

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

Order Instituting Investigation on the Commission's Own Motion into the Maintenance, Operations and Practices of Pacific Gas and Electric Company (U39E) with Respect to its Electric Facilities; and Order to Show Cause Why the Commission Should not Impose Penalties and/or Other Remedies for the Role PG&E's Electrical Facilities had in Igniting Fires in its Service Territory in 2017.

I.19-06-015  
(Filed June 27, 2019)

**JOINT MOTION OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 E),  
THE SAFETY AND ENFORCEMENT DIVISION OF THE CALIFORNIA  
PUBLIC UTILITIES COMMISSION, COALITION OF CALIFORNIA  
UTILITY EMPLOYEES, AND THE OFFICE OF THE SAFETY  
ADVOCATE FOR APPROVAL OF SETTLEMENT AGREEMENT**

**PUBLIC VERSION**

**(ATTACHMENTS 1-7 AND 9-13 CONTAIN CONFIDENTIAL INFORMATION)**

AMY C. YIP-KIKUGAWA  
EMILY FISHER  
CALIFORNIA PUBLIC UTILITIES  
COMMISSION  
505 Van Ness Avenue  
San Francisco, California 94102  
Telephone: (415) 703-1327  
Email: emily.fisher@cpuc.ca.gov

Attorneys for the  
SAFETY AND ENFORCEMENT DIVISION

RACHAEL E. KOSS  
ADAMS BROADWELL JOSEPH &  
CARDOZO  
601 Gateway Blvd, Suite 1000  
South San Francisco, California 94080  
Telephone: (650) 589-1660  
Facsimile: (650) 589-4062  
Email: rkoss@adamsbroadwell.com

Attorneys for  
COALITION OF CALIFORNIA UTILITY  
EMPLOYEES

ALYSSA KOO  
ELLIOTT SEALS  
PACIFIC GAS AND ELECTRIC  
COMPANY  
Law Department  
77 Beale Street, B30A  
San Francisco, California 94105  
Telephone: (415) 973-4590  
Facsimile: (415) 973-0516  
Email: Alyssa.Koo@pge.com  
Email: Elliott.Seals@pge.com

JOSHUA HILL  
CHRISTINE Y. WONG  
MORRISON & FOERSTER LLP  
425 Market Street  
San Francisco, California 94105  
Telephone: (415) 268-7000  
Facsimile: (415) 772-7522  
Email: jhill@mofo.com  
Email: christinewong@mofo.com

Attorneys for  
PACIFIC GAS AND ELECTRIC  
COMPANY

REBECCA VORPE  
CALIFORNIA PUBLIC UTILITIES  
COMMISSION  
505 Van Ness Avenue  
San Francisco, California 94102  
Telephone: (415) 703-4443  
Email: [Rebecca.vorpe@cpuc.ca.gov](mailto:Rebecca.vorpe@cpuc.ca.gov)

Attorney for the  
OFFICE OF THE SAFETY ADVOCATE

Dated: December 17, 2019

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**PUBLIC VERSION  
(ATTACHMENTS 1-7 AND 9-13 CONTAIN CONFIDENTIAL INFORMATION)**

Pursuant to Rule 12.1 of the California Public Utilities Commission's ("CPUC" or "Commission") Rules of Practice and Procedure, the Safety and Enforcement Division of the California Public Utilities Commission ("SED"), Pacific Gas and Electric Company ("PG&E"), Coalition of California Utility Employees ("CUE"), and the Office of the Safety Advocate ("OSA") (collectively, the "Settling Parties") respectfully request that the Commission approve the "Settlement Agreement Between Pacific Gas and Electric Company, the Safety and Enforcement Division of the California Public Utilities Commission, Coalition of California Utility Employees, and the Office of the Safety Advocate Resolving Order Instituting Investigation I.19-06-015" ("Settlement Agreement" or "Settlement") attached hereto as Exhibit 1.

The Commission issued and scoped its Order Instituting Investigation ("2017/2018 Wildfire OII" or "OII") to investigate the role of PG&E's electric facilities in igniting fires in its service territory in 2017 and 2018.<sup>1</sup> The Commission issued Scoping Memos and Rulings,

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<sup>1</sup> As of this Motion, the scope of the OII includes the 37, Adobe, Atlas, Cascade, Cherokee, La Porte,

which provide that the 2017/2018 Wildfire OII is focused on five issues: (1) did PG&E violate General Order (“GO”) 95, GO 165<sup>2</sup>, Resolution E-4148 and/or California Public Utilities (“PU”) Code Section 451 as identified in the SED Fire Reports<sup>3</sup>; (2) did PG&E violate any provisions of the PU Code, GOs, Commission decisions, or any other applicable regulations with respect to its maintenance, operations and/or reporting<sup>4</sup> of its electric facilities as identified in the investigation; (3) what penalties, if any, should be imposed for any proven violation(s) found pursuant to PU Code Sections 701, 2107, and 2108; (4) what other remedies or corrective actions, if any, should be imposed in response to any proven violation(s) found pursuant to PU Code Sections 701, 2107, and 2108; and (5) what, if any, systemic issues contributed to ignition of the wildfires at issue in the 2017/2018 Wildfire OII.<sup>5</sup>

The Settling Parties negotiated the Settlement Agreement under which PG&E’s shareholders shall bear \$1.675 billion in financial obligations, which, in part, PG&E has incurred, or will incur, to comply with its legal obligations to provide safe and reliable service. If approved, this would be the largest dollar amount ever imposed by the Commission in connection with alleged wildfire-related violations. Under the terms of the proposed Settlement, PG&E will not seek rate recovery of wildfire-related expenses and capital expenditures in the amount of \$1.625 billion. In addition, under the terms of the proposed Settlement, PG&E is required to spend \$50 million in shareholder-provided settlement funds<sup>6</sup> on the System Enhancement Initiatives discussed in more detail below (collectively, the “System Enhancement

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Lobo, McCourtney, Norrbom, Nuns, Oakmont/Pythian, Partrick, Pocket, Point, Potter/Redwood, Sulphur, Tubbs, and Youngs Fires (the “2017 Northern California Wildfires”) and the 2018 Camp Fire.

<sup>2</sup> The issue with respect to GO 165 only applies to the 2018 Camp Fire.

<sup>3</sup> Based on SED’s investigation, SED issued its “Report on October 2017 Fire Siege” on June 13, 2019. That report, together with the attached incident investigation reports, and SED’s supplemental Lobo Fire and McCourtney Fire reports issued on October 17, 2019 and the Camp Fire Report issued on November 26, 2019, are referred to collectively herein as the “SED Fire Reports”.

<sup>4</sup> The issue with respect to reporting of its electric facilities only applies to the Camp Fire.

<sup>5</sup> Assigned Commissioner’s Scoping Memo and Ruling at 4 (August 23, 2019); Assigned Commissioner’s Amended Scoping Memo and Ruling at 4-5 (October 28, 2019); Assigned Commissioner’s Second Amended Scoping Memo and Ruling at 3-4 (December 5, 2019).

<sup>6</sup> PG&E agrees not to seek ratepayer recovery in a General Rate Case, other proceeding, or via another mechanism for these shareholder expenses.

Initiatives” or “System Enhancements”).

As discussed below, the Settlement Agreement, including the \$1.675 billion in financial obligations and associated remedial actions, is reasonable in light of the record, consistent with the law, and in the public interest. Therefore, the Settling Parties respectfully request that the Commission grant this Motion and approve the Settlement Agreement on an expedited basis by the end of February 2020.

