message-----
From: Clanon, Paul [mailto:paul.clanon@cpuc.ca.gov]
Sent: Wednesday, September 11, 2013 9:00 AM
To: Cherry, Brian K
Subject: Re: Coverage: Michael Peevey's aggressive language, Jackie Speier calls on PG&E and CPUC to improve pipeline safety, San Bruno commemorates 3rd anniversary of explosion and fire

We looked on the last one, and it wasn't sent to the ALJs or advisors/commissioners.

On Sep 10, 2013, at 7:09 PM, "Cherry, Brian K" <BKC7@pge.com> wrote:

> We believe this went to the service list also.
>
> Brian K. Cherry
> PG&E Company
> VP, Regulatory Relations
> 77 Beale Street
> San Francisco, CA. 94105
> (415) 973-4977
>
>
> Begin forwarded message:
>
> From: Alex Doniach <alex@singersf.com<mailto:alex@singersf.com>>
> Date: September 10, 2013, 6:30:18 PM PDT
> To: Alex Doniach <alex@singersf.com<mailto:alex@singersf.com>>
> Cc: Sam Singer <sam@singersf.com<mailto:sam@singersf.com>>
> Subject: Coverage: Michael Peevey's aggressive language, Jackie Speier calls on PG&E and CPUC to improve pipeline safety, San Bruno commemorates 3rd anniversary of explosion and fire
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>
> 1. San Bruno Mayor Questions Aggressive Language by CPUC President<http://www.nbcbayarea.com/investigations/San-Bruno-Mayor-Questions-Aggressive-Language-by-CPUC-President-223056491.html>
> Tony Kovaleski, Liz Wagner and Mark Villarreal, NBC Bay Area, September 9, 2013
>
>
> 2. Statement: Congresswoman Speier Says PG&E And CPUC Must Do More To Make Natural Gas System Safe<http://speier.house.gov/index.php?option=com_content&view=article&id=1181:statement-congresswoman-speier-says-pgae-and-cpuc-must-do-more-to-make-natural-gas-system-safe&catid=1:press-releases&Itemid=14>
>
> Congresswoman Jackie Speier, September 9, 2013
>
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>
> 3. Oakland Tribune editorial: PUC must stand up to PG&E's power play over proposed fine<http://www.insidebayarea.com/ci_24052174/oakland-tribune-editorial-puc-must-stand-up-pg>
>

EXHIBIT 16

CPUC01374

> Inside Bay Area, September 9, 2013
>
>
> 4. KCBS In Depth: San Bruno Mayor On Lessons From Pipeline Blast<http://sanfrancisco.cbslocal.com/2013/09/09/kcbs-in-depth-san-bruno-mayor-on-lessons-from-pipeline-blast/>
> KCBS, September 9, 2013
>
>
> 5. San Bruno remembers: Ceremony marks three-year anniversary of fire; PG&E announces settlements<http://www.smdailyjournal.com/articles/lnews/2013-09-10/san-bruno-remembers-ceremony-marks-three-year-anniversary-of-fire-pge-announces-settlements/1775055.html>
>
> Angela Swartz, San Mateo Daily Journal, September 10, 2013
>
>
> 6. San Bruno residents mark 3 year anniversary of explosion<http://abclocal.go.com/kgo/story?section=news/local/peninsula&id=9242294>
>
> Heather Ishimaru, KGO-TV (ABC), September 9, 2013
>
>
> 7. San Bruno Continues to Rebuild 3 Years After Deadly Explosion<http://www.nbcbayarea.com/news/local/San-Bruno-Continues-to-Rebuild-3-Years-After-Deadly-Explosion-223055321.html>
>
> Damian Trujillo, NBC Bay Area, September 9, 2013
>
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> Full Coverage
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> 1. San Bruno Mayor Questions Aggressive Language by CPUC President<http://www.nbcbayarea.com/investigations/San-Bruno-Mayor-Questions-Aggressive-Language-by-CPUC-President-223056491.html>
> Tony Kovaleski, Liz Wagner and Mark Villarreal, NBC Bay Area, September 9, 2013
>
> Three years after the deadly San Bruno pipeline explosion, tensions between San Bruno city leaders and the California Public Utilities Commission remain high. For the first time, city officials reveal details of a Dec. 18, 2012 encounter with CPUC President Michael Peevey that sheds new light on the ongoing conflict between the city and the man in charge of the utility regulator.
>
> City leaders said the incident started during a meeting they requested with Peevey ahead of the commission's approval of the PG&E pipeline safety plan.
>
> "We walked in and we sat down and the first thing he says to me is, 'This is your meeting. You called it. What do you want?'" San Bruno Mayor Jim Ruane said. "The tone was arrogance. I was a little surprised."
>
> Ruane said he told Peevey he wanted to discuss the commission's upcoming vote, but that the president quickly interrupted him.
>
> "[Peevey] stopped me right there and said 'what you did in front of my building was bulls--t,'"Ruane said. "I was taken aback."
>
> Peevey was referring to a news conference San Bruno city leaders held on the steps of the CPUC building in San Francisco two months earlier to discuss the restructuring of the agency. When asked what he took away from Peevey's behavior, Ruane said it was "shocking" and "embarrassing" and that it reinforced what he perceived to be arrogance on Peevey's part.
>
> "Mr. Peevey displayed a level of behavior that I have never before witnessed in my 30 plus years of public service," said San Bruno City Manager Connie Jackson. "Mr. Peevey's behavior was highly unprofessional and inappropriate."
>
> Watch investigation into Peevey's acceptance of gifts and travel by utility companies

