

CALIFORNIA PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

In the matter of:

***The Involvement of Pacific Gas and Electric Company's Electric Facilities in the 2020 Zogg Fire***

ADMINISTRATIVE ENFORCEMENT ORDER [Proposed]

**YOU ARE GIVEN NOTICE THAT:**

1. Pacific Gas and Electric Company is alleged to have violated Commission General Order 95, Rule 31.1 (two counts), Commission General Order 165, Section III-B, and Public Utilities Code section 451.
2. The California Public Utilities Commission's Safety and Enforcement Division (SED or Division) issues this proposed Administrative Enforcement Order (Proposed Order) to Pacific Gas and Electric Company (PG&E or Respondent) pursuant to the Commission Enforcement Policy adopted by Resolution M-4846 (Policy). Pursuant to the Policy, SED is authorized to issue a Proposed Order to a regulated entity that has violated a Commission order, resolution, decision, general order, or rule. That Proposed Order may include a directive to pay a penalty.
3. This Proposed Order is issued based on SED's investigative report (SED Investigation Report) and the investigative report of the California Department of Forestry and Fire Protection (CAL FIRE).<sup>1</sup>

**RIGHT TO HEARING**

4. Respondent is required to respond to this Proposed Order by 5:00 p.m. on November 21, 2022. By way of such response, Respondent, must either: 1) agree to pay any penalty required by this Proposed Order upon adoption of the Proposed Order by the Commission (Final Order) or 2) request a hearing on the Proposed Order. The right to a hearing is forfeited if a Request for Hearing is not timely filed. If a timely Request for Hearing is not filed, this Proposed Order will become final and effective upon adoption by the Commission (Final Order).

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<sup>1</sup> The SED Investigation Report and supporting documents are attached as Exhibit A to this Proposed Order. Pursuant to the non-disclosure agreement (NDA) between CAL FIRE and SED, SED cannot disclose the CAL FIRE investigation report on the Zogg Fire, including supporting documents to that report, without CAL FIRE's permission. At this time, CAL FIRE has not given SED permission to disclose this confidential information.

5. Respondent must comply with the corrective action requirements of this Proposed Order by the date specified in paragraph 13 below, regardless of whether a Request for Hearing is filed. Neither an agreement to pay the penalty assessed in this Proposed Order nor the filing of a timely Request for Hearing shall excuse Respondent from curing the violations identified in this Proposed Order.
6. A requested hearing shall be conducted by an Administrative Law Judge in accordance with the hearing provisions in the Citation Appellate Rules. After the hearing, this Proposed Order or any Administrative Law Judge modifications to the Proposed Order shall become a Final Order, effective upon Commission approval of the draft resolution prepared by the Administrative Law Judge. The draft Administrative Law Judge resolution approved by the Commission is subject to rehearing pursuant to Public Utilities Code section 1731 and to judicial review pursuant to Public Utilities Code section 1756.
7. This Proposed Order includes a requirement that Respondent pay a penalty. The factors set forth in the Penalty Assessment Methodology (Policy, Appendix I) were used to determine the penalty amount.
8. Unless otherwise specified, “days” means calendar days.

## FINDINGS

### 9. **Factual Background:**

#### 9.1 Pre-Fire Tree Inspection and Removal

In the aftermath of the 2018 Carr Fire, PG&E contracted with Mountain G Enterprises, Inc. (Mountain G) to conduct <sup>2</sup>Mountain G kept a database of its vegetation management work using a smartphone and computer tablet application called “Collector,” from which Mountain G would upload data to a database known as ArcGIS.<sup>4</sup> Mountain G would use the Collector app to identify trees that required work, including information about the tree, such as location, species, and removal class.<sup>5</sup> According to PG&E, pre-inspectors also spray<sup>5</sup>painted trees identified for

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<sup>2</sup> PG&E Response to Judge Alsup Request for Follow Up by PG&E Concerning Its October 26 Submission, ECF Docket No. 1265 (“PG&E 1265 Responses”), p. 23.