## **I. BACKGROUND AND SUMMARY OF SETTLEMENT AGREEMENT**

### **A. Procedural History and Background**

In October 2017 and November 2018, multiple wildfires occurred across PG&E’s service territory in Northern California. The 2017 and 2018 wildfires were unprecedented in size, scope, and destruction. SED investigated the fires that involved PG&E’s facilities and alleged violations of Commission rules and regulations and PU Code Section 451, though some of the alleged violations did not relate to ignition of the fires. Based on its investigations, SED issued its “Report on October 2017 Fire Siege,” on June 13, 2019 (with attached incident investigation reports), as well as incident investigation reports on the Lobo and McCourtney Fires on October 17, 2019, and the Camp Fire Report on November 26, 2019 (collectively, the “SED Fire Reports”).

With regard to certain of the 2017 Northern California Wildfires, SED alleged that PG&E violated (a) GO 95, Rule 19, for disposing of evidence related to a reported incident and Commission investigation; (b) GO 95, Rule 31.1, for failing to identify and abate dying, diseased or weakened trees and tree parts; improper performance of vegetation management activities, such as pruning, removal, etc.; failing to perform a complete patrol of its system and according to best practices described in PG&E procedures; failing to retain documents related to vegetation inspections and a work order; late completion of work orders according to PG&E’s own



procedures; and for PG&E's records indicating that a work order had been completed when, in fact, the work had not been performed; (c) GO 95, Rule 35, for allowing vegetation to contact energized, bare conductors operating at distribution voltages, and for improperly prioritizing and deferring abatement of vegetation straining and abrading a secondary/service voltage conductor; (d) GO 95, Rule 38, for allowing two energized conductors of the same circuit to make contact thus violating minimum clearance requirements; and (e) Resolution E-4184 for failing to report one of the fire locations in the Potter/Redwood Fire.<sup>7</sup>

Regarding the 2018 Camp Fire, SED alleged that PG&E violated (a) GO 95, Rule 18, for improperly prioritizing a disconnected insulator hold-down anchor; (b) GO 95, Rule 31.1, for failing to maintain equipment for its intended use and regard being given to the conditions under which it was to be operated; (c) GO 95, Rule 31.2, for failing to thoroughly inspect equipment and identify an immediate Safety Hazard or Priority A condition; (d) GO 95, Rule 44.3, for failing to replace or reinforce equipment before its safety factor was reduced to less than two-thirds of the safety factor specified in Rule 44.1; (e) GO 165, Section IV, for failing to follow PG&E's internal procedures; (f) Resolution E-4184 for failing to report in a timely manner a reportable incident; and (g) PU Code section 451 for failing to maintain an effective inspection and maintenance program to identify and correct hazardous conditions on transmission lines in order to furnish and maintain service and facilities.<sup>8</sup>

On June 27, 2019, based on the allegations in SED Fire Reports<sup>9</sup> pertaining to the 2017

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<sup>7</sup> For a chart summary of violations, or lack of violations, that SED found for the 2017 Northern California Wildfires, by fire, please see OII 19-06-015 at 12-13. *See also* Motion of the Safety and Enforcement Division to Amend Scope of Proceeding to Include Lobo Fire and McCourtney Fire at 3 (October 17, 2019). *See also*, Settlement Agreement Exhibit B at 10-11.

<sup>8</sup> For a chart summary of violations that SED found for the 2018 Camp Fire, please see Motion of the Safety and Enforcement Division to Expand the Proceeding Scope to Include the 2018 Camp Fire at 3-4 (November 26, 2019). *See also*, Settlement Agreement Exhibit B at 12-13.

<sup>9</sup> The 2017/2018 Wildfire OII, as filed on June 27, 2019, addressed the following fires: 37, Adobe, Atlas, Cascade, Cherokee, La Porte, Norrbom, Nuns, Oakmont/Pythian, Partrick, Pocket, Point,

Northern California Wildfires, the Commission issued this OII, instituting a formal investigation into fifteen wildfires that took place during October 2017; ordering PG&E to show cause why the Commission should not find PG&E in violation of provisions of the Public Utilities Code, General Orders, and other rules or requirements identified in the OII, and why the Commission should not impose a penalty; ordering PG&E to prepare a report as provided in Attachment B of the OII by August 5, 2019; ordering PG&E to file an application within 30 days of the issuance of the OII to develop an open source, publicly available mobile app that allows a Geographic Information System-equipped phone to send pictures of utility infrastructure (e.g., pole) to an asset management system/database maintained by PG&E; and ordering PG&E to take the following immediate corrective actions within 30 days of the issuance of the OII:

- Describe its policies and procedures for the retention of PG&E's electric facility records (distribution and transmission).
- Certify that all PG&E personnel, contractors and subcontractors performing vegetation management work, including pre-inspection and enhanced inspection, have at least two years' experience in line clearance tree pruning work. If there are personnel, contractors or subcontractors who do not possess the requisite experience, PG&E shall explain why these individuals were permitted to perform vegetation management work.
- Develop and submit a plan to ensure that all Consulting Utility Foresters have an Associate degree in forestry, arboriculture or a related field, or other suitable qualifications.
- Identify a Senior Officer responsible for corrective actions and provide an affidavit under penalty of perjury that the stated corrective actions have taken place.

On July 29, 2019, PG&E submitted its Initial Report in Response to OII and Order to Show Cause ("PG&E's Report"), including its corrective actions report, and also filed its mobile

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Potter/Redwood, Sulphur, Tubbs, and Youngs Fires. *See* OII 19-06-015, at 1, 5-10. There are no alleged violations associated with the 37, Cherokee, La Porte, and Tubbs Fires. SED determined the 37 Fire was not a reportable incident and thus did not issue an investigation report for that fire.

app application (“Application 19-07-019”). PG&E’s Report acknowledged that, with regard to the operation and maintenance of its electric facilities, there were some areas in which it could have performed better to mitigate risks, but it noted that PG&E respectfully disagreed with many of SED’s findings included in the OII. With regard to the legal contentions made in the OII, PG&E submitted that the Commission erred in its interpretation and application of GO 95, Rules 31.1, 35, and 38, and that the Commission misapplied GO 95, Rule 19, and Resolution E-4184.<sup>10</sup> With regard to factual contentions and conclusions made in the OII regarding specific fires, PG&E noted that it had not yet reviewed all of the relevant evidence at that time, and that its investigation of the incidents identified in the OII was ongoing. PG&E outlined SED’s alleged violations with which it disagreed and explained why it was contesting the various findings.<sup>11</sup> PG&E also chose not to contest nine of the violations alleged by SED but emphasized that it was not conceding that PG&E engaged in any wrongdoing or unlawful conduct by doing so.<sup>12</sup>

A telephonic status conference was held on July 29, 2019 to address the schedule and party compliance with the OII’s schedule. SED was directed to serve the proceeding service list with notice of availability of the redacted SED Fire Report by e-mail ruling.

PG&E’s Report in Response to Attachment B of the OII (“Attachment B Report”) originally was to be filed and served by August 5, 2019, but PG&E requested and was granted an extension to provide responses to a portion of the questions in Attachment B no later than August 23, 2019. PG&E timely filed its Attachment B Report and related documents.

A prehearing conference (“PHC”) was held at the Commission offices on August 13, 2019, to discuss the service list, motions for party status, scope and schedule for the proceeding.

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<sup>10</sup> PG&E’s Initial Report in Response to OII and Order to Show Cause at 23-32 (July 29, 2019) (“PG&E’s Report”).

<sup>11</sup> PG&E’s Report at 33-42.

<sup>12</sup> PG&E’s Report at 42-46.

The parties discussed schedule implications concerning PG&E's bankruptcy proceeding, and Assembly Bill 1054 (Holden, 2019), the Wildfire Fund legislation. PG&E and SED stated that they had begun settlement discussions and requested a stay of discovery until September 30, 2019. SED stated that it would likely seek to include the Lobo and McCourtney Fires in the scope of the proceeding, as well as the 2018 Camp Fire. The Public Advocates Office at the CPUC ("Cal Advocates"), The Utility Reform Network ("TURN"), Western States Petroleum Association, and Coalition of California Utility Employees ("CUE") were granted party status in the proceeding.

