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PRESS RELEASE

CPUC PENALIZES PG&E FOR 2019 KINCADE WILDFIRE

SAN FRANCISCO, December 2, 2021 – The California Public Utilities Commission (CPUC) today approved penalties and permanent disallowances against Pacific Gas and Electric Company (PG&E) for violations related to the ignition of the 2019 Kincade wildfire. Under a settlement with the CPUC's Safety and Enforcement Division (SED), PG&E shareholders will pay a \$40 million penalty to California's General Fund and incur an \$85 million permanent disallowance for cost recovery for the removal of abandoned transmission facilities within its service territory, for a total of \$125 million.

The Kincade wildfire ignited in October 2019 within PG&E's service territory and burned more than 77,000 acres and destroyed nearly 374 structures. SED's investigation into the Kincade wildfire and the involvement of PG&E's infrastructure found multiple violations of General Order 95, a CPUC regulation that sets safety factors and strength requirements in the design, construction, and maintenance of overhead electrical lines and communications facilities. The settlement addresses the violations through shareholder-funded permanent removal of multiple abandoned transmission facilities within PG&E's service territory.

The settlement is formally referred to as an Administrative Consent Order. This new enforcement tool was created in November 2020, when the CPUC adopted an Enforcement Policy to better serve Californians through streamlined enforcement actions that can be taken by CPUC enforcement staff in lieu of issuing a Citation or seeking a formal Order Instituting Investigation (OII). The addition of these tools to the CPUC's enforcement options in 2020 moved the CPUC's practices more in line with the enforcement practices of many other state and local enforcement agencies.



The Resolution voted on today and related documents are available at https://www.cpuc.ca.gov/regulatory-services/enforcement-and-citations.

The CPUC regulates services and utilities, protects consumers, safeguards the environment, and assures Californians' access to safe and reliable utility infrastructure and services. For more information on the CPUC, please visit <u>www.cpuc.ca.gov</u>.

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