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PRESS RELEASE

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**CPUC TO INVESTIGATE PG&E’S CULTURE AND GOVERNANCE
TO ENSURE SAFETY IS A PRIORITY**

SAN FRANCISCO, August 27, 2015 - The California Public Utilities Commission (CPUC) today began a formal investigation into whether Pacific Gas and Electric Company (PG&E) has corporate governance, clearly documented organizational goals and objectives, and work procedures that prioritize and improve safety. “A public utility’s track record of safely operating its system is dependent on more than messages and slogans. An effective safety culture is shaped by the governance, policies, budget, practices, and most of all, the accountability set by the top leadership,” said CPUC President Michael Picker.

The CPUC will accordingly 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 CPUC will analyze the methods Board of Directors and executive leadership use to hold themselves and management accountable for their decisions and actions, including executive compensation policies.

PG&E has invested in safety improvements, added new Board members with safety experience, and reorganized to prioritize gas operations safety. But accidents and events affecting the safety of the general public, its customers, and others continue to occur on PG&E’s system, prompting the CPUC to take a deeper look into PG&E’s safety culture.

“We need to get at the root of the problem and determine why PG&E keeps having safety related issues,” said CPUC President Picker. “Performance is still uneven. The safety and well-being of the public, ratepayers, its employees and contractors, the utility assets, and the environment should be every utility’s paramount priority.”



The CPUC's Safety and Enforcement Division will retain the services of an independent expert consultant(s) with experience in auditing corporate governance and accountability to assist in the investigation and reporting, not to exceed \$2 million. PG&E will reimburse the CPUC for the expert consultant services. The CPUC will issue a public report on the findings, and propose remedies, if needed.

To monitor the proceeding, please subscribe to receive electronic copies of documents related to the proceeding. Instructions for enrolling in the free subscription service are available on the CPUC's website at www.cpuc.ca.gov/Subscription.

The order instituting this investigation is available at:

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M154/K291/154291675.PDF>.

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