>
> The City of San Bruno and the Public Utilities Commission have had a contentious relationship since the Sept. 9, 2010 explosion that killed eight people, injured 66, and leveled an entire neighborhood. Last October, several San Bruno residents called for Peevey's removal.
>
> "It is really clear Mr. Peevey has an interest in the utility companies' interests rather than the public," Rene Morales said during a press conference last October. "That's why we're coming forward now."
>
> Morales' 20-year-old daughter Jessica died in the blast.
>
> Around the same time, San Bruno resident Kathy DeRenzi started an online petition calling on Gov. Jerry Brown to fire the president of the commission.
>
> "He is not doing his job," DeRenzi said in an interview with NBC Bay Area last spring. "We need the governor to change the head of the PUC so we can feel safe."
>
> Watch story about Peevey's choice to blow of Senate in favor of Napa winery event
>
> On Oct. 23, 2012, the City of San Bruno unanimously passed a resolution calling for Peevey's ouster. San Bruno leaders and residents have called multiple news conferences on the steps of the CPUC building since the explosion, questioning the president's leadership. Those tactics have apparently ruffled Peevey's feathers and led to the use of what city leaders describe as choice words during that closed-door meeting last December.
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> Ruane said he didn't expect Peevey to use such harsh language when addressing "an elected mayor representing the people of a city that had been devastated."
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> Jackson said it appeared as if Peevey let his emotions overcome his sensibilities and that the behavior crossed the line.
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> During the three years since the explosion, the mayor and city manager have identified failures within the commission-and more questionable behavior by its president-and detailed them in a five-page memo to the Investigative Unit. Jackson said the list proves there needs to be "fundamental reform of the CPUC" and that "it is not focused on safety and that change is desperately needed for ratepayers and residents of California."
>
> When asked if Peevey owes him - and San Bruno residents - an apology, Ruane said, "That's Mr. Peevey's call. With the arrogance that's there, I would really question the sincerity of an apology."
>
> Multiple requests to speak with Peevey have been declined. Through a spokesman the CPUC issued a statement saying the meeting was nearly a year ago and that "the San Bruno-related cases are now in the hands of the Administrative Law Judges for their proposed resolution." Meanwhile, city leaders said they have yet to receive a response from Gov. Brown about their call for Peevey's removal.
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> 2. Statement: Congresswoman Speier Says PG&E And CPUC Must Do More To Make Natural Gas System Safe<http://speier.house.gov/index.php?option=com_content&view=article&id=1181:statement-congresswoman-speier-says-pgae-and-cpuc-must-do-more-to-make-natural-gas-system-safe&catid=1:press-releases&Itemid=14>
>
> Congresswoman Jackie Speier, September 9, 2013
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> SAN MATEO, CA - Congresswoman Jackie Speier (D-San Francisco/San Mateo) today issued the following statement on the PG&E natural gas transmission pipeline explosion on September 9, 2010 in San Bruno:
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> "Three years ago, a horrific explosion and fire killed eight of my constituents and destroyed a neighborhood. Those who lost loved ones will forever be scarred by this horrendous tragedy. Those who escaped with their lives are still haunted by the trauma and memories. Many improvements have been made to the natural gas system, but I continue to be disappointed by PG&E's dismal record keeping and the CPUC's inadequate oversight. We just recently learned that PG&E belatedly admitted to the CPUC that it kept bad records on two transmission lines on the Peninsula. Bad records can lead to bad outcomes. It is

