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PRESS RELEASE

Docket #: I.14-11-008

**CPUC INCREASES PG&E PENALTY TO \$25.6 MILLION
FOR NATURAL GAS DISTRIBUTION SYSTEM RECORDKEEPING
AND SAFETY VIOLATIONS**

SAN FRANCISCO, August 18, 2016 - The California Public Utilities Commission (CPUC) today adopted a \$25.6 million penalty against Pacific Gas and Electric Company (PG&E) for failure to comply with laws and regulations in maintaining accurate records of its natural gas distribution system.

On June 1, 2016, the CPUC issued an Administrative Law Judge decision that would have penalized PG&E \$24.3 million for these failures. The decision would have become the decision of the CPUC after 30 calendar days unless a party to the proceeding filed an appeal or a Commissioner requested a review. The CPUC's Safety and Enforcement Division and the City of Carmel-by-the-Sea filed appeals.

In response, the Administrative Law Judge decision was revised and approved by the CPUC's Commissioners today. The decision denies the appeals, but increases the penalty by \$50,000 for a fine for an incident in Carmel-by-the-Sea and revises a missing records per-day fine for a De Anza incident from \$834.95 to \$1,000 per day. The additional De Anza amount of \$1,266,000 plus \$50,000 brings the total fine to \$25,626,000, as compared to the total fine of \$24,310,000 in the original Administrative Law Judge decision.

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 decision in this case applies proportional and appropriate penalties to PG&E’s recordkeeping violations,” said Commissioner Liane M. Randolph. “I remain concerned about what these violations show in terms of PG&E’s management of its natural gas distribution system, and I appreciate that there will be ongoing attention by intervenors and the CPUC into the company’s recordkeeping remedial plan.”

The proposal voted on is available at:

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M166/K208/166208431.PDF>.

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