

California Public Utilities Commission
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PRESS RELEASE

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CPUC ISSUES JUDGE'S PROPOSAL FOR RANCHO CORDOVA CASE

SAN FRANCISCO, Sept. 29, 2011 - The California Public Utilities Commission (CPUC) today issued a proposal by an Administrative Law Judge that rejects stipulated resolutions to Pacific Gas and Electric Company's Rancho Cordova case and calls for an increase in the proposed fine.

In November 2010, the CPUC opened a penalty consideration proceeding regarding a December 24, 2008, incident in which natural gas leaking from a PG&E distribution pipeline resulted in an explosion and fire in Rancho Cordova, Calif., that claimed the life of one person and injured five others.

On June 20, 2011, PG&E and the CPUC's Consumer Protection and Safety Division (CPSD) filed a stipulated resolution for Commissioner consideration that would penalize PG&E \$26 million in shareholder funds for the incident. PG&E and The Utility Reform Network (TURN) entered into a separate stipulation under which PG&E would not include in its next rate case the costs associated with resolving other Rancho Cordova claims and litigation.

An Administrative Law Judge reviewed the proposed stipulated resolutions and issued a Presiding Officer's Decision today that recommends that the CPUC's Commissioners reject the stipulations, and proposes that the CPUC fine PG&E \$38 million instead.

If this proposed penalty amount is agreeable, PG&E, CPSD, and TURN may file a motion within 30 days to accept the new proposed amount. A Proposed Decision or a modified Presiding Officer's Decision will then be issued to address this new penalty amount and the approval of the stipulations.

If the parties decide not to accept the proposed penalty of \$38 million, a Ruling will be issued scheduling Evidentiary Hearings in the case.

Said Commissioner Timothy Alan Simon, the assigned Commissioner to the Rancho Cordova investigation, “I am pleased with this important Presiding Officer’s Decision by Administrative Law Judge John Wong. This decision sends a balanced message to California utilities and communities that public safety of our critical infrastructure is of the highest priority to the CPUC.”

The Presiding Officer’s Decision is available at <http://docs.cpuc.ca.gov/EFILE/POD/144419.htm>.

Information on the Rancho Cordova case is available at www.cpuc.ca.gov/PUC/Enforcement/pge08.htm.

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

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