time for the CPUC to fine PG&E for its negligence in the past and force it to assure a safe gas system in the future. The San Bruno community is optimistic and resilient and will continue to heal in the years ahead."
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> 3. Oakland Tribune editorial: PUC must stand up to PG&E's power play over proposed fine<http://www.insidebayarea.com/ci_24052174/oakland-tribune-editorial-puc-must-stand-up-pg>
>
> Inside Bay Area, September 9, 2013
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> PG&E knows how to generate power and distribute it where it's needed. The utility is using its considerable resources to do that now -- but we're not talking electricity. It's marshaling the muscle of Wall Street in a campaign to minimize the penalty it will pay for the 2010 San Bruno tragedy.
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> The California Public Utilities Commission has to stand up to this power play. PG&E shareholders -- not ratepayers -- should take responsibility for the utility's fatal errors. They're the ones who profited from the failure to invest in improvements that could have prevented the gas explosion that killed eight people and destroyed 38 homes.
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> Claims that the penalty will plunge the wildly profitable utilityinto bankruptcy are overblown.
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> The PUC has had a cozy relationship with PG&E over the years and appeared to be on the same track after San Bruno. But thanks to a courageous stand by its in-house lawyers, the staff reversed course in July and recommended PG&E pay an eye-popping $2.25 billion penalty. This was backed up by a comprehensive, independent audit of PG&E that found the utility could absorb the full penalty without affecting ratepayers or its future solvency.
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> If the fine is approved by the appointed five-member commission later this year, it would be the largest imposed on a utility in U.S. history. That sounds right. Investigations have shown that PG&E took money collected from ratepayers for gas pipeline maintenance and instead used it for shareholder dividends and executive bonuses. The size of the fine needs to fit the enormity of the misdeeds.
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> When CEO Tony Earley met with our editorial board in late July, he didn't whine about the proposed penalty, but he has been fearmongering ever since.
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> Earley went to New York on Aug. 20 and told Wall Street that imposing the penalty "may force the company into bankruptcy." Moody's Investors Service and Standard & Poor's immediately said they will need to review California's regulatory system if the full penalty is assessed.
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> Then, a few days later, PG&E told the PUC the fine would make it harder to raise capital, so it may seek a rate hike of as much as 4 percent for customers. If it does, the commission needs to refer to that independent audit and say no. This is not ratepayers' responsibility.
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> Earley views the penalty as $4 billion because of the money it has already spent on safety work since the death and destruction in San Bruno. What chutzpah. Safety is what ratepayers had been led to expect all along.
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> Shareholders and executives benefited from the utility's failure to invest in safety, and they should pay for it.
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> 4. KCBS In Depth: San Bruno Mayor On Lessons From Pipeline Blast<http://sanfrancisco.cbslocal.com/2013/09/09/kcbs-in-depth-san-bruno-mayor-on-lessons-from-pipeline-blast/>
> KCBS, September 9, 2013
>
> SAN BRUNO (KCBS) - Three years after a deadly gas pipeline explosion in San Bruno killed eight people and destroyed 38 homes, the city's mayor is still not satisfied that an incident like the one that devastated his city couldn't happen again.
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> "We've learned so much in the last three years," said Jim Ruane, who has served as the city's mayor since 2009.
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> When asked about the recovery, Ruane said, "Physically we're working very hard to bring the community back."
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> Sixteen homes have been rebuilt and reoccupied by their original residents. The original occupants of six other homes are expected to return soon. .
>
> Among the remaining lots, Ruane said the city owns five, while PG&E owns seven. Ten of those 12 lots will be given to a general contractor and developer to rebuild. He predicted it would take about a year to complete.
>
> "Some people have decided to sell and not come back simply because they're older and it would take another couple of years to rebuild. And some of the people that lost family members are still talking to the city about what to do with their individual lots," he said.
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> Ruane commended the community for the outpouring of support and strength in the aftermath of the incident, but he reflects and is bothered by what he originally thought was an accident.
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> "The saddest part of this whole story; the worst thing is that this could have been prevented," he said.
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> Ruane has coordinated with representatives on a state and national level, including U.S. Rep. Jackie Speier and State Senator Jerry Hill, to investigate the California Public Utilities Commission (CPUC). He has also made more than 30 trips to National Transportation Safety Board investigation hearings in Washington.
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> "NTSB investigations highlighted the fact that there was too cozy a relationship between the utility and the regulatory body that was supposed to oversee them. We've discovered how arrogant the head of the CPUC can be and how they actually violated their own internal rules and regulations. Profits were put ahead of regulations," Ruane said.
>
> He continued to explain how the CPUC oversees PG&E and the rate-making process and that there were several entities involved in the investigation including the City of San Francisco, watchdog group The Utility Reform Network (TURN) and PG&E, who is supposed to be independent of the CPUC.
>
> PG&E tried to set up a safety symposium earlier this year with the CPUC President Michael Peevey and the president of PG&E on the panel. "There's total conflict there," Ruane said. "It's like somebody has a backdoor into our public utilities commission and it's just not right."
>
> Ruane described the city's relationship with PG&E as "cordial" in the immediate aftermath of the explosion and had quickly negotiated a $50 million neighborhood rebuilding program. Along with his city manager, he argued that the City of San Bruno was also a victim and they negotiated a restitution of $70 million from the utility company. The money was used to develop a not-for-profit for the city to be used by and for the people and what they want, not for day-to-day or city expenses.
>
> "We're working hard for fines and penalties," Ruane said. "We want PG&E and its shareholders to pay. We want them to hurt in this situation."