Since the PHC, OSA, Mendocino County, Napa County, Sonoma County, the City of Santa Rosa, Thomas Del Monte, the City and County of San Francisco, Wild Tree Foundation, and the Institutional Equity Investors filed for and received party status. The Ad Hoc Committee of Senior Unsecured Noteholders of PG&E has moved for party status, but its motion has not yet been addressed. EMF Safety Network's motion for party status was denied on December 9, 2019.<sup>13</sup> Although not all parties were present at each discussion that was held, the parties met bilaterally or multilaterally over thirty times since the PHC.

Per the assigned Commissioner's August 23, 2019, and October 28, 2019, scoping memos and rulings, PG&E and SED have jointly filed weekly or bi-weekly status reports regarding settlement efforts. A status conference was held on October 4, 2019, to update the Administrative Law Judge ("ALJ") and assigned Commissioner on the potential SED motion to add additional fires to the proceeding, the status of settlement discussions, progress on stipulated facts, and the schedule. The parties filed their pre-evidentiary hearing briefs regarding disputed legal issues on October 14, 2019. Reply briefs were filed on October 28, 2019.

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<sup>13</sup> E-mail Ruling Denying Motion for Party Status of the EMF Safety Network (December 9, 2019).

On October 17, 2019, SED filed a motion to amend the scope of the 2017/2018 Wildfire OII to include the Lobo and McCourtney Fires. PG&E did not oppose that motion. The motion was granted on October 28, 2019.

Pursuant to the assigned Commissioner's October 28, 2019 Amended Scoping Memo and Ruling, intervenors OSA and Del Monte served testimony on November 8, 2019.<sup>14</sup> PG&E served its reply testimony for all its fact and expert witnesses, with the exception of one expert witness, on November 18, 2019.<sup>15</sup>

On November 15, 2019, SED filed its Reply to PG&E's Report in Response to Attachment B. This report responds to Issue No. 5 in the August 23, 2019 Scoping Memo. As noted in Appendix A of that Reply, SED was unable to conclude whether any of the potential systemic issues identified in Attachment B to the OII contributed to the ignition of the 2017 Northern California Wildfires.

On November 25, 2019, the ALJ issued a ruling granting SED and PG&E's joint motion for an extension of the proceeding schedule.

SED filed a motion to amend the scope of the proceeding to include the Camp Fire on November 26, 2019. That motion was granted on December 5, 2019.<sup>16</sup> Pursuant to the schedule set forth in that Second Amended Scoping Memo and Ruling, PG&E is required to serve the expert testimony of Galen Wright by December 20, 2019. SED's rebuttal testimony is due January 10, 2020. Evidentiary hearings are scheduled for January 27-31, 2020.

The parties have been engaged in settlement negotiations since August 2019. On

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<sup>14</sup> No other intervenors have served testimony.

<sup>15</sup> An extension has been granted for the testimony of Galen Wright, which currently is due December 20, 2019. Assigned Administrative Law Judge's Ruling Granting Motion to Extend Proceeding Schedule at 2 (November 25, 2019).

<sup>16</sup> Assigned Commissioner's Second Amended Scoping Memo and Ruling (December 5, 2019).

November 18, 2019, PG&E issued a notice of settlement conference consistent with Rule 12.1(b). Since that time, the parties have held ten settlement conferences. The Settling Parties reached agreement and hereby request that the Commission approve the Settlement Agreement.

## **B. Parties**

SED is a division of the Commission charged with enforcing compliance with the Public Utilities Code and other relevant utility laws and the Commission's rules, regulations, orders, and decisions. SED is also responsible for investigations of utility incidents, including wildfires, and assisting the Commission in promoting public safety.

PG&E is a public utility, as defined by the California Public Utilities Code. It serves a population of approximately 16 million in a 70,000-square-mile service area within Northern and Central California.

CUE is a coalition of unions that represent approximately 34,000 people who work for investor-owned and publicly-owned utilities in California, and for contractors who perform work for utilities and project developers.

OSA is an advocacy unit within the Commission charged with advocating for the continuous and cost-effective improvement of the safety management and safety performance of public utilities. To achieve this goal, OSA advocates for effective public utility safety management and infrastructure improvements and for the transparency of safety information, as well as assists the Commission in holding public utilities accountable for their safe operation.

## **C. Summary of the Settlement Agreement<sup>17</sup>**

The Settlement consists of three primary substantive components. **First**, the Settling Parties have stipulated to a series of facts and violations.<sup>18</sup> The facts cover several topics including:

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<sup>17</sup> For the convenience of the Commission, this Motion summarizes a number of provisions of the Settlement. The Settling Parties have sought to summarize the provisions as accurately as possible. To the extent such summaries are in any way ambiguous or contradict the provisions of the Settlement, the language of the Settlement controls.

<sup>18</sup> See Settlement Agreement Exhibits A and B.

- The conditions of the subject trees identified in the SED Fire Reports;
- Instances of missing records;
- Instances of repair work completed after the original due date;
- Circumstances surrounding disposal of evidence;
- The conditions of equipment relevant to the 2018 Camp Fire investigation and alleged violations; and
- The inspection and maintenance history related to equipment relevant to the 2018 Camp Fire investigation and alleged violations.

The Settling Parties also agreed that PG&E would not contest that some of the events and circumstances described in the stipulated facts violated GO 95, Rules 19 and 31.1, GO 165, Section IV, and Resolution E-4184. PG&E continues to dispute the other alleged violations.

***Second***, the Settlement Agreement requires PG&E to bear \$1.675 billion in financial obligations, which, in part, PG&E has incurred, or will incur, to comply with its legal obligations to provide safe and reliable service. Per the Settlement, PG&E will not seek rate recovery of certain specified wildfire-related expenditures in future applications, which will total \$1.625 billion.<sup>19</sup> In addition, PG&E will spend \$50 million, funded by shareholders, on the System Enhancement Initiatives.<sup>20</sup>

***Third***, the Settlement Agreement requires PG&E to undertake 20 System Enhancement Initiatives.<sup>21</sup> These System Enhancement Initiatives build on the system modifications that PG&E has already undertaken in response to the fire-related events that took place in 2017 and 2018. The System Enhancement Initiatives include vegetation management and electric operations-focused initiatives, system-wide analyses, community engagement-focused initiatives, and transparency and accountability-focused initiatives.

The Settlement Agreement also contains general settlement terms.<sup>22</sup> It states that the

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<sup>19</sup> See Settlement Agreement Section III.A.

<sup>20</sup> See Settlement Agreement Section III.B and Exhibit C.

<sup>21</sup> See Settlement Agreement Section III.B and Exhibit C.

<sup>22</sup> See Settlement Agreement Section IV.

settlement is a compromise of the Settling Parties' disputed claims and defenses and the Settling Parties agree that the Settlement Agreement resolves and disposes of all disputed issues in the 2017/2018 Wildfire OII. In accordance with Commission Rule 12.5, the Settling Parties agree that the Settlement does not constitute precedent regarding any principle or issue in this proceeding or in any future proceeding. The Settling Parties jointly request Commission approval of the Settlement Agreement and agree to actively support prompt approval of the Settlement Agreement. The Settlement Agreement may be amended or changed only by written agreement signed by the Settling Parties and approved by the Commission.

Finally, the Settlement Agreement provides that it will become effective upon (1) approval by the Commission in a written decision; (2) following such approval by the Commission, approval of the United States Bankruptcy Court, Northern District of California, San Francisco Division ("Bankruptcy Court") in PG&E's bankruptcy proceeding, *In Re Pacific Gas and Electric Company*, Case No. 19-30088 (DM); and (3) the effectiveness of a Plan of Reorganization ("PoR") that approves the implementation of the Settlement Agreement.<sup>23</sup> If the Commission rejects or proposes alternative terms to the Settlement Agreement, the Settling Parties reserve all rights set forth in Rule 12.4 of the Commission's Rules of Practice and Procedure.

