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November 22, 2019

Alice Stebbins
Executive Director
California Public Utilities Commission
505 Van Ness Avenue, Room 5223
San Francisco, CA 94102

Re: <u>Implementation of the Catastrophic Event Memorandum Account for 2019 Statewide</u> Emergency Due to Fires and Extreme Weather Conditions (all counties in California)

Dear Ms. Stebbins:

In accordance with Commission Resolution E-3238, dated July 24, 1991, and the associated currently effective tariff sheets (Electric Preliminary Statement Part G), PG&E hereby provides notice that PG&E is recording costs associated with the repair of facilities and restoration of service associated with the 2019 Statewide Emergency issued, due to fires and extreme weather conditions, in the Catastrophic Event Memorandum Account (CEMA). The costs associated with this proclamation include repairs of electric distribution facilities as a result of high-wind-events and fire-events related damages under this proclamation.

PG&E is submitting this letter to preserve the option of filing an application for cost recovery under CEMA provisions at a later date. Details about the impacts are preliminary at this time given the broadness of the proclamation and ongoing response work. Initial figures for the repair and restoration costs associated with the effects on PG&E's electric distribution facilities are provided in more detail below:

## 1. Disaster

On October 27, 2019, the Governor of the State of California, Gavin Newsom, declared a statewide emergency due to the effects of unprecedented high-wind events, which resulted in fires and evacuation across the state.<sup>1</sup> The resulting fire conditions from the high-wind events were unprecedented, due to the scale, scope, wind speed, and dry fuel conditions, thereby posing an imminent threat to the health and safety of Californians. The Statewide Emergency proclamation was issued under the California Emergency

<sup>&</sup>lt;sup>1</sup> PG&E sent a separate CEMA Notification letter on November 22, 2019 regarding the 2019 Kincade Fire. Therefore, the costs of the Kincade Fire (Sonoma county) are not included in this letter.

Services Act and section 8625 of the California Government Code and applies to all counties within California.

## 2. Effects on PG&E's Facilities

PG&E's preliminary costs under this Statewide Emergency proclamation includes costs related to the following:

- October 26, 2019 through October 27, 2019 wind-event
- October 29, 2019 through October 30, 2019 wind-event
- Glencove Fire
- Bethel Fire; and
- Camino Fire

For the above-mentioned events, electric distribution estimates at least 1,410 facilities were damaged. These events are estimated to have disrupted service to about 1,490,000 electric customers across PG&E's service territory.

## 3. Estimated Restoration Costs

For electric distribution, PG&E has incurred approximately \$23.5 million of incremental repair and restoration costs as of November 7, 2019, of which the \$12.0 million is related to capital and \$11.5 million is related to expense. PG&E Electric Distribution is unable to forecast the total estimated expense and capital restoration costs for this broadly declared event and response work is ongoing. Therefore, these costs are preliminary.

If you have any questions about this CEMA notice, please do not hesitate to contact me at (415) 973-4464 or by email at Erik.Jacobson@pge.com.

Sincerely,

Erik B. Jacobson

**Director - Regulatory Relations** 

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cc: Edward Randolph, Director, Energy Division

(via email to EnergyDivisionCentralFiles@cpuc.ca.gov)