<sup>3</sup> PG&E 1265 Responses, p. 23.

<sup>4</sup> PG&E 1265 Responses, p. 23.

<sup>5</sup> PG&E 1265 Responses, p. 23.

removal.<sup>6</sup> Carr Fire work was the first “significant use” of the app by PG&E, and PG&E admitted to United States District Court Judge William Alsup that “tree removal contractors were not consistent in recording completed trees in the app during this project.”<sup>7</sup>

Mountain G performed vegetation management work in August 2018 in the area near Zogg Mine Road in Shasta County. On August 23, 2018, Mountain G identified two gray pine trees (Tree IDs 6557 and 6558) for removal under Priority 2 (P2).<sup>8</sup> However, PG&E did not remove the two gray pines.<sup>9</sup> <sup>10</sup> In response to questions propounded on PG&E by U.S. District Court Judge William Alsup, PG&E stated that “work in the Zogg Mine Road area was interrupted in October 2018 due to interactions with a resident of Zogg Mine Road, who believed that PG&E crews were cutting trees unnecessarily and had previously brandished a firearm to tree crews attempting to work in the area and was threatening to do so again.”<sup>11</sup> PG&E also indicated that it made inquiries into obtaining security support from law enforcement.<sup>12</sup> However, PG&E did not indicate whether this security support was ever obtained, whether the crews working in the Zogg Mine Road area ever resumed work, or even definitively that this interaction with the armed resident was the reason why Trees 6557 and 6558 were not removed. PG&E stated in response to a data request that “a PG&E VM [vegetation management] regional manager recalls at some point making a decision to rely on PG&E’s routine VM patrols of the area for any remaining work on Zogg Mine Road from the post-Carr Fire effort.”<sup>13</sup>

According to an inspection performed by McNeil Arboriculture Consultants LLC<sup>14</sup> after the Zogg Fire, the tree that fell and struck the power lines had significant obvious flaws that should have been apparent to anybody

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<sup>7</sup> PG&E 1265 Responses, pp. 23-24.

<sup>8</sup> PG&E has described the P2 classification as “a designation inspectors were instructed to apply to trees that the inspector believed required work but did not pose an immediate risk to PG&E’s facilities.” PG&E Data Request SED-002-Zogg Fire, Question 1 Response.

<sup>9</sup> SED Investigation Report, p. 17.

<sup>10</sup> PG&E 1265 Responses, p. 24.

<sup>11</sup> PG&E 1265 Responses, p. 25.

<sup>12</sup> PG&E 1265 Responses, p. 25.

<sup>13</sup> PG&E Data Request SED-006-Zogg Fire, Question 5 Response.

<sup>14</sup> Exhibit 37-1 to the CALFIRE Investigation Report (“Arborist Report”).

conducting a visual inspection.<sup>15</sup> First, there was no root or evidence of root on the uphill side of the tree that would have supported the trunk against a downhill failure, which may have been the result of a large boulder to one side of the tree that impeded root growth.<sup>16</sup> Second, there was a large cavity on the upslope side of the tree where the roots should have been, which extended 14 to 15 inches into the trunk and about four and a half feet up the trunk from the ground.<sup>17</sup> According to the Arborist Report, the cavity was too large to have been caused by the Zogg Fire or the earlier Carr Fire, and therefore predated those fires and was present for years during PG&E inspections.<sup>18</sup> There were also no other nearby trees with cavities burned into them, reinforcing the Arborist Report's conclusion that the cavity was not caused by a recent wildfire.<sup>19</sup> In addition, according to CALFIRE estimates, the tree was leaning 23 degrees from center as of 2019.<sup>20</sup>

According to the Arborist Report, these factors “strongly suggest predisposition of the tree to failure toward the electrical conductors.”<sup>21</sup> The Arborist Report also concluded that “the lean of the tree should have been obvious to a pre-inspector from any point under or nearly under the conductors,” and that such an inspection should have determined that failure of the tree was probable.<sup>22</sup>