## **II. THE SETTLEMENT AGREEMENT IS REASONABLE IN LIGHT OF THE RECORD, CONSISTENT WITH THE LAW, AND IN THE PUBLIC INTEREST**

Rule 12.1(d) provides that "[t]he Commission will not approve settlements, whether contested or uncontested, unless the settlement is reasonable in light of the whole record, consistent with law, and in the public interest." As discussed below, the Settlement Agreement meets these criteria.

### **A. The Settlement is Reasonable in Light of the Record**

The Commission initiated and has scoped this OII to determine whether PG&E violated provisions of the Public Utilities Code, General Orders, Commission decisions, or any other

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<sup>23</sup> See Settlement Agreement Section III.C.



applicable regulations with respect to its maintenance, operations and/or reporting of its electric facilities in connection with the 2017 Northern California Wildfires and 2018 Camp Fire. While there is no dispute that PG&E's electric facilities played a role in the ignition of some of the 2017 and 2018 wildfires, there are disputes as to the extent of PG&E's responsibility, whether there are appropriate legal bases to find PG&E responsible, and whether SED can meet its evidentiary burden to show that PG&E has violated applicable laws, rules, and regulations. This Settlement Agreement reflects concessions by the Settling Parties, in the interest of resolving these complex and uncertain issues, and is based on the belief that the issues raised in the 2017/2018 Wildfire OII can be appropriately addressed through the Settlement, thereby avoiding the uncertainties and monetary and resource costs necessary for litigation. As such, in reaching this Settlement Agreement, the Settling Parties propose that the Commission forego adjudication of the disputed facts, alleged violations, and appropriate penalty.

SED took the position that the facts alleged in the SED Fire Reports establish violations of Commission rules and regulations, and that many could be found to be continuing violations. SED also argued that the financial consequences must be substantial in light of the unprecedented nature of the 2017 and 2018 wildfires.<sup>24</sup>

PG&E, on the other hand, disputed many of the factual findings set forth in the SED Fire Reports. With respect to vegetation management issues, PG&E disputed SED's conclusions regarding what would have constituted accepted good practices for vegetation inspection and patrol and whether PG&E should have identified and abated alleged diseased or decayed trees. PG&E also disputed SED's conclusions regarding numerous matters, such as whether PG&E properly prioritized certain maintenance work, failed to follow procedures for reinforcement of a certain pole, failed to retain evidence, or failed to timely report a reportable incident. Moreover, PG&E disputed the legal application of GO 95, Rules 31.1, 35, and 38, to the alleged incidents

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<sup>24</sup> In addition, as discussed in Appendix A of SED's Reply to PG&E's Report in Response to Attachment B, filed on November 15, 2019, after review of PG&E's Attachment B Report and the documents produced therewith, SED was unable to conclude whether any of the potential systemic issues identified in Attachment B to the OII contributed to the ignition of the 2017 Northern California Wildfires.

and raised concerns regarding whether the Commission's applications of the regulations at issue provided fair notice to PG&E consistent with the Due Process Clauses of the United States and California Constitutions. The disputed legal issues were fully briefed but have not yet been ruled upon by the assigned ALJ.

With respect to the 2018 Camp Fire, PG&E disputes whether its inspection and maintenance methods for the transmission lines in question were deficient and also disagrees with SED's conclusions as to physical evidence that either has not been made available to PG&E or has not been fully analyzed. In particular, PG&E disputes SED's assumption that accepted good practices required climbing inspections of transmission towers and disagrees that PG&E's decision not to perform regular climbing inspections prior to the 2018 Camp Fire violated Commission rules and regulations.

In light of these differing positions, the Settling Parties believe the potential outcome of a fully adjudicated proceeding could fall below or above the financial and other terms set forth in the Settlement Agreement. Based on the record established to date, the Settling Parties submit that the Settlement Agreement addresses the seriousness of the conduct at issue, while recognizing their disagreement over many of the alleged violations.

**1. PG&E's Shareholder Costs as a Result of the Settlement Are Substantial and Reasonable in Light of the Record**

The Settling Parties agree that PG&E should bear **\$1.675 billion** in financial obligations to resolve this proceeding. PG&E has incurred, or will incur, this amount to comply with its legal obligations to provide safe and reliable service. If approved, this would be the largest dollar amount ever imposed by the Commission in a wildfire-related enforcement proceeding. As part of the settlement, PG&E will not seek rate recovery of wildfire-related expenses and capital expenditures in the amount of **\$1.625 billion**. These costs were, or will be,<sup>25</sup> incurred by PG&E, not at the direction of SED or the Commission in the OII. In addition, **\$50 million** in

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<sup>25</sup> Some of the costs are those that PG&E expects to incur in 2020.

shareholder funds<sup>26</sup> must be dedicated to the System Enhancement Initiatives discussed below and further detailed in Settlement Agreement Exhibit C.

The Settling Parties also recognize that PG&E faces numerous other financial obligations arising from the 2017 and 2018 wildfires:

- PG&E entered into a settlement agreement pursuant to which, as part of its Plan of Reorganization, it would pay **\$1 billion** in restitution to local governments affected by the 2017 and 2018 wildfires.<sup>27</sup>
- PG&E entered into another settlement agreement, which, if approved by the Bankruptcy Court, would provide for PG&E, as part of its Plan of Reorganization, to pay **\$11 billion** in restitution to entities representing insurance subrogation claims relating to the 2017 and 2018 wildfires.<sup>28</sup>
- PG&E entered into a settlement agreement with the Official Committee of Tort Claimants (“TCC”) and with firms representing individual claimants who sustained losses from wildfires, including the 2017 Northern California Wildfires and 2018 Camp Fire, which, if approved by the Bankruptcy Court, would provide for PG&E, as part of its proposed Plan of Reorganization, to pay **\$13.5 billion** in restitution.<sup>29</sup>
- Assembly Bill (AB) 1054 requires that PG&E’s Chapter 11 case be resolved by June 30, 2020, in order for PG&E to participate in the newly created Wildfire Fund. The Wildfire Fund is intended to help the state’s electric utilities pay for

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<sup>26</sup> PG&E agrees not to seek ratepayer recovery in a General Rate Case, other proceeding, or via another mechanism for these shareholder expenses.

<sup>27</sup> See PG&E Press Release, “In Final Major Settlement, PG&E Reaches Agreement to Resolve Individual Claims Relating to the 2017 and 2018 Wildfires and the 2015 Butte Fire; PG&E Has Now Reached Settlements with All Major Groups of Wildfire Claimants” (December 9, 2019), *available at* [https://www.pge.com/en/about/newsroom/newsdetails/index.page?title=20191209\\_in\\_final\\_major\\_settlement\\_pge\\_reaches\\_agreement\\_to\\_resolve\\_individual\\_claims\\_relating\\_to\\_the\\_2017\\_and\\_2018\\_wildfires\\_and\\_the\\_2015\\_butte\\_fire](https://www.pge.com/en/about/newsroom/newsdetails/index.page?title=20191209_in_final_major_settlement_pge_reaches_agreement_to_resolve_individual_claims_relating_to_the_2017_and_2018_wildfires_and_the_2015_butte_fire).

<sup>28</sup> *Id.*

<sup>29</sup> *Id.* The settlement includes payments to resolve claims arising out of the 2017 Northern California Wildfires and 2018 Camp Fire, as well as the 2015 Butte Fire and 2016 Ghost Ship Fire in Oakland.

future wildfire damages. PG&E expects its initial contribution to the Wildfire Fund to be **\$4.8 billion**.<sup>30</sup>

Thus, the total of PG&E's financial obligations described above amounts to approximately **\$32 billion**. In light of the large financial obligation resulting from the 2017/2018 Wildfire OII, and the other financial obligations faced by PG&E, the Settling Parties agree that the monetary components of the Settlement are reasonable in light of the whole record.

