From: Doll, Laura
Sent: 9/5/2014 10:39:39 AM
To: Terrie D.' 'Prosper (terrie.prosper@cpuc.ca.gov)
Cc:
Bcc:
Subject: Fwd: News re: San Bruno, PG&E, CPUC

Sent from my iPhone

Begin forwarded message:

**From:** Alex Doniach <alex@singersf.com>
**Date:** September 5, 2014 at 10:36:04 AM PDT
**To:** Alex Doniach <alex@singersf.com>
**Cc:** Sam Singer <singer@singersf.com>
**Subject: News re: San Bruno, PG&E, CPUC**

1. Guest Editorial: Proposed PG&E penalty should be bigger

Vacaville Reporter – Sept. 4, 2014

2. Sen. Jerry Hill to propose legislation allocating pipeline explosion fine toward safety measures

By Staff and Wire Report, The Examiner – Sept. 5, 2014

3. Government Watch

San Mateo Daily Journal – Sept. 5, 2014

4. PG&E intends appeal of $1.4B fine for fatal blast

By Associated Press, The Business Journal – Sept. 4, 2013

5. Versatile News At Street: PG&E Corporation (NYSE:PCG), Blyth, Inc. (NYSE:BTH), Washington Real Estate Investment Trust (NYSE:WRE),

By Jenn Feldman, e Markets Daily – Sept. 4, 2014

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1. Guest Editorial: Proposed PG&E penalty should be bigger

Vacaville Reporter – Sept. 4, 2014

The Public Utilities Commission's proposed penalty to punish PG&E for its role in the San Bruno gas pipeline explosion is woefully lacking.

Sure, the $1.4 billion penalty given by two administrative law judges is by far the largest ever given to a utility by a regulatory agency. But let's not lose sight that PG&E's negligence reached historic levels that scream out for a significantly higher judgment.

The real tragedy of the PUC proposal is that PG&E ratepayers — not shareholders — will pay the biggest price for the utility's fatal errors.

The city of San Bruno and consumer groups should appeal this outrage, although it's unlikely that PUC President Michael Peevey and the full PUC board will overturn the judgment. Peevey's cozy relationship with the utility is so well-documented that if he had an ounce of integrity he would recuse himself from the proceedings.

The PUC's staff and consumer groups had recommended a reasonable $2.25 billion penalty. They made a compelling argument that shareholders should bear the burden of paying for the gas pipeline upgrades that PG&E neglected to make. Independent auditors had confirmed that PG&E, which routinely turns a profit in excess of $1 billion, could absorb the hit without doing long-term damage.

Investigators proved beyond doubt that PG&E took hundreds of millions of dollars collected from ratepayers for gas pipeline maintenance and instead used it for shareholder dividends and executive bonuses. If the money had been spent as intended, it might have prevented the San Bruno blast, which killed eight people and destroyed 38 homes.

PG&E repeatedly has argued that ratepayers should pay 90 percent of the utility's pipeline renovation plan, which is ludicrous because they already have paid once for the repairs that never were made.

The PUC judges propose that shareholders should foot the bill for only $400 million of the necessary $2.2 billion in pipeline improvements. Ratepayers will pay the remainder, and it's worth noting that PG&E already is calling for rate increases.

The PUC judges also ruled that $950 million of the fine would go to the state's general fund. The state certainly could put the money to good use, but applying it toward required gas pipeline improvements would lessen the burden on ratepayers.

Wall Street's reaction to the PUC's penalty proposal should tell Californians everything they need to know about how lenient the penalty is for PG&E and its shareholders. The utility's stock price soared 3.5 percent after the PUC announcement, and it closed Tuesday up 1.7 percent.

In the days after the San Bruno tragedy, the PUC said it would make sure PG&E took full responsibility for its role in the blast. Sadly, Bay Area residents still are waiting for that to happen.