## 9.2 Identifying the Tree

Due to PG&E's poor recordkeeping, it is not clear which Tree ID is associated with the tree that fell and struck the conductors. Also, while PG&E stated that “[i]t is PG&E's expectation that the two Gray Pines . . . would have been marked with spray paint,”<sup>23</sup> PG&E has not been able to confirm that the trees actually were spray painted. In addition, by cross-referencing the GPS coordinates of Tree IDs 6557 and 6558 from PG&E's records, CAL FIRE's GPS coordinates of the ignition area, PG&E's plotted

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<sup>15</sup> Arborist Report, p. 1.

<sup>16</sup> Arborist Report, pp. 3-4.

<sup>17</sup> Arborist Report, pp. 4-5.

<sup>18</sup> Arborist Report, p. 5.

<sup>19</sup> Arborist Report, p. 5.

<sup>20</sup> CALFIRE Report Attachment 33-1, p. 1; Arborist Report, p. 2.

<sup>21</sup> Arborist Report, p. 13.

<sup>22</sup> Arborist Report, pp. 13-14.

<sup>23</sup> PG&E Data Request SED-006-Zogg Fire, Question 2 Response.

facilities map, and the location of the tree that fell, point of contact, and PG&E pole from the Arborist Report, SED has determined with a high degree of certainty that the tree that fell and struck the power lines was either Tree ID 6557 or 6558. In addition, based on PG&E's aerial photos and the position of the marked trees to the power lines, there were no other Gray Pines in the area other than Trees 6557 and 6558 that could have been the tree that fell.<sup>24</sup>



**Figure 1:** Diagram of the Base of the Subject Tree, Tree ID 6557, Tree ID 6558, Ignition Area, and PG&E Facilities.<sup>25</sup> The lines marked in blue show approximate conductor path and continue east and west in both directions. The pinned locations of Tree IDs 6557 and 6558 are based on GPS coordinates from PG&E VM records. The location of the Subject Tree is based on CalFire's GPS records. All locations represent the approximate locations of the base of the

<sup>24</sup> SED Investigation Report, pp. 19-21, Figures 8 and 9.

<sup>25</sup> Google Earth aerial view dated June 27, 2018.

marked trees within 15 feet.

### 9.3 Day of the Fire

On September 27, 2020, a gray pine tree in the location of Tree IDs 6557 and 6558 failed and fell onto the overhead conductors of PG&E's Girvan 1101, 12 kV circuit.<sup>26</sup> At 1440 hours (2:40 pm), a SmartMeter located at 8564 Zogg Mine Road recorded a "Last Gasp" event (a recorded log event when a SmartMeter experiences a drop in voltage to a level below what is required for its continued operation).<sup>27</sup> The impact of the tree on the conductors caused a fire to begin at approximately 1442 hours (2:42 pm), when footage from a Firewatch camera owned by the University of Nevada, Reno, detected smoke approximately three miles east of the intersection of Zogg Mine Road and Jenny Bird Lane.<sup>28</sup> At 1443 hours (2:43 pm), three SmartMeters located upstream to the Jenny Bird Lane intersection recorded a loss of voltage on one of the conductors. At 1444 hours (2:44 pm), one of those meters recorded a Last Gasp event.<sup>29</sup>

At approximately 1446 hours (2:46 pm), two geostationary weather satellites operated by the National Oceanic and Atmospheric Administration (NOAA) detected a fire in the area north of the town of Igo in Shasta County.<sup>30</sup> At 1500 hours (3:00 pm), a PG&E troubleman who was responding to reports of voltage loss from SmartMeters observed fire and smoke from his location on Knighton Road in Redding and reported the fire to PG&E's Distribution Control Center.<sup>31</sup>

The Zogg Fire burned 56,338 acres and caused four fatalities and one injury. The fire also destroyed 204 structures, and damaged 27 others.<sup>32</sup>

PG&E's failure to remove the trees marked for removal as a result of poor recordkeeping constitute a violation of Public Utilities Code section 451.