## **2. The Required System Enhancements Are Extensive and Reasonable in Light of the Record**

Despite disagreements regarding the factual record and legal application of the Commission's rules and regulations and statutory requirements,<sup>31</sup> the Settling Parties believe that the Settlement appropriately resolves all issues raised in the OII, SED Fire Reports, and Scoping Memos as they relate to PG&E's electric facilities. The following sections describe the non-monetary remedies that the Settling Parties agree are part of an appropriate resolution. As noted above, PG&E must contribute \$50 million in shareholder funds to System Enhancement Initiatives.

As described in more detail in Section III.B below, PG&E has undertaken significant improvements to its electric operations to react to the unprecedented events of 2017 and 2018. Some of the non-monetary remedies in the Settlement Agreement provide further enhancements and improvements to PG&E's electric operations while others implement root cause analyses and audit provisions to help ensure that PG&E has fully identified and incorporated lessons learned from the 2017 Northern California Wildfires and 2018 Camp Fire and to monitor the effectiveness of its current operations in mitigating wildfire risks. In addition, the System Enhancement Initiatives include remedies that focus on community and customer engagement.

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<sup>30</sup> See PG&E Press Release, "PG&E Supports and Elects to Help Fund New California Wildfire Fund" (July 25, 2019), *available at* [https://www.pge.com/en/about/newsroom/newsdetails/index.page?title=20190725\\_pge\\_supports\\_and\\_elects\\_to\\_help\\_fund\\_new\\_california\\_wildfire\\_fund](https://www.pge.com/en/about/newsroom/newsdetails/index.page?title=20190725_pge_supports_and_elects_to_help_fund_new_california_wildfire_fund).

<sup>31</sup> Note that the Settling Parties have stipulated to certain facts and violations, as reflected in Exhibits A and B to the Settlement Agreement.

In combination, the System Enhancement Initiatives will make an important difference going forward.

**a. Vegetation Management**

**(1) Relevant Allegations**

The SED Fire Reports allege that multiple fires ignited when vegetation made contact with PG&E's electric facilities after PG&E failed to identify and abate hazardous and diseased trees.

**(2) Resolution**

Prior to the OII, PG&E made numerous enhancements to its vegetation management program, as reflected in PG&E's Wildfire Safety Plan ("WSP").<sup>32</sup> As detailed in the PG&E's Amended 2019 WSP, after the 2017 wildfires and again after the 2018 wildfires, PG&E aggressively expanded vegetation management around its assets.<sup>33</sup> PG&E began performing enhanced vegetation management ("EVM") work, such as expanded clearing of overhanging vegetation in high fire-threat district ("HFTD")<sup>34</sup> areas and reduction of vegetation fuels under power lines located within HFTD areas, to mitigate vegetation-related wildfire risks. In addition, the Settling Parties agree on the following System Enhancement Initiatives to further enhance PG&E's vegetation management program:

**(a) Tree Crew Training and Certificate Program**

PG&E, in partnership with International Brotherhood of Electrical Workers ("IBEW") and educational institutions in Northern California, will establish a training program designed to

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<sup>32</sup> PG&E Amended 2019 Wildfire Safety Plan ("PG&E Amended 2019 WSP") (February 6, 2019), available at [https://www.pge.com/pge\\_global/common/pdfs/safety/emergency-preparedness/natural-disaster/wildfires/Wildfire-Safety-Plan.pdf](https://www.pge.com/pge_global/common/pdfs/safety/emergency-preparedness/natural-disaster/wildfires/Wildfire-Safety-Plan.pdf). PG&E's WSP is its submission pursuant to statutory requirements and direction provided by the CPUC in its *Order Instituting Rulemaking to Implement Electric Utility Wildfire Mitigation Plans Pursuant to Senate Bill 901 (2018)*, Rulemaking (R.) 18-10-007.

<sup>33</sup> PG&E Amended 2019 WSP at 70-86; *see also* PG&E's Attachment B Report at 14-22 (August 5, 2019).

<sup>34</sup> The Commission adopted the HFTD Map in January 2018. *See* <https://www.cpuc.ca.gov/FireThreatMaps/>. In prior fire threat maps published in 2012, only a small portion of PG&E's service territory (about 15%) around Santa Barbara was included as "high fire-threat area." *See* PG&E Amended 2019 WSP at 70-71 and n.53.

provide the skills and knowledge necessary to perform tree crew work safely and competently. The Tree Crew Training Program will provide both classroom and in-the-field instruction, which will focus on safety, climbing, and line clearance qualifications. Those who successfully complete the program will receive a certificate. Certificate holders will meet the minimum requirements to be hired as entry-level tree workers by PG&E and its contractors; and receive support in obtaining certification as International Society of Arboriculture (“ISA”) Certified Tree Worker Climber Specialists. The goal of this System Enhancement Initiative is to increase the availability of certified tree crew workers to help PG&E’s vegetation management-related wildfire risk mitigation efforts.

**(b) Pre-Inspector Training and Certificate Program**

PG&E, in partnership with educational institutions in Northern California, will establish a training program designed to provide the skills and knowledge necessary to perform pre-inspector work safely and competently. Pre-Inspectors are the vegetation management personnel that are responsible for identifying hazardous and diseased trees for trimming. The Pre-Inspector Training Program will provide both classroom and in-the-field instruction. Those who successfully complete the program will receive a certificate and support in obtaining ISA certification. The goal of this System Enhancement Initiative is to increase the availability of certified pre-inspectors to help PG&E’s vegetation management-related wildfire risk mitigation efforts.

**(c) Vegetation Management Oversight Pilot**

PG&E will implement a Vegetation Management Oversight (“VMO”) pilot program designed to provide enhanced oversight of pre-inspection and tree work performed on behalf of PG&E. The VMO pilot program will consist of two main initiatives. First, PG&E will add additional in-field workers directly responsible for real-time observation of and direct feedback to pre-inspectors and tree workers regarding safety, productivity, and quality. These field observers will also assess workers’ adherence to PG&E procedures. Consistent with PG&E procedures, field observers will be subject to PG&E’s universal “Stop the Job” policy. Under

the “Stop the Job” policy, field observers who identify a safety risk or compliance issue will intervene in order to address and correct the identified safety risk or compliance issue. Second, PG&E will bolster its Quality Control team, which helps to ensure that pre-inspectors and tree crews meet PG&E’s vegetation management goals. PG&E expects these efforts to include trend analysis, additional internal reporting, and a “work verification team” that provides verification on all Enhanced Vegetation Management work. The goal of this System Enhancement Initiative is to support PG&E’s compliance with its vegetation management-related wildfire risk mitigation policies and procedures

**(d) Independent Root Cause Analysis of Fires  
Related to Vegetation**

PG&E shareholders will pay for an independent root cause analysis company to conduct a Root Cause Analysis (“RCA”) for each of the wildfires included in this OII that were reportable incidents to the CPUC and for which CAL FIRE determined that the ignition involved PG&E facilities, including fires that related to vegetation. The purpose of the RCA will be to analyze the factors that contributed to the ignition of the applicable fires and make recommendations as appropriate so that the learnings can be implemented on a go-forward basis to mitigate the risk of similarly-caused fires in the future. Analyzing all of these fires will maximize lessons learned not only for PG&E, but also for the Commission. The information revealed may show that areas of GO 95 should be modified. The RCA will consider all potential root causes, and will not be restricted to violations of GO 95. The RCA may identify systemic, programmatic, management, and structural matters that may need to be addressed to reduce such incidents in the future.

