

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking Regarding Policies, Procedures and Rules for Regulation of Physical Security for the Electric Supply Facilities of Electrical Corporations Consistent with Public Utilities Code Section 364 and to Establish Standards for Disaster and Emergency Preparedness Plans for Electrical Corporations and Regulated Water Companies Pursuant to Public Utilities Code Section 768.6.

R.15-06-009  
(Filed June 11, 2015)

**PACIFIC GAS AND ELECTRIC COMPANY (U 39E) ANNUAL REPORT IN  
COMPLIANCE WITH DECISION 19-01-018, ORDERING PARAGRAPH 31**

**COMPLIANCE PERIOD: APRIL 1, 2019 - FEBRUARY 29, 2020**

**PUBLIC VERSION**

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Dated: March 31, 2020

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Pursuant to the California Public Utility Commission's (CPUC's) D.19-01-018, Ordering Paragraph 31, relating to Physical Security for Electric Supply Facilities, PG&E hereby submits this annual report on Physical Security Incidents. This report documents physical security incidents which occurred during the compliance period April 1, 2019 through February 29, 2020.

**I. EXECUTIVE SUMMARY**

PG&E is providing both a complete report for the Commission and an appropriately redacted version for the public to be posted on the Commission's web site. The confidential portions of this report will be made available to the appropriate staff at the Commission and will be further detailed with an in-person meeting to ensure compliance with the Phase I Decision mandates.

With this report PG&E is submitting two confidential attachments. The first attachment summarizes all the OE-417 reports submitted to the Commission in a spreadsheet format while the second attachment contains all the OE-417 reports submitted to the Commission in the timeframe noted above. In the 2019-2020 OE-417 Report Cycle there

were fifteen reports submitted with varying degrees of impacts to PG&E's system. These impacts can be categorized into three categories as theft, vandalism and weather-related incidents.

PG&E's service territory covers a wide range of topography with varying terrain and as a result requires a bespoke approach to unique physical security requirements for each distribution substation and control center. While there were distribution level physical security incidents, in aggregate there is no discernable pattern emerging to capture a broader physical security incidents pattern which the PG&E assets were involved in.

Most of the physical security incidents throughout PG&E's service territory were caused by weather related events where the high winds and weather impacts damaged PG&E assets and equipment. For the cycle contemplated in this report none of the Physical Security incidents in PG&E's service territory rose to the level of needing a utility insurance claim.

## **II. BACKGROUND**

As a result of the April 2013 rifle attack combined with the August 2014 burglary taking place in PG&E's Metcalf Substation, which is located south of San Jose, the CPUC made changes to the Public Utility Code § 364(a) addressing the vulnerability of electrical supply facilities to physical security threats. Since the approval of Senate Bill (SB) 699 in September 2014 the Commission issued an Order Instituting a Rulemaking to establish policies, procedures and rules for the regulation of physical security risks to the electric supply facilities of electric utilities consistent with the Public Utility Code § 364 (Phase I). SB 699 amended Public Utility Code § 364 and required the Commission to develop rules for addressing physical security risks to the distribution systems of electrical corporations. As a result, SB 699 language amended the Public Utility Code § 364 with new and pertinent codes.

The Commission held its initial prehearing conference on October 2015 which through Commission rulings, workshops and other regulatory considerations culminated into the Phase I Physical Security Decision in D.19-01-018 dated January 10, 2019 ("Decision"). Among other things, the Decision ordered the utilities to provide to the Director of the Safety

and Enforcement Division and the Director of the Energy Division copies of all OE-417 reports submitted to the U.S. Department of Energy (DOE) within two weeks of filing with the U.S. DOE. Pursuant to Ordering Paragraph 31, the Decision ordered all CPUC jurisdictional utilities to submit an annual report by March 31 each year, starting on March 31, 2020.

### **III. DISCUSSION**

During the time period of April 1, 2019 through February 29, 2020, PG&E filed a total of fifteen (15) OE-417 Reports to the CPUC and DOE.