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<sup>26</sup> SED Investigation Report, p. 3.

<sup>27</sup> SED Investigation Report, p. 5.

<sup>28</sup> SED Investigation Report, p. 5.

<sup>29</sup> SED Investigation Report, p. 5.

<sup>30</sup> SED Investigation Report, p. 5.

<sup>31</sup> SED Investigation Report, p. 5.

<sup>32</sup> SED Investigation Report, p. 3.

## 9.4 Post-Incident Investigation

SED's investigation following the Zogg Fire focused on three conductor spans between poles SAP<sup>33</sup> IDs 103320099, 101457905, 101457903, and 101457898.<sup>34</sup> On February 25, 2002, PG&E conducted a visual inspection of pole SAP ID 101457903.<sup>35</sup> However, pursuant to GO 165, Section III-B, utilities are required to conduct *intrusive* inspections within 10 years on wood poles older than 15 years that have not been subject to an intrusive inspection and at a 20-year interval after the first intrusive inspection. Pole SAP ID 101457903 was installed in 1974 and was thus over 15 years old. As a result, PG&E was obligated instead to conduct an intrusive inspection on pole SAP ID 101457903.<sup>36</sup> By failing to do so, PG&E violated GO 165, Section III-B.

On April 11, 2018, PG&E conducted a patrol pursuant to the scope of the Catastrophic Event Memorandum Account (CEMA) in the area around the ignition point of the Zogg Fire.<sup>37</sup> Pursuant to PG&E's own vegetation management (VM) schedule, PG&E is obligated to conduct separate routine VM patrols and CEMA patrols every year, typically 6 months apart.<sup>38</sup> However, while PG&E did conduct a routine VM patrol, it did not conduct a separate CEMA patrol of the Zogg Mine Road area in 2019, resulting in a violation of GO 95, Rule 31.1.<sup>39</sup>

PG&E's Vegetation Control (VC) program is PG&E's system-wide program for patrolling, prescribing work, and conducting work for vegetation around poles and towers to maintain compliance with California Public Resources Code § 4292, as well as PG&E standards.<sup>40</sup> PG&E performed annual VC inspections in the area around the origin area of the Zogg Fire.<sup>41</sup> PG&E Inspection Mapping Procedure, Part 1.2 Index Map,

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<sup>33</sup> SAP refers to the System Analysis Program, PG&E's system asset management program. All further references to pole IDs refer to the internal SAP identification system.

<sup>34</sup> SED Investigation Report, p. 4.

<sup>35</sup> SED Investigation Report, p. 12.

<sup>36</sup> SED Investigation Report, p. 13.

<sup>37</sup> SED Investigation Report, p. 16.

<sup>38</sup> SED Investigation Report, pp. 16-17.

<sup>39</sup> SED Investigation Report, p. 17.

<sup>40</sup> SED Investigation Report, p. 21.

<sup>41</sup> SED Investigation Report, p. 21.

requires that hard copy maps be retained for 10 years.<sup>42</sup> SED reviewed PG&E’s VC records from 2015 to 2020.<sup>43</sup> Based on SED’s review, PG&E failed to retain the hard copy VC map from its 2018-2019 inspection, resulting in a violation of GO 95, Rule 31.1.<sup>44</sup>

### PENALTIES

10. The Commission has broad authority to impose penalties on any public utility that “fails or neglects to comply with any part or provision of any order, decision, decree, rule, direction, demand, or requirement of the commission.” (PU Code § 2106). As described above, SED has identified several instances where PG&E fell short of its duties under GO 95, Rule 31.1, GO 165, Section III-B, and Public Utilities Code § 451. In assessing penalties, we follow the Penalty Assessment Methodology as set forth by the Commission and outlined in Resolution M-4846. This methodology evaluates the reasonableness of a penalty using a five-factor analysis.