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> Ruane said he believes there is sincerity on the utility company's part to change their ways, but he sees it as a generational problem since they've operated for so long in a certain way. He doesn't think change will come overnight.
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> As far as any criminal penalties go, Ruane explained as far as he knows there is a three-year statute of limitations in San Mateo County to take action. The District Attorney has decided not to take action because that same statute has a five-year limit with the federal government and to his understanding, something will be done on a federal level within the next two years.
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> "It was criminal what happened," Ruane said.
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> 5. San Bruno remembers: Ceremony marks three-year anniversary of fire; PG&E announces settlements<http://www.smdailyjournal.com/articles/lnews/2013-09-10/san-bruno-remembers-ceremony-marks-three-year-anniversary-of-fire-pge-announces-settlements/1775055.html>
>
> Angela Swartz, San Mateo Daily Journal, September 10, 2013
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> To mark the three-year anniversary of the explosion and fire that shook San Bruno, the city held a remembrance service at the blast site last night.
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> Pacific Gas and Electric also announced yesterday it has settled nearly all of the remaining victims' lawsuits for $565 million, said PG&E spokeswoman Brittany Chord. Eight people died as a result of a Sept. 9, 2010 PG&E pipeline explosion and fire in the Crestmoor neighborhood
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> "I'm disappointed in the timing," Mayor Jim Ruane said. "They announced it when we were about to commemorate eight people who died."
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> The event, at Claremont and Glenview drives, acted as a celebration of families who have completed reconstruction and are returning home and was also as a commemoration for those who died in the blast. There were also 66 people were injured, traumatizing a community and affecting the entire city.
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> Ruane spoke at the ceremony, congratulating the four families who are returning home.
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> "Tonight we celebrate their accomplishments and let them back into their homes with open arms," he said. "We give a special welcome to new families who have moved into the neighborhood in the last two years. You have chosen a great place to call home - welcome and congratulations."
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> Four more families will be moving back into their homes in the next 60-90 days.
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> A resident even read a poem to welcome back the neighbors and to remember the victims.
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> "Three years ago, a horrific explosion and fire killed eight of my constituents and destroyed a neighborhood," U.S. Rep. Jackie Speier, D-San Mateo, said in a statement. "Those who lost loved ones will forever be scarred by this horrendous tragedy. Those who escaped with their lives are still haunted by the trauma and memories. Many improvements have been made to the natural gas system, but I continue to be disappointed by PG&E's dismal record keeping and the CPUC's inadequate oversight. We just recently learned that PG&E belatedly admitted to the CPUC that it kept bad records on two transmission lines on the Peninsula. Bad records can lead to bad outcomes. It is time for the CPUC to fine PG&E for its negligence in the past and force it to assure a safe gas system in the future. The San Bruno community is optimistic and resilient and will continue to heal in the years ahead."
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> So far, of the 38 homes destroyed by the explosion, 16 have completed construction and are occupied, according to the city. Five homes are actively under construction with active building permits, while one home is preparing plans for a building permit submittal. Sixteen parcels remain vacant.
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> Together with the mayor of Allentown, Penn., where a similar pipeline explosion occurred in 2011, Ruane is forming the Mayors Council on Pipeline Safety through the U.S. Conference of Mayors to assure that the call for critical reform and public awareness is heard nationwide.
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> For more information on the rebuild effort visit rebuildcrestmoor.org<http://rebuildcrestmoor.org>.
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> 6. San Bruno residents mark 3 year anniversary of explosion<http://abclocal.go.com/kgo/story?section=news/local/peninsula&id=9242294>
