



California Public Utilities Commission

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PRESS RELEASE

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CPUC JUDGE PENALIZES PG&E \$24.3 MILLION FOR RECORDKEEPING AND SAFETY VIOLATIONS IN NATURAL GAS DISTRIBUTION SYSTEM

SAN FRANCISCO, June 1, 2016 - The California Public Utilities Commission (CPUC) today issued a decision by an Administrative Law Judge that penalizes Pacific Gas and Electric Company (PG&E) \$24.3 million for failure to comply with laws and regulations in maintaining accurate records of its natural gas distribution system.

The CPUC opened this proceeding in November 2014 to investigate PG&E's natural gas distribution recordkeeping practices. The proceeding considered several incidents, including an explosion that leveled an unoccupied house in Carmel, to determine if there were systematic violations by PG&E, both in terms of record-keeping and other safety related violations.

The Administrative Law Judge's Presiding Officer's Decision issued today determined that PG&E's inaccurate records were relied on for locating and marking underground facilities in anticipation of excavation. The inaccurately mapped, and consequently inaccurately marked, facilities led to excavators damaging the distribution system in several instances. Release of natural gas, service interruptions and, in one case, significant property damage resulted. The Presiding Officer's Decision separates the violations into systemic failures and isolated mistakes in an otherwise compliant system, and imposes substantial fines for systemic failures and graduated fines for isolated instances.

With the Citation previously assessed for the Carmel incident of \$10.8 million, the total penalty levied against PG&E for natural gas distribution system incidents is \$35.1 million.

The Presiding Officer's Decision will become the decision of the CPUC after 30 calendar days from today, unless a party to the proceeding files an appeal or a Commissioner requests a review. Should a party file an appeal or a Commissioner request review, the Administrative Law Judge will review the appeal and either make changes to the Presiding Officer's Decision or keep it the same. The decision would then come before the Commissioners to consider at a Voting Meeting (although the Commissioners may discuss the decision of the Administrative Law Judge in a publicly noticed closed session, they can only vote on the decision in open session).

The Presiding Officer's Decision is available at:

<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M162/K654/162654128.PDF>.

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