#### **A. OE-417 Reports Submitted With This Annual Report.**

According to the DOE – Office of Electricity, the Electric Emergency Incident Disturbance Report (Form OE-417) provides the DOE information on electric incidents and emergencies on electric power system. The Form OE-417 is a mandatory emergency form which is completed by entities within the electric power industry. The DOE uses the data to fulfill its overall national security and other energy management responsibilities, and for analytical purposes. In addition, the filing of the Form OE-417 allows the DOE to quickly respond to energy emergencies.

There are the alert types on Form OE-417:

1. Emergency Alert – File within 1-hour
2. Normal Report – File within 6-hours
3. System Report – File within 1-Business days

There are various criteria that fall under each of the alerts above, for example, one of the criteria for Emergency Alert is Cyber event that causes interruptions of electrical system operations. Depending on the alert and criteria, additional information needs to be provided by the entity completing the form such as:

- Incident and Disturbance Data
  - Geographic Area Affected
  - Date/Time of Incident Began and Ended

- Estimate of Amount of Demand Involved
- Estimate of Number of Customers Affected
- Type of Emergency
  - Cause
  - Impact
  - Action Taken
- Narrative Description
  - Name of Official to be Contacted
  - Description of the incident
  - Name of Assets Impacted

A final report is submitted within 72-hours of the incident. In the event of an incident or disturbance that meets any of the criteria for alerts, no exclusions for electric utilities are allowed and all items on Form OE-417 must be completed.

The OE-417 reports in this report are based on the final documents submitted to the CPUC and DOE.

OE-417 reports were submitted based on meeting one of the alerts and criteria outlined on the form. Weather and natural disaster were the leading causes on the OE-417 reports submitted. These causes had an impact on various PG&E's transmission line, generation, and or substation assets such that more than 50,000 customers lost electric service for 1 hour or more. These leading causes reports pointed to patterns attributed to strong winds, major rain/snow storms, or high fire danger. There were two additional OE-417 reports that led to the loss of electric service to more than 50,000 customers for 1 hour or more. However, both were as a result of switching. One of the incidents affected downstream distribution substations.

There were three incidents related to physical security which were vandalism and theft. These physical securities comprise of the following within our service territory:

## 1. Theft

- Security cameras were physically damaged by suspects in order to access PG&E facility. Locks on toolshed were cut and tools valued at approximately \$20,000 were removed. No damage to any electrical substation equipment, and no customer interruptions occurred.

## 2. Vandalism

- Damage of PG&E utility pole adjacent to demolished empty commercial buildings used for encampment by homeless individuals was discovered cut at the base and lying on the ground. This caused damage to a pole mounted transformer and an outage to approximately 25 distribution customers.
- Damage to transmission switch load break attachments and open conductor due to a homeless man cutting a lock at the switch control handle and operating the switch while in the process of stealing the switch control handle. This led to the loss of two transmission customers who were transferred to an alternate source and restored.

Law enforcement were contacted in some of these incidents and initiated an investigation.

### **B. Physical Security Incidents Relating to PG&E's Distribution System.**

PG&E's Corporate Security Department utilizes a case management system within the Company's Enterprise Compliance Tracking System (ECTS) as the data and information repository for employee conduct investigations and for crimes against the company (e.g. theft, trespassing, vandalism, or suspicious activity). The system also provides PG&E's Corporate Security Department with the ability to conduct trend analysis, track incidents, and create reports. During the compliance period of April 1, 2019 through February 29, 2020, PG&E had various physical security incidents in several distribution substations. Of the incidents reported, theft and vandalism were the most common. However, there were other,

miscellaneous incidents related to physical security which are summarized below. The incidents that have occurred include:

1. Theft - There have been break-ins (e.g. lock gates cut-off) in some distribution substations that have led to theft of substation assets such as copper wire and tools.
2. Vandalism – There have been incidents involving vandalism that occurred at distribution substations, such as tagging of graffiti on substation property, objects thrown into a substation, the cutting of security fencing, and the damaging of control room doors.
3. Miscellaneous Incidents – There have been other physical security incidents such as trespassing, homeless encampment, and suspicious activity (e.g. flying of drones over a substation).