**(e) Independent Wildfire Safety Audits of PG&E’s  
Tree Tracker Application**

PG&E will retain Safety Evaluator(s) to perform Independent Safety Evaluations, including an evaluation of PG&E’s Tree Tracker Application (“Tree Tracker App”), or its successor program. In particular, the Safety Evaluator will: (i) audit samples of records from PG&E’s Tree Tracker App, a soon-to-be deployed mobile application intended to improve

PG&E's tracking of its vegetation management work, or its successor program; (ii) utilize the Tree Tracker App (or its successor program) to conduct field reviews of samples of pre-inspector and tree work in order to assess adherence to applicable PG&E procedures; (iii) survey vegetation management contractors and employees who utilize the Tree Tracker App (or its successor program) in the field to validate adherence to PG&E's Tree Tracker App (or its successor program) procedures, consistency of use, and overall usability of the tool; and (iv) recommend improvements to PG&E's Tree Tracker App (or its successor program) based on the Safety Evaluator's review. The goal of this System Enhancement Initiative is to ensure that the new Tree Tracker App (or its successor program) is effective in supporting PG&E's compliance with its vegetation-management related wildfire risk mitigation policies and procedures.

**b. Electric Facilities Inspections and Maintenance**

**(1) Relevant Allegations**

The SED Fire Reports allege that PG&E failed to thoroughly inspect and maintain its electric facilities and, consequently, failed to detect and remedy immediate safety hazards.

**(2) Resolution**

PG&E has made significant enhancements to its electric facilities inspection and maintenance program, including its Wildfire Safety Inspection Program ("WSIP").<sup>35</sup> PG&E conducted accelerated inspections of overhead electric facilities in HFTD areas to facilitate a proactive approach to repairing or replacing components that are at-risk of initiating fires. Moreover, PG&E established heightened procedures for field personnel to follow when working, traveling, or operating in hazardous fire areas. The procedures that apply during elevated fire risk conditions include a requirement to patrol lines prior to re-energization after a line trips due to a problem on the line and a requirement to patrol lines prior to replacing blown fuses.<sup>36</sup> In

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<sup>35</sup> See PG&E's Amended 2019 WSP at 52-60.

<sup>36</sup> PG&E's Amended 2019 WSP at 49; *see also* PG&E Utility Bulletin TD-1464B-001 Section 1.1.6 (October 11, 2018) (produced with PG&E's Attachment B Report at PGE-2017Wildfires-OII-0000005862) ("DURING Extreme Plus Events NO test may be performed UNTIL a full patrol of the



addition, the Settling Parties agree on the following System Enhancement Initiatives to further enhance PG&E's inspection and maintenance program:

**(a) Quarterly Reporting on Electric Maintenance Work**

For three years following the effective date of the Settlement Agreement, PG&E will prepare quarterly reports, to be submitted to SED, summarizing the status of transmission and distribution maintenance work generated by WSIP. Through WSIP, PG&E performs enhanced inspections on an accelerated schedule for electric facilities in Tier 2 and Tier 3 HFTD<sup>37</sup> areas. These enhanced inspections focus on conditions that could lead to fire ignitions. Each of these reports will include, at a minimum: (1) the number, status, and locations of any open maintenance tags and (2) a table summarizing the status of all tags identified in the report. The goal of this System Enhancement Initiative is to assist SED in its ongoing oversight of PG&E's electric maintenance work as PG&E implements the system improvements identified by WSIP, many of which mitigate wildfire risk.

**(b) LiDAR Asset Analysis**

In an attempt to mitigate the risk of conductor-to-conductor contact through computer modeling and analytics, PG&E will implement a pilot program for the purpose of: (1) designing and testing a Light Detection and Ranging ("LiDAR") data-based methodology capable of estimating the probability of contact between overhead distribution conductors that are exposed to high wind in Tier 3 HFTD areas; and (2) creating modeling and analytical tools designed to supplement the evaluation of overhead distribution conductors during inspections. The pilot program will include the following phases: (a) categorization of the data collected for the purpose of converting the data into inputs for the computer system; (b) building the model using the collected, categorized data; (c) training and testing the model using the collected, categorized

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entire OH de-energized zone is complete.").

<sup>37</sup> As used herein, Tier 2 and Tier 3 High Fire-Threat District ("HFTD") areas mean those areas that the Commission has designated as Tier 2 – Elevated or Tier 3 – Extreme Fire-Threat Areas. The areas designated as such may be found at [cpuc.ca.gov/FireThreatMaps](http://cpuc.ca.gov/FireThreatMaps).

data; and (d) utilization of the model in order to answer questions about the data. The data collected for use in the pilot program will be either data that is in PG&E's possession or data that PG&E is in the process of collecting for other purposes. The goal of this System Enhancement Initiative is to explore additional, improved methods of identifying overhead conductors that might be at risk of making contact during high wind conditions so that such risk can be mitigated.

**(c) Independent Root Cause Analysis to Consider Inspection and Maintenance Practices**

PG&E shareholders will pay for an independent root cause analysis company to conduct an RCA for each of the wildfires included in this OII that were reportable incidents to the Commission and for which CAL FIRE determined that the ignition involved PG&E facilities. The RCA will consider PG&E's inspection and maintenance practices, among other issues. The purpose of the RCA will be to analyze the factors that contributed to the ignition of the fires and make recommendations as appropriate so that the learnings can be implemented on a go-forward basis to mitigate the risk of similarly caused fires in the future. Analyzing all of these fires will maximize lessons learned not only for PG&E, but also for the Commission. The information revealed may show that areas of GO 95 should be modified. The RCA will consider all potential root causes, and will not be restricted to violations of GO 95. The RCA may identify systemic, programmatic, management, and structural matters that may need to be addressed to reduce such incidents in the future.

**(d) ISO 55000 Certification**

PG&E will make a good-faith effort to initiate the final International Organization for Standardization ("ISO") 55000 certification assessment required to obtain ISO 55000 certification from an accredited organization for its electric operations by the end of 2020. ISO 55000 is an international standard for asset management. ISO 55000 certification means that an accredited organization has determined that the company meets the standards set forth in ISO 55000. PG&E will inform OSA and SED in advance of any scheduled gap-assessment closeout

meetings. OSA and SED will be allowed to participate in gap-assessment closeout meetings and PG&E will share assessment reports with OSA and SED, including the final assessment report. PG&E shareholders will pay the costs to address any gaps up to a total of \$1 million over the certification period. PG&E will notify OSA and SED when it applies for certification and when it receives certification. Once certification is received, PG&E will make a good-faith effort to maintain certification status during the three-year certification period. After certification is received, PG&E will invite its third-party ISO 55000 auditor to conduct a surveillance audit of its ISO 55000 program every six months. After each six-month audit, PG&E will report to OSA and SED on the status of its ISO 55000 certification. These reports will include the third-party ISO 55000 auditor's audit report.

Before the initial three-year certification period ends, PG&E will re-apply for certification and will again make a good-faith effort to obtain and maintain certification for an additional three-year certification period ("Second Certification Period"). If PG&E decides not to re-apply for certification after the Second Certification Period, PG&E will notify OSA and SED in writing at least six months prior to the end of the Second Certification Period. In this notification, PG&E will: (1) explain its reasons for declining to seek re-certification, and (2) demonstrate that the safety management system in place at the end of the Second Certification Period will be comparable to or more robust than that required for ISO 55000 certification.

The goal of this System Enhancement Initiative is to ensure that PG&E is in compliance with international standards for asset management and thereby mitigate wildfire risks associated with the management of its electric assets.

**(e) Independent Wildfire Safety Audits of Overhead Distribution and Transmission Preventive Maintenance Program**

As noted in Section II.A.2(e), PG&E will retain Safety Evaluator(s) to perform Independent Safety Evaluations, which will include an evaluation of PG&E's overhead distribution and transmission preventive maintenance program. The Safety Evaluator will: (i)

field audit samples of work orders generated in connection with patrols and inspections of PG&E overhead distribution and transmission facilities; (ii) review samples of work orders for adherence to PG&E policies and procedures; and (iii) recommend improvements to PG&E's distribution and transmission inspection and maintenance procedures based on the Safety Evaluator's review of PG&E's overhead distribution and transmission preventive maintenance program. The primary goal of this System Enhancement Initiative is to ensure that PG&E maintains effective distribution and transmission inspection and maintenance practices and procedures.