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> Heather Ishimaru, KGO-TV (ABC), September 9, 2013
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> SAN BRUNO, Calif. (KGO) -- One community devastated by fire is vowing never to forget it. Monday marks the third anniversary of the pipeline explosion that destroyed a neighborhood in San Bruno. And this year, for the first time, the city is marking the occasion at the site where it happened.
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> PG&E has set up a $50 million fund to rebuild the infrastructure in the neighborhood, but of course no amount of money can bring back the people they've lost or heal the hearts of the people who loved them.
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> Three members of the Bullis Family died in their home three years ago. The city says the family hasn't decided yet what to do with the lot, so it sits empty.
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> "Rebuilding is going to occur and it's doing that right now. But the emotional part is going to take years and for some people, they're never going to get over it. It's just a huge emotional drain," said San Bruno Mayor Jim Ruane.
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> The ferocious explosion and fire destroyed 38 homes, eight people were killed and many more seriously injured. Nancy Hensel was not home that night, but her husband and two cats were. Her husband made it out as the house burned down, but Buckwheat and Zoe did not. She knows where they would have been hiding.
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> "They were up under a bed with a platform. I just hope they didn't suffer. I think about that every day," said Hensel.
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> The flyers she posted all over the neighborhood in hopes of finding the cats were out in her front yard on Monday. She's got a couple new cats, one of them was found in the neighborhood right after the fire, and no one claimed him.
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> "His name is Dusty. It was either going to be Phoenix, Dusty, or Ashes," said Hensel.
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> Sixteen of the 38 homes are rebuilt and reoccupied; four more are about to be. Monday evening's memorial was about both mourning the dead and welcoming the old neighbors' home again.
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> But as Hensel has learned, there really is no going home again after what happened there, even when you rebuild trying to make it just like it was.
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> "It's not the same, my husband tried to rebuild it as it was, but you can't do that," said Hensel.
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> PG&E issued a statement on Monday saying since the accident, "We are focused on helping the victims recover and making our gas system the safest system in the nation. We still have more work to do, but we've made progress."
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> The San Mateo County District Attorney's Office and California Attorney General's Office were both looking into whether there might be a criminal case against PG&E, but they both decided against it. The feds still have two years to decide if they think they might have a criminal case.
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> 7. San Bruno Continues to Rebuild 3 Years After Deadly Explosion<http://www.nbcbayarea.com/news/local/San-Bruno-Continues-to-Rebuild-3-Years-After-Deadly-Explosion-223055321.html>
>
> Damian Trujillo, NBC Bay Area, September 9, 2013
>
>
> Monday marked the three-year anniversary since the deadly pipeline explosion that rocked San Bruno and killed eight people.
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> A memorial was scheduled in San Bruno Monday evening to remember those who lost their lives.
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> The PG&E pipeline explosion destroyed 38 homes and some of the victims have spent the last three years rebuilding.
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> However, some of the victims decided they didn't want to come back to this neighborhood. More than a dozen lots remain empty in the neighborhood, and some property has been sold to the city, officials said.
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> "It's not the same. It's build almost the same," resident Nancy Hensel said. "My husband wanted to build it the same. But you can't build it the same."
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> View more in Damian Trujillo's video report above.
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> PG&E is committed to protecting our customers' privacy.
> To learn more, please visit http://www.pge.com/about/company/privacy/customer/