#### **C. Utility Insurance Information**

PG&E maintains first-party property insurance to limit financial exposure for unforeseeable losses of its assets due to catastrophes such as fires, earthquakes, floods, or catastrophic operational losses. The Company also maintains liability insurance to protect against third-party claims. PG&E manage the costs of insurance premiums by, among other things, negotiating pricing, terms and conditions, and maintaining large deductibles. PG&E's maintains a liability insurance deductible of \$10 million and a property insurance deductible of \$25 million.

During the compliance period of April 1, 2019 through February 29, 2020, PG&E did not experience any physical security incidents that resulted in a submission of an insurance claim to PG&E's insurers. The physical security incidents that occurred in the compliance period did not exceed the large deductibles that PG&E maintains under its insurance policies.

#### **D. Changes to Security Plan Reports**

To meet the reporting requirement introduced in SB 699 in Public Utility Code § 590, these annual reports are required to include any significant changes to the Security Plan Reports (including new facilities covered by the Plan or major mitigation upgrades at

previously identified facilities). In recognition that the first Preliminary Security Assessment Plan Report is due on July 10, 2020, PG&E does not have an update to provide in this annual report.

#### **IV. NEXT STEPS**

PG&E will be setting up a meeting with the CPUC's Safety and Enforcement Division to review the findings discussed in this report. This meeting will be scheduled after the CPUC has had sufficient opportunity to review the information provided with this report. At this meeting PG&E will provide a confidential deep dive into all physical security incidents that have occurred during the compliance period April 1, 2019 through February 29, 2020.

Finally, in accordance with Ordering Paragraph 1 of the Decision, PG&E will submit its Preliminary Assessment Report with the CPUC on July 10, 2020.

Respectfully submitted,

By: /s/ Grant Guerra  
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March 31, 2020



**PACIFIC GAS AND ELECTRIC COMPANY  
ATTACHMENT A  
TO PACIFIC GAS AND ELECTRIC COMPANY'S  
ANNUAL REPORT IN COMPLIANCE WITH DECISION  
D.19-01-018, ORDERING PARAGRAPH 31**

