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PRESS RELEASE

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**CPUC ISSUES JOINT STATEMENT OF PRESIDENT PEEVEY
AND COMMISSIONER FLORIO REGARDING
PG&E PIPELINE RUPTURE CASE**

SAN FRANCISCO, January 31, 2012 - The California Public Utilities Commission (CPUC) today issued the following joint statement from CPUC President Michael R. Peevey and Commissioner Mike Florio regarding the penalty consideration case involving Pacific Gas and Electric Company (PG&E) and allegations that the utility violated laws and regulations, leading to a pipeline rupture in San Bruno, Calif., in 2010:

On January 12, 2012, the CPUC voted to initiate a penalty consideration case regarding the San Bruno disaster. Although President Peevey will serve as assigned Commissioner in this phase, the two of us will be working together, as co-equals. This will continue the pattern of the past year, in which we have worked closely together, within the confines of California's Bagley-Keene Open Meeting Act, on all the San Bruno-related gas cases assigned to Commissioner Florio. While we cannot, at this time, know the ultimate outcome of the penalty consideration case, we are committed to jointly develop a recommendation that will be placed before the full Commission for ultimate disposition.

It is important to recognize that this proceeding is an "adjudication case" under Section 1701.2 of the Public Utilities Code, meaning that the proceeding is quasi-judicial in character and *ex parte*

communications - either with PG&E or with CPUC staff members prosecuting the case - are prohibited. The assignment of a Commissioner to manage the enforcement case does not alter the fact that the CPUC is a five-member body. All five Commissioners will have an equal voice in the result of the San Bruno investigation. This will remain true, no matter which individual Commissioner takes on the case-management role.

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