



Pacific Gas and Electric Company

FRN0001551555

Page 1 of 1

Response to Question 50

On June 14, 2016, a federal criminal trial against PG&E began in the United States District Court for the Northern District of California, on 12 felony counts, subsequently reduced to 11 counts, alleging that PG&E knowingly and willfully violated minimum safety standards under the Natural Gas Pipeline Safety Act relating to record-keeping, pipeline integrity management, and identification of pipeline threats, and one felony count charging that PG&E obstructed the NTSB investigation into the cause of the San Bruno accident. On August 9, 2016, the jury returned its verdict acquitting PG&E on six of the record-keeping allegations, but finding PG&E guilty on six felony counts, including one count of obstructing a federal agency proceeding and five counts of violations of pipeline integrity management regulations of the Natural Gas Pipeline Safety Act. All conduct forming the basis for the charges occurred prior to September 2011.

On January 26, 2017, the Court sentenced PG&E to a five-year corporate probation period, oversight by a third-party monitor for a period of five years, with the ability to apply for early termination after three years, a fine of \$3 million which was paid to the federal government in February 2017, certain advertising requirements which have been completed, and community service. PG&E decided not to appeal the convictions. The probation includes a requirement that PG&E not commit any local, state, or federal crimes during the probation period.

The Monitor is former Deputy Attorney General Mark Filip, who is currently a partner at Kirkland & Ellis, LLP. Among other things, the Monitor is tasked with ensuring that PG&E takes reasonable and appropriate steps to maintain the safety of the gas transmission pipeline system, performs appropriate integrity management assessments on its gas transmission pipelines, and maintains an effective ethics and compliance program and safety related incentive program.

Since August 25, 2015, the Department of Interior (DOI) has been conducting a suspension and debarment review of PG&E. PG&E has been fully cooperating with this review. On December 21, 2016, DOI and PG&E signed an interim agreement allowing PG&E to remain eligible for federal contracts, finding that suspension and debarment was not necessary to protect the interests of the federal government at this time.