Item No.	Report Name	Date of Incident Began	Time of Incident Began	Date of Incident Ended	Time of Incident Ended	County/Geographic Area	Cause	Impact	Action Taken	Incident Description	Estimate of Number of Customers Affected	Comments	Insurance Claims (Y/N)	Monetary Value of Claim	Date OE-417 Report Submitted	Report Receiver
1	OE417_Form_05_24_19_Island_Final	5/24/2019	21:32	5/24/2019	23:58	Plumas County	Weather or Natural Disaster	Electrical System Operation (Islanding)	Other (Impacted line returned to service)	Lightning reported in area. Transmission line relayed and tested OK. Trouble 115KV line de-energized and generator tripped.	10,961		N	N/A	6/6/2019	Elizaveta Malashenko and Edward Randolph
2	OE417_Form_06_02_19_Island_Final	6/2/2019	18:19	6/2/2019	20:43	Plumas County	Weather or Natural Disaster	Electrical System Operation (Islanding)	Additional Information/Comments	Lightning reported in area. Transmission line relayed and tested OK. Trouble 115KV line de-energized and generator tripped.	10,961		N	N/A	6/6/2019	Elizaveta Malashenko and Edward Randolph
3	OE417_Form_07_23_19_Vandalism_Final	7/23/2019	3:22	7/23/2019	5:40	Santa Cruz County	Vandalism	Damage or destruction of	Repaired or Restored	Damage of PG&E utility pole adjacent to demolished empty commercial buildings used for encampment by homeless individuals was discovered cut at the base and lying on the ground. This caused damage to a pole mounted transformer and an outage to approximately 25 distribution customers.	25		N	N/A	8/2/2019	Leslie Palmer and Edward Radnolp
4	OE417_Form_2021_PGE_08_15_19_North Bay Outage_Final_Corrected	8/15/2019	23:03	8/16/2019	0:37	Marin County	Operator action(s)	Loss of electric service to more than 50,000 customers for 1 hour or more	Repaired or Restored	During switching for emergency work, 115/60kV transformer was removed from service due to differential relay actions. Transmission lines and bus sections were de-energized during this incident. There were sustained interruptions to some distribution substations which resulted in loss of more than 50,000 customers for more than 1 hour.	61,318		N	N/A	8/27/2019	Leslie Palmer and Edward Radnolp
5	OE417_Form_Loss of Electric Service_PSPS_09252019-FINAL	9/25/2019	3:47	9/25/2019	15:40	Various Counties	Power Safety Power Shutoff (PSPS)	Loss of electric service to more than 50,000 customers for 1 hour or more	Repaired or Restored	The process to de-energize multiple transmission lines began for a Public Power Safety Power Shutoff (PSPS) event due to high fire danger. These interruptions impacted various assets and resulted in the loss of more than 50,000 customers for more than 1 hour.	69,524	Delayed submittal... PG&E's Public Safety Power Shutoff	N	N/A	3/9/2020	Leslie Palmer and Edward Radnolp
6	OE417_Form_PG&E_El Cerrito_G_Loss of Electric Service_092919_Final	9/29/2019	7:35	9/29/2019	9:15	Contra Costa County	Other	Loss of electric service to more than 50,000 customers for 1 hour or more	Repaired or Restored	During planned substation distribution switching at a PG&E substation, a distribution bus tie breaker failed causing feeder breakers to open, a 115/12kV transformer bank relayed and tested OK, and a bus section de-energized. This interruption resulted in the loss of electric service to more than 50,000 customers for more than 1 hour.	50,008	PG&E's Public Safety Power Shutoff	N	N/A	10/2/2019	Leslie Palmer and Edward Radnolp
7	OE417_Form_PG&E_Loss_of_Electric_Service_PSPS_100919_Final	10/9/2019	0:27	10/11/2019	17:43	Various Counties	Power Safety Power Shutoff (PSPS)	Loss of electric service to more than 50,000 customers for 1 hour or more	Repaired or Restored	The process to de-energize multiple transmission lines began for a Public Power Safety Power Shutoff (PSPS) event due to high fire danger. These interruptions impacted various assets and resulted in the loss of more than 50,000 customers for more than 1 hour.	737,808	Counties: Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, El Dorado, Glenn, Humboldt, Kern, Lake, Madera, Marin, Mariposa, Mendocino, Merced, Napa, Nevada, Placer, Plumas, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Shasta, Siskiyou, Solano, Sonoma, Stanislaus, Tehama, Trinity, Tuolumne, Yolo, and Yuba	N	N/A	10/23/2019	Leslie Palmer and Edward Radnolp