No.	Violations		
1	GO 95	Rule 31.1	Failure to perform a CEMA patrol in 2019. <sup>45</sup>
2	GO 165	Section III-B	Failure to perform an intrusive inspection on pole SAP ID 101457903. <sup>46</sup>
3	GO 95	Rule 31.1	Failure to retain hard copy 2018-2019 Vegetation Control map. <sup>47</sup>
4	Public Utilities Code	§451	Failure to remove trees identified for removal by inspectors due to poor recordkeeping.

As discussed below, given PG&E’s failure to provide safe and reliable service to its ratepayers, failure to adequately inspect its pole, and failure to follow mandatory vegetation management protocols, SED recommends a fine of \$155,400,000, calculated as follows:

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<sup>42</sup> SED Investigation Report, p. 22.

<sup>43</sup> SED Investigation Report, p. 22.

<sup>44</sup> SED Investigation Report, p. 22.

<sup>45</sup> SED Investigation Report, p. 17.

<sup>46</sup> SED Investigation Report, p. 12.

<sup>47</sup> SED Investigation Report, p. 22.

<b>Violation No.</b>	<b>Start Date</b>	<b>End Date</b>	<b>Total No. of Days</b>	<b>Daily Fine</b>	<b>Total Fine</b>
1	October 31, 2019 <sup>48</sup>	September 27, 2020	333	\$100,000	\$33,300,000
2	March 31, 2007 <sup>49</sup>	September 22, 2011	1,637	\$50,000	\$81,850,000
3	March 27, 2019 <sup>50</sup>	March 27, 2019	1	\$50,000	\$50,000
4	August 23, 2019 <sup>51</sup>	September 27, 2020	402	\$100,000	\$40,200,000
				<b>Total:</b>	<b>\$155,400,000</b>

## I. Severity or Gravity of the Offense

The severity of the offense considers the physical and economic harms of the offenses, harm to the regulatory process, and the number of people affected by the offense. Violations that caused actual physical harm to people or property are considered particularly severe.<sup>52</sup> The consequences of this fire were dire; the fire caused four deaths, the serious injury of one firefighter, the destruction of 204 structures, damage to 27 structures,

<sup>48</sup> PG&E was obligated to perform a separate CEMA inspection in 2019 and PG&E typically performs the routine and CEMA inspections six months apart. Given that the routine inspection occurred in April 2019, the violation begins on the last day of October 2019. Because PG&E conducted no CEMA patrols between April 2019 and the start of the Zogg Fire, the end date is the date of the initial ignition of the Zogg Fire.

<sup>49</sup> GO 165, Section III-B requires utilities to perform an intrusive inspection on poles that have not been subjected to an intrusive inspection within 10 years. GO 165 became effective on March 31, 1997 and pole SAP ID 101457903 was already 15 years old at that point. Therefore, PG&E was required to perform an intrusive inspection by March 31, 2007. The end date is September 22, 2011 because that is the date PG&E first performed an intrusive inspection on pole SAP ID 101457903.

<sup>50</sup> The start date of March 27, 2019 was the date the area was inspected, which is the first date the VC map should have been completed.

<sup>51</sup> The start date of August 23, 2019 is one year after the date that Mountain G logged Tree IDs 6557 and 6558 for removal. The end date is the date of the initial ignition of the Zogg Fire.

<sup>52</sup> D.20-05-019, p. 20.

damages in excess of \$50 million, and burned approximately 56,338 acres of grass, brush, and trees. The severity of this offense favors imposing the maximum daily penalty.

