

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA



**FILED**  
10-02-14  
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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 High Population Density.

I.11-11-009  
(Filed November 10, 2011)  
(Not Consolidated)

**REQUEST FOR REVIEW**

Pursuant to Title 20 of the California Code of Regulations, Rule 14.4(b), I hereby request review of the *Presiding Officers' Decision on Fines and Remedies to be Imposed on Pacific Gas and Electric Company for Specific Violations in Connection with the Operation and Practices of Its Natural Gas Transmission System Pipelines* (Fines and Remedies POD), mailed September 2, 2014, in the above-referenced dockets. The specific grounds on which I request review are as follows:

**1. General Fund Fine**

The Fines and Remedies POD imposes a fine of \$950 million on Pacific Gas and Electric Company (PG&E), payable to the General Fund, in addition to other penalties and remedies. I request review to consider whether the fine amount is appropriate and/or a different level of fine should be imposed.

**2. Refunds to Ratepayers from Revenue Recovery Previously Authorized in Decision 12-12-030**

The Fines and Remedies POD orders PG&E to refund \$400 million to ratepayers from revenue recovery previously authorized Decision (D.)12-12-030.<sup>1</sup> I request review to consider whether the amount of refund is appropriate, and if a different amount of refund should be ordered.

**3. Consideration of Expenditures for Safety-Related Infrastructure Improvements**

The Fines and Remedies POD focuses on a General Fund fine, and a refund to ratepayers from previously authorized revenue recovery in D.12-12-030. It does not consider other related safety infrastructure or program improvements, or other related Commission formal proceedings, involving PG&E, to the level of ordering different rate, refund, or revenue impacts. I request review to consider such issues.

**4. Intervenor Compensation**

The Fines and Remedies POD orders PG&E shareholders to pay all reasonably-incurred litigation expenses and expert witness fees in connection with these proceedings for: the Division of Ratepayer Advocates (now the Office of Ratepayer Advocates), The Utility Reform Network (TURN), the City of San Bruno, and the City and County of San Francisco. The Fines and Remedies POD acknowledges that, under the

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<sup>1</sup> *Decision Mandating Pipeline Safety Implementation Plan, Disallowing Costs, Allocating Risk of Inefficient Construction Management to Shareholders, and Requiring Ongoing Improvement in Safety Engineering* (D.12-12-030 in Rulemaking 11-02-019).

Commission’s Intervenor Compensation program, only TURN meets the threshold eligibility requirement set forth in statute. The Fines and Remedies POD implies, however, that the Intervenor Compensation program is a particularized means of compensating parties because, pursuant to statute, an eligible party must be a “customer” as defined by Section 1802(b), and the compensation award must be funded by utility ratepayers; and, further, that Section 701 can be a basis for ordering utilities to compensate parties with shareholder funds outside of the Intervenor Compensation program.<sup>2</sup>

I request review of the Commission’s legal authority to order a public utility’s shareholders to compensate parties in a Commission proceeding outside of the Intervenor Compensation framework under Section 701, as well as the policy implications of allowing such an order.

Dated October 2, 2014, at San Francisco, California.

/s/ MICHAEL PICKER  
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MICHAEL PICKER  
Commissioner

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<sup>2</sup> Fines and Remedies POD at 153-154.