

State threatens PG&E with fines for Marin letter

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A letter that Pacific Gas and Electric Co. says it sent to Marin County residents by mistake last week briefly prompted California energy regulators to threaten the giant utility with fines.

The incident, which ended Wednesday with an apology from PG&E, illustrated yet again the tension surrounding last week's launch of the Marin Energy Authority, a new kind of public power agency.

PG&E opposed the authority's creation and has been trying to persuade Marin residents to opt out from its service. But in a series of blunt warnings this spring, the California Public Utilities Commission told PG&E that some of the company's tactics violated state rules and had to end.

On May 3, the commission's director sent PG&E a note telling the company not to send Marin residents letters that looked like official opt-out notices. But the next day, the company sent letters on PG&E letterhead to more than 6,000 customers in Marin, notifying them they would automatically become Marin Energy Authority customers "unless you elect to opt out as described below."

For utilities commission Director Paul Clanon, PG&E's letter crossed the line. On Wednesday, he sent the company a terse note saying PG&E had disregarded his instructions and could face fines as a result. The commission has broad authority to fine utilities for breaking rules set either by the commission or state legislators, with penalties ranging from \$500 to \$20,000 for each offense.

"PG&E's violation of my direction places PG&E in danger of the Commission's imposing significant and continuing fines and other penalties," Clanon wrote.

PG&E responded Thursday, issuing a press release that said the letter had been sent by mistake and should never have been mailed.

"We apologize to every customer who received this letter," said Helen Burt, PG&E senior vice president and chief customer officer. "We are now looking into how this happened and how to prevent it from happening again in the future."

A spokeswoman for the utilities commission said Thursday that the commission was pleased with PG&E's response.

The Marin Energy Authority is a new kind of public power agency, called a community choice aggregator. Under the California law that created these agencies, residents of a city or county that creates a community choice system automatically become customers of the new system unless they choose to opt out.

Marin County residents who want to opt out of the Marin Energy Authority and stick with PG&E have two options. They can either call (866) 743-0335 or go to www.pge.com/cca.

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