<b>No.</b>	<b>Violation</b>	<b>Fine</b>	<b>Justification/Explanation</b>
1	GO 95, Rule 31.1	\$33,300,000	Failure to perform a CEMA patrol in 2019. SED believes a CEMA patrol could have potentially identified the tree that caused the fire.
2	GO 165, Section III-B	\$81,850,000	Failure to perform an intrusive inspection on pole SAP ID 101457903. Failure to perform an intrusive inspection is a potential hazard to public safety. SED believes this violation was unrelated to the cause of the fire.
3	GO 95, Rule 31.1	\$50,000	Failure to retain hard copy 2018-2019 Vegetation Control map. SED believes this recordkeeping violation was unrelated to the cause of the fire.
4	Public Utilities Code §451	\$40,200,000	Failure to remove trees identified for removal by inspectors due to poor recordkeeping. SED believes this violation directly caused the fire, since one of the trees identified for removal was the tree that caused the fire.

## **II. Conduct of the Regulated Entity**

The second factor to be considered is PG&E’s conduct. In evaluating PG&E’s conduct in this matter, key elements demonstrating egregious conduct include 1) PG&E’s failure to take action to prevent and rectify a violation, and 2) PG&E’s prior history of violations.

PG&E failed to remove two trees previously flagged for removal due to a combination of poor recordkeeping, poor communication, and lack of caution. Juxtaposing PG&E’s failure to remove the trees with the Arborist Report – showing that the tree was clearly likely to fall – demonstrates a high degree of culpability in PG&E’s conduct.

PG&E's conduct in this matter is even more egregious in view of the utility's past record of non-compliance with Commission directives.<sup>53</sup> PG&E has a prior history of violations related to vegetation management, inspections, and recordkeeping practices. In investigations of fires related to PG&E facilities since 2017, SED has identified vegetation management and/or inspection and equipment recordkeeping violations as critical factors contributing to the ignition of several catastrophic wildfires, including the Kincade Fire.<sup>54</sup> PG&E's failure to take reasonable action to correct or prevent the violations contributing to the Zogg Fire, given PG&E's prior history of similar violations, warrants the maximum daily penalty.

### **III. Financial Resources of the Regulated Entity, Including the Size of the Business**

The third factor under the methodology is the financial resources of the utility. Here, the Commission must not impose excessive fines or penalties while ensuring that the fine/penalty is an effective deterrent against future behavior. An effective fine or penalty is one that reflects the severity of the harm (the first factor examined above) and is also proportionate to the offending entity and those similarly situated to deter future similar offense of violations, without putting them out of business or otherwise impacting the entity in a catastrophic way.

PG&E is the largest electric utility in the state of California in terms of customers and revenue. Given the size and scope of PG&E's territory and the importance of following proper vegetation management and recordkeeping procedures, this penalty is appropriate.

### **IV. Totality of the Circumstances in Furtherance of the Public Interest**

The fourth factor under Resolution M-4846 is an evaluation of the penalty in the totality of the circumstances, with an emphasis on protecting the public interest. PG&E chose to engage in conduct that disregarded warnings and placed the public in danger; chiefly, failing to perform and

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<sup>53</sup> See Resolution M-4846, p. 18 (stating that "in evaluating the regulated entity's advance efforts to ensure compliance, the entity's past record of compliance with Commission directives should be considered").

<sup>54</sup> See Administrative Consent Order and Settlement re: Kincade Fire, p. 1, stating that the "[Kincade Fire] burned over 75,000 acres of land, destroyed approximately 374 structures, damaged approximately 60 buildings, and injured four firefighters before it was fully contained on November 6, 2019. In July 2020, CAL FIRE issued a press release stating that it had determined that the Kincade Fire was caused by PG&E's electrical transmission lines").

the public only became aware of this conduct due to the disastrous consequences of PG&E's conduct.

As noted above, this is not the first time PG&E has been subject to disciplinary action for inadequate or improper management of its electric facilities. PG&E is cognizant of the danger of failing to perform adequate vegetation management and the potentially catastrophic outcomes when trees fall on power lines. Accordingly, the fine included in this Proposed Order is reasonable under the circumstances.

