

California Public Utilities Commission
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PRESS RELEASE

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**CPUC APPROVES SETTLEMENT IN PG&E
RESOURCE ADEQUACY PENALTY CONSIDERATION CASE**

SAN FRANCISCO, February 16, 2012 - The California Public Utilities Commission (CPUC) today approved a settlement in its penalty consideration case regarding allegations of Resource Adequacy reporting violations by Pacific Gas and Electric Company (PG&E) under which the utility will remit \$215,000 to the state's General Fund.

The Resource Adequacy Requirement Program requires PG&E to show that it has sufficient generation capacity to serve forecasted retail customer demand, including a reserve margin. The program also includes specific reporting requirements and time limits for fulfilling Resource Adequacy Requirement Program procurement obligations. The penalty consideration case settled today was opened in June 2011 to address PG&E's alleged failure to comply with Program rules by not timely securing the required energy resources for the months of March, April, and July 2010.

Commissioner Mark J. Ferron said, "While no harm came to the grid during the three months in question, reliable service is of paramount importance. Utilities must comply fully with all of our orders and ensure that their filings to us are timely, complete, and accurate."

This settlement agreement was reached between the CPUC's Consumer Protection and Safety Division, which investigated the alleged violations, and PG&E. PG&E will make its payment in shareholder funds to the state's General Fund within 60 days.

The decision voted on today is available at

http://docs.cpuc.ca.gov/word_pdf/AGENDA_DECISION/158658.pdf.

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

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