8	OE417_Form_PGE_Loss_of_Electric_Service_PSPS_102319_Final	10/23/2019	14:36	10/24/2019	17:35	Various Counties	Power Safety Power Shutoff (PSPS)	Loss of electric service to more than 50,000 customers for 1 hour or more	Repaired or Restored	The process to de-energize multiple transmission lines began for a Public Power Safety Power Shutoff (PSPS) event due to high fire danger. These interruptions impacted various assets and resulted in the loss of more than 50,000 customers for more than 1 hour.	179,000	Counties: Alpine, Amador, Butte, Calaveras, El Dorado, Kern, Lake, Mendocino, Napa, Nevada, Placer, Plumas, San Mateo, Sierra, Sonoma, Tehama, and Yuba	N	N/A	10/30/2019	Leslie Palmer and Edward Radnolp
9	OE417_Form_PGE_Loss_of_Electric_Service_PSPS_102619_Final	10/26/2019	18:20	10/31/2019	1:27	Various Counties	Power Safety Power Shutoff (PSPS)	Loss of electric service to more than 50,000 customers for 1 hour or more	Repaired or Restored	The process to de-energize multiple transmission lines began for a Public Power Safety Power Shutoff (PSPS) event due to high fire danger. These interruptions impacted various assets and resulted in the loss of more than 50,000 customers for more than 1 hour.	972,000 (1.09 Million including 10/29 Event)	Counties: Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, El Dorado, Fresno, Glenn, Humboldt, Kern, Lake, Madera, Marin, Mariposa, Mendocino, Monterey, Napa, Nevada, Placer, Plumas, San Benito, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, Tehama, Trinity, Tuolumne, Yolo and Yuba Counties, California	N	N/A	11/6/2019	Leslie Palmer and Edward Radnolp
10	OE417_Form_PGE_Loss_of_Electric_Service_PSPS_112019_Final	11/20/2019	9:50	11/20/2019	15:20	Various Counties	Power Safety Power Shutoff (PSPS)	Loss of electric service to more than 50,000 customers for 1 hour or more	Repaired or Restored	The process to de-energize multiple transmission lines began for a Public Power Safety Power Shutoff (PSPS) event due to high fire danger. These interruptions impacted various assets and resulted in the loss of more than 50,000 customers for more than 1 hour.	54,000	Counties - Colusa, Lake, Mendocino, Napa, Solano, Sonoma, Yolo, Shasta, Tehama	N	N/A	12/2/2019	Leslie Palmer and Edward Radnolp
11	Final OE417_Form_PGE_Loss_of_Electric_Service_Winter_Storm_11_26_19	11/26/2019	18:07	11/27/2019	12:27	Various Counties	Weather or Natural Disaster	Loss of electric service to more than 50,000 customers for 1 hour or more	Repaired or Restored	A major winter storm has lead to multiple distribution, 60kV, and 115kV equipment outage resulting in more than 90,000 customers without electric service at the event peak.	93,000		N	N/A	12/4/2019	Leslie Palmer and Edward Radnolp
12	Final OE417_Form_PGE_Vandalism_112719	11/27/2019	2:44	11/27/2019	16:00	Santa Clara County	Vandalism/Theft	Damage or destruction of a facility	Repaired or Restored	Damage to transmission switch load break attachments and open conductor due to a homeless man cutting lock at switch control handle and operating switch while in process of stealing handle. This led to the loss of two transmission customers who were transferred to an alternate source and restored.	2		N	N/A	12/5/2019	Leslie Palmer and Edward Radnolp
13	Final OE417_Form_PGE_Oro_Loma_Sub_Break_In_Theft_120319	12/3/2019	6:55	12/3/2019	-	Fresno County	Theft	Other	Other	Security cameras were physically damaged by suspects in order to access PG&E facility. Locks on toolshed were cut and tools valued at approximately \$20,000 were removed. No damage to any electrical substation equipment, and no customer interruptions occurred.	n/a		N	N/A	12/11/2019	Leslie Palmer and Edward Radnolp
14	Final OE417_Form_PGE_Island_Loss_of_Electric_Service_01_17_20	1/17/2020	5:23	1/17/2020	10:13	Humboldt	Weather or Natural Disaster	Electrical System Separation (Islanding) & Loss of electric service to more than 50,000 customers for 1 hour or more	Repaired or Restored	A major rain/snow storm in Northern California led to multiple transmission and distribution temporary and/or sustained outages in the Humboldt area. Transmission line equipment damaged due to rain/snow storm.	67,864		N	N/A	1/22/2020	Leslie Palmer and Edward Radnolp
15	OE417_Form_PGE Loss of Electric Service Event 020920 Final	2/9/2020	9:30	2/9/2020	21:40	Various Counties	Weather or Natural Disaster	Loss of electric service to more than 50,000 customers for 1 hour or more	Repaired or Restored	High winds struck PG&E's service territory resulting in the loss of more than 50,000 customers for more than 1 hour.	145,000	Counties: Alameda, Contra Costa, El Dorado, Nevada, Placer, Sierra, Santa Clara, Napa, Marin, Santa Cruz	N	N/A	2/18/2020	Leslie Palmer and Edward Radnolp