2. Sen. Jerry Hill to propose legislation allocating pipeline explosion fine toward safety measures

By Staff and Wire Report, The Examiner – Sept. 5, 2014

Amid concerns that a significant portion of a $1.4 billion fine levied against PG&E in the deadly 2010 San Bruno pipeline explosion would go toward the state's general fund, state Sen. Jerry Hill, D-San Mateo, plans to introduce legislation to ensure the bulk of the fine is dedicated to pipeline safety measures.

Under the penalty proposed by administrative judges for the California Public Utilities Commission, $950 million would be earmarked for the state's general fund, while $400 million would go for pipeline improvements about $50 million would be used to enhance pipeline safety. PG&E, which announced plans to appeal the fine, cannot recover any of the money from customers.

Any appeal must first be considered by the administrative law judges before going to the CPUC.

H.D. Palmer, a spokesman for the state Department of Finance, noted that as it stands, those funds can be spent any way the governor and Legislature see fit. Hill argued that while the proposed $950 million could be spent in other regions of the state, the allocation would come at the expense of customers in PG&E's service area, who are already expected to face rate hikes to pay for upgrades to the pipeline system.

The senator's proposed legislation being announced Friday aims to prevent customers from bearing more costs related to pipeline improvement measures, while keeping the focus on enhancing pipeline safety. Under the bill, an independent monitor would be established to oversee PG&E's use of customers' money for safety upgrades, and a pipeline safety trust would be funded for California. A similar entity was created in Washington state after a deadly pipeline disaster in 1999, Hill noted.

The proposal calls for reducing the allocation to the state general fund to $300 million, funding $50 million for a pipeline safety trust and $30 million for an independent monitor. The remainder would be used to offset the $12 billion in rate hikes PG&E has proposed for pipeline improvements, according to Hill.

The September 2010 pipeline explosion in San Bruno's Crestmoor neighborhood killed eight people, injured dozens and destroyed 38 homes.

Hill said he plans to introduce his bill when the Legislature convenes on Dec. 1.

3. Government Watch

San Mateo Daily Journal – Sept. 5, 2014

State government

• State Sen. Jerry Hill, D-San Mateo, will announce he is introducing ratepayer protection legislation to ensure that the bulk of the $1.4 billion fine against Pacific Gas and Electric for the deadly 2010 San Bruno explosion is spent on pipeline improvements and related safety measures at a press conference Friday.

State regulators announced the proposed fine this week, just days before the fourth anniversary of the disaster.

Under the fine, which was proposed by two administrative judges hired by the California Public Utilities Commission, only $400 million would go for pipeline improvements, about $50 million would be allotted to enhance pipeline safety and $950 million would go to the state general fund. The $950 million could be spent in other regions of the state, but that allocation would come at the expense of customers in PG&E's service area, who already are expected to face $12 billion in rate hikes to pay for PG&E's work to bring its pipeline system up to modern standards, according to Hill's office.

Hill's legislation would prevent customers from bearing even more costs related to pipeline modernization and safety measures. The bill would also promote continued focus on pipeline safety improvements in two ways: The bill would establish an independent monitor, who would oversee PG&E's use of customers' money for safety upgrades, and it would fund a pipeline safety trust for California — a similar entity was created in Washington state after a deadly pipeline disaster in 1999, according to Hill's office.

The press conference is 11:15 a.m. Friday, Sept. 5 in front of the California Public Utilities Commission Building, 505 Van Ness Ave., San Francisco.

4. PG&E intends appeal of $1.4B fine for fatal blast

By Associated Press, The Business Journal – Sept. 4, 2013

AP) — An appeal is planned of a landmark $1.4 billion penalty recommended for a Northern California utility for a gas pipeline explosion that killed eight people, Pacific Gas and Electric said in a federal filing.

The utility said it plans to appeal to the California Public Utilities Commission within 30 days. Wednesday's filing with the U.S. Securities and Exchange Commission did not list a reason for the appeal, but PG&E spokesman Greg Snapper said the utility wants the commission to take into consideration the $2.7 billion it will or already has spent on gas pipeline safety improvements.

