



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Board of Supervisors



DATE: October 29, 2012
BOARD MEETING DATE: November 6, 2012
SPECIAL HEARING/NOTICE None
VOTE: Majority

TO: Honorable Board of Supervisors

FROM: Dave Pine, Supervisor

SUBJECT: Calling for the Removal of Michael Peevey, President, California Public Utilities Commission

RECOMMENDATION:

Adopt a resolution calling for the removal of California Public Utilities Commission (CPUC) President Michael Peevey.

BACKGROUND:

Mr. Peevey was first appointed to the CPUC in 2002 by Governor Gray Davis. He was reappointed in 2008 by Governor Schwarzenegger for another six-year term. Prior to that, Mr. Peevey served as President of New Energy, Inc., Edison International, and Southern California Edison Company.

Assemblymember Jerry Hill, the San Bruno City Council, and residents of the Crestmoor neighborhood that was devastated by the PG&E gas pipeline explosion have asked that the San Mateo County Board of Supervisors join their call for the removal of Mr. Peevey from the CPUC. These stakeholders, and many others, have lost confidence in Mr. Michael Peevey's ability to fully protect the public interest and conduct the San Bruno proceedings in a fair and transparent way.

DISCUSSION

On September 9, 2010, a faulty weld on a natural gas pipeline operated by PG&E catastrophically failed causing the pipeline to explode and ignite a fire that engulfed the Crestmoor neighborhood in the City of San Bruno, killing eight residents, injuring dozens more, and destroying 38 homes.

Last year, the National Transportation Safety Board concluded a thorough year-long investigation of the event, which produced several key findings, among them that ineffective enforcement by the CPUC permitted PG&E organizational and safety failures to continue for many years unchecked.

Since that time, Mr. Peevey has not adequately represented the interests of California residents who rely upon the CPUC to ensure public safety and provide independent regulation of utility companies in the state:

- He appointed himself to lead the inquiry into whether PG&E should be fined for the San Bruno disaster despite the fact that he was a key decision maker during the time that the CPUC failed to provide proper oversight of PG&E.
- Under his leadership, the CPUC suspended the administrative hearings that provide the public the opportunity to hear and understand the issues under investigation related to the San Bruno tragedy.
- He recently unilaterally attempted to require mediation in the ongoing negotiations to determine sanctions for the tragedy and select a mediator, former U.S. Senator George Mitchell, without the consultation of all the parties. In light of a potential conflict of interest, Senator Mitchell declined the appointment.

For these reasons, it is appropriate for the Board of Supervisors to approve a resolution calling for the removal of CPUC President Michael Peevey

FISCAL IMPACT:

None