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PRESS RELEASE

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CPUC SET TO CONSIDER INVESTIGATION INTO PG&E'S CULTURE AND GOVERNANCE TO ENSURE SAFETY IS A PRIORITY

SAN FRANCISCO, August 17, 2015 - The California Public Utilities Commission (CPUC) today issued a proposal that, if approved, would start a process to determine whether Pacific Gas and Electric Company's (PG&E) organizational culture and governance prioritize safety and adequately direct resources to promote accountability and achieve safety goals and standards.

The CPUC is committed to strengthening its safety efforts and to integrate safety into all aspects of its work. The CPUC expects the same from the utilities it regulates. PG&E has publicly stated that it is committed to improving the safety of its operations, but accidents and events affecting the safety of its customers, the general public, workers and agents, the utility system, and the environment have continued to occur. As such, the CPUC is considering this investigation to determine whether PG&E's persistent issues are rooted in organizational culture and governance, and what PG&E Corporation's role is in PG&E's safety culture.

If the investigation is approved, the CPUC's Safety and Enforcement Division would evaluate PG&E's and PG&E Corporation's organizational culture, governance, policies, practices, and accountability metrics in relation to PG&E's record of operations, including its record of safety incidents. The investigation would analyze the methods that Boards of Directors and executive leadership use to hold themselves and management accountable for their decisions and actions, including executive compensation policies. The Safety and Enforcement Division would produce a report on these issues. The CPUC could then consider revising existing, or imposing new, orders and conditions on PG&E or PG&E Corporation as necessary and appropriate to optimize public utility resources and achieve the operational standards and performance record required by law.

This investigation would not undertake a duplicative review of specific incidents already investigated or that are pending investigation at the CPUC. Rather, it would undertake a deeper review of PG&E's and PG&E Corporation's organizational culture, governance, and operations, and the systemic issues identified by the National Transportation Safety Board.

The Safety and Enforcement Division would have authorization to retain the services of an expert consultant(s) to assist in the investigation and reporting, not to exceed \$2 million. PG&E would reimburse the CPUC for the expert consultant services.

The first opportunity that the CPUC's Commissioners have to vote on whether to open the investigation is August 27, 2015.

The proposal is available at:

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M154/K106/154106004.PDF>.

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