"We're planning to ask the commission to review yesterday's recommendation to make sure that a final penalty counts all of the company's safety investments and actions to make the gas system the best in the country," Snapper said.

He said any penalty should also directly go toward public safety. By far the largest share of the $1.4 billion penalty recommended by two administrative law judges Tuesday would go directly to the state with no strings attached.

The $950 million portion marked for the state's general fund also drew objections from a private advocacy group for ratepayers and the city of San Bruno, the San Francisco suburb where the fiery 2010 explosion destroyed more than three dozen homes and became the state's deadliest utility disaster in decades.

Those funds can be spent any way the governor and Legislature see fit, said H.D. Palmer, a spokesman for the state Department of Finance.

The penalty — the largest safety-related levy ever against a public utility in the state — also includes $400 million for pipeline improvements and about $50 million to enhance pipeline safety. PG&E cannot recover any of the money from customers.

Any appeal would first go to the administrative law judges who recommended the penalty before going to the state utilities commission for consideration.

The blast occurred when a 30-inch natural-gas transmission line installed in 1956 ruptured.

A 2011 investigation by the National Transportation Safety Board concluded the break occurred in a weak weld in a pipeline that PG&E records had shown as being smooth and unwelded. Among other safety failings, PG&E let an hour and 35 minutes go by before shutting off the natural gas fueling the fire, the federal investigators said.

The utilities commission previously ordered PG&E to pay $635 million for pipeline modernization — money that also cannot come from PG&E customers.

This year, federal prosecutors separately indicted PG&E on 27 counts alleging the utility violated pipeline safety requirements.

PG&E faces additional fines of more than $1 billion if convicted of the federal charges, which are separate from the state financial penalties. PG&E has pleaded not guilty to the counts.

5. Versatile News At Street: PG&E Corporation (NYSE:PCG), Blyth, Inc. (NYSE:BTH), Washington Real Estate Investment Trust (NYSE:WRE),

By Jenn Feldman, e Markets Daily – Sept. 4, 2014

PG&E Corporation (NYSE:PCG) [Trend Analysis] reported that a penalty being considered by the California Public Utilities Commission in connection with the 2010 explosion of a natural gas transmission pipeline in San Bruno should be reasonable and take into account precedent and the investments the company has made to promote safety. PG&E Corporation (NYSE:PCG) moved down -0.42% to settled at $47.09 with the total traded volume of 3.4 Million shares. The company's shares performance for the last one month was 5.87% and 3.70% in the previous week, whereas year to date performance was calculated 19.28%.

Why Investors Right to Know NYSE:PCG Performance? Find Out Here Totally Free

Blyth, Inc. (NYSE:BTH) [Trend Analysis] reported that it and the Founders as well as certain other preferred stockholders of its ViSalus network marketing subsidiary have reached an agreement in principle whereby the Founders and those other preferred stockholders will exchange their shares of Redeemable Convertible Preferred Stock of ViSalus for shares of ViSalus Common Stock. Blyth, Inc. (NYSE:BTH) surged 35.98% in last regular trading with 2.29 Million trading volume. Corporation has the total sale of $907.97 billion in last

12 months while total revenue was recorded after cost was +$1.57 billion for the similar period with the current ratio of 2.60 for the most recent quarter.

How NYSE:BTH Taste Ups And Down- Find Out Here Totally Free

Washington Real Estate Investment Trust (NYSE:WRE) [Trend Analysis]reported that its Chief Financial Officer Bill Camp will resign to pursue other opportunities. In the interim, Camp is expected to continue in his role as CFO through the year end reporting period in February and will work to help ensure a smooth transition. Washington Real Estate Investment Trust (NYSE:WRE) stock closed at $27.99 in last session with the total traded volume of 363289. As taking short look on the firm profit margin was recorded 47.50%, and operating margin was recorded 24.00%. The Financial Institutional ownership of the firm was 79.90% while by insiders was -5.66%.

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