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To learn more, please visit http://www.pge.com/about/company/privacy/customer/

EXHIBIT 17

Harris, Frederick

From: Doll, Laura <LRDD@pge.com>
Sent: Wednesday, April 24, 2013 8:39 PM
To: Earley Jr., Anthony; Johns, Christopher; emory.hagan@cpuc.ca.gov; Lane, Bret (JLane@semprautilities.com); eric.debonis@swgas.com
Cc: Youngblood, Soo Ling T.
Subject: May 6 Dinner at Postrio CANCELLED

Gentlemen
You have heard by now that the CPUC has cancelled the Safety Symposium scheduled for May 7 & 8. Just wanted to make sure you also understood that the Monday night dinner at Postrio is cancelled as well.

Regards,
Laura

Laura Doll
Director, Regulatory Relations
lrdd@pge.com
office: 415.973.8663
mobile: 415.828.3739

CPUC03837

EXHIBIT 17

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

Order Instituting Investigation on the Commission's Own Motion into the Operations and Practices of Pacific Gas and Electric Company to Determine Violations of Public Utilities Code Section 451, General Order 112, and Other Applicable Standards, Laws, Rules and Regulations in Connection with the San Bruno Explosion and Fire on September 9, 2010.	I.12-01-007 (Filed January 12, 2012) (Not Consolidated)
Order Instituting Investigation on the Commission's Own Motion into the Operations and Practices of Pacific Gas and Electric Company with Respect to Facilities Records for its Natural Gas Transmission System Pipelines.	I.11-02-016 (Filed February 24, 2011) (Not Consolidated)
Order Instituting Investigation on the Commission's Own Motion into the Operations and Practices of Pacific Gas and Electric Company's Natural Gas Transmission Pipeline System in Locations with Higher Population Density.	I.11-11-009 (Filed November 10, 2011) (Not Consolidated)

NOTICE OF AVAILABILITY OF EXHIBITS SUPPORTING THE MOTION OF THE CITY OF SAN BRUNO SEEKING THE RECUSAL OF ASSIGNED COMMISSIONER PEEVY

STEVEN R. MEYERS
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Attorneys for CITY OF SAN BRUNO

July 28, 2014

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Investigation on the Commission's Own Motion into the Operations and Practices of Pacific Gas and Electric Company to Determine Violations of Public Utilities Code Section 451, General Order 112, and Other Applicable Standards, Laws, Rules and Regulations in Connection with the San Bruno Explosion and Fire on September 9, 2010.	I.12-01-007 (Filed January 12, 2012) (Not Consolidated)
Order Instituting Investigation on the Commission's Own Motion into the Operations and Practices of Pacific Gas and Electric Company with Respect to Facilities Records for its Natural Gas Transmission System Pipelines.	I.11-02-016 (Filed February 24, 2011) (Not Consolidated)
Order Instituting Investigation on the Commission's Own Motion into the Operations and Practices of Pacific Gas and Electric Company's Natural Gas Transmission Pipeline System in Locations with Higher Population Density.	I.11-11-009 (Filed November 10, 2011) (Not Consolidated)

NOTICE OF AVAILABILITY OF EXHIBITS SUPPORTING THE MOTION OF THE CITY OF SAN BRUNO SEEKING THE RECUSAL OF ASSIGNED COMMISSIONER PEEVY

Pursuant to Rule 1.9(d) of the California Public Utilities Commission's ("Commission") Rule of Practice and Procedure, the City of San Bruno ("San Bruno") provides this notice to the Commission and interested parties of the availability of the Exhibits supporting the Motion of the City of San Bruno Seeking the Recusal of Assigned Commissioner Peevy. The exhibits exceed 123.2 megabytes. Due to the size of them, San Bruno is serving this notice on all interested parties.

The exhibits can be accessed by going to the following URL:

.https://meyersnave.sharefile.com/d/s911293af60143399. It will be accessible for the next ninety

(90) days beginning July 28, 2014. After ninety days, please contact Susan Griffin at 707-808-2000 or sgriffin@meyersnave.com and we will provide a compact disk (CD) of the exhibits to any requesting party.

Respectfully Submitted,

/s/ Steven R. Meyers

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