**(f) Independent Wildfire Safety Audits of PG&E's Local Condition Assessments**

As noted in Section II.A.2(e), PG&E will retain Safety Evaluator(s) to perform Independent Safety Evaluations, which will include an evaluation of the manner in which PG&E assesses local conditions. The Safety Evaluator will: (i) assess PG&E's current practices and procedures for identifying and addressing local conditions that may warrant modifications to the design, construction, or maintenance of PG&E's distribution or transmission assets, consistent with GO 95, Rule 31.1; and (ii) recommend improvements to PG&E's practices and procedures related to identifying local conditions in accordance with GO 95, Rule 31.1. A primary goal of this System Enhancement Initiative is to ensure that PG&E accurately assesses local conditions and adapts its maintenance program to maintain its system safety, including in areas with adverse local conditions.

**(g) Development of Recommendations for GO 165 Revisions**

The Settling Parties recognize that GO 165 is focused primarily on distribution facilities and contains very little guidance on the inspection and maintenance of transmission facilities. PG&E will collaborate with SED and other interested Settling Parties to develop recommendations for revisions to GO 165, which could include revisions to its provisions regarding both transmission facilities and distribution facilities. Recommendations may include the incorporation of components of PG&E's enhanced electric transmission inspection program,

scheduled to launch in 2020. The goal of this System Enhancement Initiative is to develop recommendations to update GO 165 to address, among other things, mitigation of the current wildfire risks facing the electric utilities in California.

**c. Evidence Preservation and Reporting Obligations**

**(1) Relevant Allegations**

The SED Fire Reports allege that PG&E failed to preserve certain evidence at incident locations, as defined in the SED Fire Reports. PG&E's position is that any disposal of equipment that SED believes was evidence that should have been retained was inadvertent. The SED Fire Reports also allege that PG&E failed to report a reportable incident in a timely manner.

**(2) Resolution**

The Settling Parties agree on the following System Enhancement Initiatives to address the concerns related to PG&E's accountability for safety-related filings and evidence retention policies and procedures:

**(a) Verification of Safety-Related Filings**

PG&E will provide to the Commission verification of certain specified safety-related filings by either a Senior Vice-President, Vice President, Senior Director, Director, or Manager. For each safety-related filing outlined in Settlement Agreement Exhibit C, the designated officer, director, or manager will be tasked with verifying that the filing is accurate and complete. Verification requirements will be designed to enhance accountability among senior-level personnel at PG&E as well as the public's confidence in PG&E's commitment to safety and reliability.

**(b) Independent Wildfire Safety Audits of Evidence Collection and Retention Practices and Procedures**

As noted in Section II.A.2(e), PG&E will retain Safety Evaluator(s) to perform Independent Safety Evaluations, which will include an evaluation of PG&E's evidence collection and retention practices and procedures. The Safety Evaluator will: (i) conduct field reviews of reportable incidents and samples of outage events that may be attributable to PG&E facilities for

the purpose of identifying errors or areas of improvement in PG&E's evidence collection and retention practices and procedures; and (ii) recommend improvements to PG&E's evidence collection and retention practices and procedures. The goal of this System Enhancement Initiative will be to ensure that PG&E maintains effective evidence collection and retention practices and procedures.

**d. Community Engagement and Assistance**

The Settling Parties recognize that many of PG&E's wildfire mitigation efforts affect the communities within PG&E's service territory.<sup>38</sup> To enhance PG&E's engagement with these communities, the Settling Parties agree on the following System Enhancement Initiatives:

**(1) Officer Safety Town Halls**

During the two years following the effective date of the Settlement Agreement, PG&E will hold a total of 24 "Town Hall" meetings at various locations across its service territory, including urban population centers and more rural locales. The event locations will prioritize areas that are at a higher risk of wildfire or have seen higher impacts from PG&E activities such as vegetation work and Public Safety Power Shutoff ("PSPS") events.

During the Town Halls, PG&E will share safety and utility service-related information with attendees and gather feedback from members of the community. At least one PG&E officer (Vice President level or higher) will attend each event. PG&E will prepare a summary report following each event, which will be submitted to the Commission and posted to the PG&E website.

During the five years following the effective date of the Settlement Agreement, PG&E will also hold webinars, during which PG&E will share safety and utility service-related information. At least one PG&E officer (Vice President level or higher) will attend each webinar. PG&E will prepare a summary report following each webinar, which will be submitted

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<sup>38</sup> In areas where SED did not allege violations of Commission rules or regulations, the Settling Parties nonetheless agreed to use the Settlement as an opportunity to implement a range of System Enhancement Initiatives focused on wildfire risk mitigation, PG&E's community relationships, transparency and accountability. Such Initiatives are covered in Sections II.A.2.d-f.

to the Commission and posted to the PG&E website.

The goal of this System Enhancement Initiative is to provide PG&E and the communities within its service territory an opportunity to have a dialogue as they face wildfire risks going forward and as PG&E implements additional changes to its operations to address and mitigate those risks.

## **(2) Semi-Annual Wildfire Mitigation Meetings**

At least once every six months for three years after the effective date of the Settlement Agreement, leadership from the PG&E electric operations wildfire team will hold a meeting with local government planning, public works, emergency services, and fire leadership to exchange feedback and information regarding ongoing wildfire safety activities. In any given semi-annual period, PG&E will hold multiple region-specific meetings to cover its entire service territory (with PG&E to determine what constitutes each “region” for these purposes). Following the conclusion of each set of semi-annual meetings, PG&E will prepare a single report for the meetings held during the preceding semi-annual period that identifies: (1) issues raised by the local governments; (2) action items to address identified issues; and (3) a progress report for previously-identified action items. The goal of this System Enhancement Initiative is to provide PG&E and the specified local government entities within its service territory an opportunity to work together on wildfire safety activities and to improve existing wildfire mitigation practices.

## **(3) Local Government Vegetation Management Data Sharing**

For counties within PG&E’s service territory that request in writing to be included in these report distributions, PG&E will provide electronic month-ahead reports of planned vegetation management activity in each county. The goal of this System Enhancement Initiative is to enhance communications between PG&E and local governments to help the latter plan for PG&E’s increased vegetation management work to address wildfire risk.

## **(4) Local Government System Hardening Data Sharing**

For counties within PG&E’s service territory that request in writing to be included in

these report distributions, PG&E will provide electronic month-ahead reports of planned system hardening work in each county. The goal of this System Enhancement Initiative is to enhance communications between PG&E and local governments to help the latter plan for PG&E's increased system hardening work to address wildfire risk.

**(5) Funding to California Foundation for Independent Living Centers**

PG&E will disburse up to \$5 million in shareholder funds to the California Foundation for Independent Living Centers ("CFILC") for a pilot program currently in development. This funding will be used to help alleviate some disruptive impacts for, and support the safety and welfare of, vulnerable customers before, during, and after disasters and PSPS events. The funding is expected to fund activities such as disaster relief events, activities, and trainings for community members; coordination of housing for vulnerable individuals during disasters and PSPS events; and provision of access to backup batteries during disasters and PSPS events.

**(6) Fuel Reduction Funding**

PG&E will disburse or commit for future disbursement \$2 million total in additional funding to the California Fire Safe Council. This additional disbursement will be funded by PG&E shareholders. PG&E intends that the California Fire Safe Council will, in turn, distribute these funds to local Fire Safe Councils within PG&E's service territory and/or other nonprofit Council partner organizations. Local Fire Safe Councils are community-led organizations that focus on wildfire prevention and mitigation efforts. These organizations implement projects (e.g., hazardous-fuel-reduction projects) and educational programming regarding wildfire safety, preparedness, and planning. PG&E will collaborate with SED and other interested Settling Parties regarding the parameters of this funding to determine the most effective and mutually agreeable earmarks for these funds. The goal of this System Enhancement Initiative is to reduce wildfire risk in PG&E's service area by supporting the wildfire risk mitigation efforts of the California Fire Safe Council.