## **V. The Role of Precedent**

The final factor is an examination of fines in other Commission Decisions with similar factual situations. While not binding precedent, prior settlements are useful for comparison, with the acknowledgement that settlements were reached as a compromise position and thus typically contain a dollar figure lower than the original fine/penalty amount. SED considered the following settlements:

- SED, the Office of the Safety Advocate, the Coalition of California Utility Employees, and PG&E agreed to a settlement of \$1.675 billion, including corrective actions and disallowances of cost recovery, for 18 wildfires between 2017 and 2018.<sup>55</sup> The seventeen 2017 fires burned 245,000 acres, destroyed 8,900 structures, and caused 44 fatalities. The 2018 Camp fire burned 153,336 acres, destroyed 18,804 structures, and caused 85 fatalities.
- SED and Southern California Edison agreed to a settlement of \$550 million, including payment to the General Fund, disallowance of cost recovery, and contribution from shareholders to safety measures, for five wildfires in 2017 and 2018. These fires collectively burned more than 385,000 acres, damaged and destroyed nearly 3,000 structures, and caused five fatalities.
- SED and PG&E agreed to a settlement of \$125 million, including payment to the General Fund and disallowance of cost recovery, for the 2019 Kincade Fire. The Kincade Fire burned more than 77,000 acres and destroyed nearly 374 structures and caused four non-fatal injuries with zero fatalities.

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<sup>55</sup> This settlement was ultimately approved by the Commission but was increased to a total settlement value of \$1.937 billion, including disallowances and corrective actions, in D.20-05-019.

Considering the above examples, a fine of \$155,400,000 is reasonable and appropriate under Resolution M-4846.

11. This penalty is due within 30 days of adoption of the Final Order. Respondent's payment shall be by check or money order and shall be made payable to the California Public Utilities Commission. Respondent shall write on the face of the check or money order: "For deposit to the State of California General Fund." Respondent shall deliver payment to:

California Public Utilities Commission's Fiscal Office  
505 Van Ness Ave. Room 3000  
San Francisco, CA 94102

12. In the event the payment specified in paragraph 10 is not timely received by the Commission, a late payment will be subject to interest in the amount of 10% per year, compounded daily and to be assessed beginning the calendar day following the payment-due date. The Commission may take all necessary action to recover any unpaid penalty and ensure compliance with applicable statutes and Commission orders.

The penalty amount shall not be placed in rates or be otherwise paid for by ratepayers.

### **CORRECTIVE ACTION**

13. Respondent shall conduct the following actions in the manner specified, and in accordance with a schedule specified by the Division as follows:
  - (a) PG&E must submit a Corrective Action Plan within 30 days following the adoption of a Final Order to the Office of Energy Infrastructure Safety (OEIS) that includes the following:
    - 1) A system that assigns a date by which every tree marked for removal must be removed.
    - 2) A system to ensure that every tree designated for removal by a vegetation management inspector is spray painted, logged into a database with GPS coordinates, and that the entry include detail as to why the tree was designated for removal.
    - 3) A system to ensure that any time a tree is de-designated for removal, such a de-designation is logged into a database that includes the reason for the de-designation.

- 4) A system to audit the systems described above to ensure that the systems designed above are followed and that these audit results are reported to OEIS on a quarterly basis.
  - 5) Any other systems requested by OEIS to ensure that another wildfire does not occur for similar reasons as the Zogg Fire.
14. Within 45 days following adoption of a Final Order, Respondent shall submit to the Division written certification that it has followed the steps set forth in Paragraph 13, above. The certification shall include confirmation of its compliance (accompanied by all supporting documentation) or noncompliance with all requirements set forth in Paragraph 12. Any notice of noncompliance required under this paragraph shall state the reasons for noncompliance and when compliance is expected and shall include a detailed plan for bringing the Respondent into compliance. Notice of noncompliance shall in no way excuse the noncompliance.
  15. Respondent shall be subject to an additional penalty amount for each failure to comply with the actions required by Paragraph 13. The penalty amount shall be within the range allowed by statute and calculated in accordance with the Commission's Penalty Assessment Methodology, attached as Appendix I to the Policy.
  16. All written submittals from Respondent pursuant to this Proposed Order shall be sent to:

