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PRESS RELEASE

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**CPUC TAKES ACTION IN RESPONSE TO INAPPROPRIATE
PG&E CONTACT WITH AGENCY OFFICIALS**

SAN FRANCISCO, September 15, 2014 - The California Public Utilities Commission (CPUC) today announced that it has taken a number of steps in response to inappropriate email exchanges between a Pacific Gas and Electric Company (PG&E) official and the CPUC related to the utility's Gas Transmission and Storage proceeding.

The CPUC will determine possible penalties against PG&E for its inappropriate communication, which involved email exchanges regarding the assignment of an Administrative Law Judge to PG&E's Gas Transmission and Storage proceeding. Further, the CPUC will take the following actions to ensure that inappropriate communication with utilities does not reoccur, and that the integrity of the proceedings before the CPUC remains intact.

- 1) CPUC President Michael R. Peevey asked his Chief of Staff, who responded to PG&E's inappropriate contact, to, by mutual agreement, resign, and she has done so effective immediately.
- 2) Because of the inappropriate contact, President Peevey has recused himself from PG&E's Gas Transmission and Storage proceeding. In spite of the fact that the inappropriate exchange between PG&E and the CPUC was made in PG&E's Gas Transmission and Storage proceeding, President Peevey said that he will also recuse himself from the penalty consideration proceedings related to PG&E's natural gas pipeline rupture in San Bruno to eliminate any appearance of impropriety. Said President Peevey, "The inappropriate contact by PG&E was made in the Gas Transmission and Storage proceeding, not in the pipeline penalty proceedings. However, I am recusing myself from any role in considering the Administrative Law Judges' Presiding Officers' Decisions in order to

remove any doubt about my objectivity regarding these important cases. I feel that my voluntary recusal should ensure the public's confidence in the credibility and objectivity of the CPUC's decisions."

3) President Peevey has directed the CPUC's Executive Director to conduct a review, employing an outside expert, of internal procedures to guard against future ex parte violations by parties, and inappropriate contact by CPUC employees with parties.

CPUC Commissioner Mike Florio said, "To be clear, I took no action in response to PG&E's request for reassignment of the original Administrative Law Judge. But I should not have responded to PG&E's inappropriate inquiry and will not do so if something like this ever happens again. The Administrative Law Judge ultimately assigned to the Gas Transmission and Storage proceeding is very experienced in these matters and his integrity is above reproach, so I am confident the public will be well served. As a lawyer and a consumer advocate for more than 30 years, I want to assure those practicing before us, the many stakeholders to our proceedings, and the public that this will not happen again."

PG&E's Gas Transmission and Storage proceeding deals with cost of service and rates for gas transmission and storage services for 2015-2017. It was filed in December 2013 and is assigned to Commissioner Carla J. Peterman and Administrative Law Judge John S. Wong.

The emails are available at: www.cpuc.ca.gov/PUC/News/Sept_15_2014_Email_Documents.htm.

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

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