Division Director Lee Palmer  
Safety and Enforcement Division  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

All other communications from Respondent shall be to:

Anthony Noll, Program Manager,  
[Anthony.noll@cpuc.ca.gov](mailto:Anthony.noll@cpuc.ca.gov),  
916-247-9372.
  17. All approvals and decisions of the Division will be communicated to Respondent in writing by the Division Director or a designee. No informal advice, guidance, suggestions, or comments by the Division regarding reports, plans, specifications, schedules or any other writings by Respondent shall be construed to relieve Respondent of the obligation to obtain such formal approvals as may be required or to bind the Commission.

18. If the Division determines that any report, plan, schedule, or other document submitted for approval pursuant to the Proposed Order or Final Order is not in compliance, the Division may:
  - (a) Return the document to Respondent with recommended changes and a date by which Respondent must submit to the Division a revised document incorporating the recommended changes.
19. If Respondent is unable to perform any activity or submit any document within the time required under the Proposed Order or the Final Order, Respondent may, prior to expiration of time, request an extension of time in writing. The extension request shall include a justification for the delay and a detailed plan for meeting any new proposed compliance schedule. All such requests shall be in advance of the date on which the activity or document is due.
20. If the Division determines that good cause exists for an extension, it will grant the request and specify in writing a new compliance schedule. Respondent shall comply with the new schedule.
21. All plans, schedules, and reports that require Division approval and are submitted by Respondent pursuant to the Proposed Order are incorporated into the Final Order upon approval by the Division.
22. Neither the State of California, nor its employees, agents, agencies (including the Commission), representatives, or contractors, shall be liable for injuries or damages to persons or property resulting from acts or omissions by Respondent or related parties in carrying out activities pursuant to this Proposed Order, nor shall the Commission be held as a party to a contract entered into by Respondent or its agents in carrying out activities pursuant to this Proposed Order.
23. A Final Order shall apply to and be binding upon Respondent, and its officers, directors, agents, employees, contractors, consultants, receivers, trustees, successors, and assignees, including but not limited to individuals, partners, and subsidiary and parent corporations. Respondent shall provide a copy of a Final Order to all contractors, subcontractors, laboratories, and consultants that are retained to conduct any work or activities performed under a Final Order, within 15 days after the effective date of a Final Order or the date of retaining their services, whichever is later. Respondent shall condition any such contracts upon satisfactory compliance with the Final Order. Notwithstanding the terms of any contract, Respondent is

responsible for compliance with this Proposed Order and for ensuring that its subsidiaries, employees, contractors, consultants, subcontractors, agents, and attorneys comply with this Proposed Order.

24. Nothing in this Proposed Order shall relieve Respondent from complying with all other applicable laws and regulations. Respondent shall conform all actions required by this Proposed Order with all applicable federal, state, and local laws and regulations.
25. This is an action to enforce the laws and regulations administered by the Commission. The method of compliance with this enforcement action consists of payment of an administrative penalty and compliance actions to enforce a permit or order issued by the Commission. The Commission finds that issuance of this Proposed Order is exempt from the provisions of the California Environmental Quality Act (Public Resources Code § 2100 et seq.) pursuant to section 15321(a)(2); chapter 3, title 14 of the California Code of Regulations exempting actions to enforce or a permit prescribed by a regulatory agency.
26. The Respondent shall not have any ex parte communications with Commission decisionmakers and will only communicate with the Commission through Request for Hearings or other appropriate procedural avenues.

IT IS ORDERED.

Dated: October 25, 2022

Safety and Enforcement Division  
California Public Utilities Commission

By: \_\_\_\_\_

Leslie L. Palmer  
Director, Safety and  
Enforcement Division  
California Public Utilities  
Commission