## **(7) Resilience Centers Grant Program**

PG&E will disburse a total of \$2 million in funding to support the development of local “resilience centers” aimed at PSPS events, wildfire risks, and other climate-driven extreme weather events. This disbursement will be funded by PG&E shareholders. Resilience centers are designated areas designed to provide residents and customers with a safe, energized location to receive basic power needs (e.g., to charge mobile phones and laptops; to access Wi-Fi connection, where possible), and to provide residents and customers up-to-date information about PSPS events. This funding will be distributed through a competitive solicitation and bid process to eligible nonprofit or governmental organizations (including tribal governments) within PG&E’s service territory. The goal of this System Enhancement Initiative is to provide resources to help mitigate the impact of PSPS and other wildfire- and climate-driven events on local communities.

## **(8) Accelerating Commercialization of Non-Diesel Temporary Generation**

PG&E will issue a Request for Information (“RFI”) intended to identify non-diesel generators capable of meeting a range of use cases including (but not limited to) planned outages, unplanned outages, and temporary micro-grids for PSPS events, including Resilience Zones.<sup>39</sup> If the RFI identifies a solution that is ready for deployment, PG&E will commit commercialization funds of up to \$10 million to acquire the product(s) for use. If a ready-for-deployment solution is not identified, PG&E will augment the RFI with funding up to \$10 million in order to incentivize market competition for the development of workable, cost-effective solutions. The goal of this System Enhancement Initiative is to develop technology that will help communities in PG&E’s service territory experience less disruption and pollution during future PSPS events.

### **e. Transparency and Accountability**

The Settling Parties recognize the importance of visibility into PG&E’s wildfire

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<sup>39</sup> As used herein, “Resilience Zones” refers to designated areas for which PG&E provides electricity to central community resources during a PSPS.

mitigation efforts and the System Enhancement Initiatives to be undertaken as part of the Settlement Agreement. To further the goals of transparency and accountability, the Settling Parties agree on the following System Enhancement Initiatives:

**(1) Independent Wildfire Safety Audits of Shareholder-Funded System Enhancement Initiatives**

As noted in Section II.A.2(e), PG&E will retain Safety Evaluator(s) to perform Independent Safety Evaluations. In addition to the safety audits described above, the Safety Evaluator will conduct audits and reviews of PG&E's compliance with the shareholder-funded System Enhancement Initiatives agreed upon as part of this Settlement Agreement. These "compliance audits" are intended to ensure that PG&E meets all of the obligations set forth in Settlement Agreement Exhibit C.

**(2) Independent Wildfire Safety Audits of PG&E Financial Data Related to Its Wildfire Safety Plans**

As noted in Section II.A.2(e), PG&E will retain Safety Evaluator(s) to perform Independent Safety Evaluations. In addition to the safety audits described above, the Safety Evaluator will conduct audits and reviews of PG&E's financial data related to its Wildfire Safety Plans. These "financial audits" are intended to aid SED in its oversight of PG&E's wildfire mitigation efforts undertaken as part of other proceedings, in concert with PG&E's efforts as part of the System Enhancement Initiatives in this Settlement Agreement.

**f. Information Gathering for Potential Wildfire Risk Mitigation**

The Settling Parties recognize that the wildfire risks currently facing California are unprecedented. Addressing these risks likely will require development of new state-of-the-art approaches and novel solutions to wildfire mitigation. To gather information and data needed to support such efforts, the Settling Parties agree on the following System Enhancement Initiatives:

**(1) Documentation of "Near Hit" Potential Fire Incidents**

PG&E will document "near hit" potential fire incidents, such as arcing or sparking, that could have resulted in an ignition but did not, as well as fire ignitions that travelled one meter or less from the ignition point. This documentation will include the following categories of data:

- (1) Data from PG&E's Field Automation System ("FAS"), to the extent such data is collected in FAS as of the Effective Date, for events categorized with specific existing FAS codes to be agreed upon among PG&E, OSA, and SED. This data will include information related to "near hit" incidents from customer and service calls (inclusive of incidents detected by Smart meters), as well as "near hit" incidents data concerning secondary facilities and service drops;
- (2) All unplanned momentary and sustained outage data associated with PG&E's primary distribution facilities (inclusive of outages detected by Smart meters);
- (3) All unplanned outage data and path interruptions associated with PG&E's facilities operating at a transmission voltage level, whether or not customers were affected; and
- (4) Any fire ignitions that travelled one meter or less from an ignition point.

All data will be provided on a quarterly basis to SED and other Settling Parties that request in writing to receive this data. PG&E will begin this "near hit" reporting system within three months of the Effective Date. After this implementation date, PG&E will review with OSA and SED annually to assess the utility of the data being provided and confirm that the parties wish to continue receiving the data. PG&E will continue this sharing for up to three years following the Effective Date as long as annual reviews determine an ongoing interest or unless the Wildfire Mitigation Plan Proceeding (Rulemaking 18-10-007) determines a scope for utility reporting of "near hit" data that in substance supersedes this System Enhancement Initiative.

The goal of this System Enhancement Initiative is to provide data that SED and OSA can use to evaluate potential new avenues of wildfire risk mitigation that should be explored further.

## **(2) Study of Distribution and Transmission System**

PG&E shareholders will pay for an independent engineering firm to study the grounding methods and circuit and transformer configuration in PG&E's distribution system and transmission system. This study will consider PG&E's unique territory as well as topics discussed in SED's 2013 Liberty Consulting Report on PG&E and analyze opportunities to

reduce wildfire risk and the occurrence of energized wires down including, but not limited to, system configuration. The study should also consider factors such as the costs and benefits of potential mitigations. The final scope of the study will be developed by SED and OSA in consultation with PG&E. The contracted firm shall work at the direction of SED and OSA. PG&E will consider adoption of any recommendations from this report. The final study report will be provided to the Director of SED and served on the service list for I.19-06-015. PG&E will submit a response to the Director of SED and the service list for I.19-06-015 within 30 days after the final study report is submitted to address whether and how it will implement the recommendations provided by the independent engineering firm. If PG&E declines to incorporate any recommendation, PG&E will explain its reasoning in writing to the Director of SED and the service list for I.19-06-015.

The goal of this System Enhancement Initiative is to provide insights about whether modifications to the configurations of PG&E's system might provide wildfire risk mitigation benefits.

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In light of the whole record, including the unresolved factual and legal disputes, the contemplated System Enhancements, the pre-settlement system enhancements that have already been enacted, the unprecedented financial obligations imposed on PG&E, the parallel venues in which PG&E faces liability, and the constrained resources of SED and PG&E, the Settling Parties submit that the Settlement Agreement is reasonable.

**B. The Settlement Agreement Is Consistent with the Law**

In agreeing to the terms of the Settlement Agreement, the Settling Parties considered the relevant laws, rules, and Commission decisions necessary to ensure that the Settlement Agreement is consistent with the law. The terms of the Settlement Agreement are also in line with the Commission's overarching goals of promoting safety and ensuring compliance. The proposed settlement is also generally similar to settlements approved by the Commission in other OII proceedings.

### C. The Settlement Agreement Is in the Public Interest

Commission policy favors settlement. The Commission has a history of supporting settlement of disputes if they are fair and reasonable in light of the whole record.<sup>40</sup> As the Commission has reiterated over the years, the “Commission favors settlement because they generally support worthwhile goals, including reducing the expense of litigation, conserving scarce Commission resources, and allowing parties to reduce the risk that litigation will produce unacceptable results.”<sup>41</sup> This strong public policy favoring settlements weighs in favor of the Commission resisting the temptation to alter the results of the negotiation process. As long as a settlement taken as a whole is reasonable in light of the record, consistent with the law, and in the public interest, it should be adopted.<sup>42</sup> There are four discrete reasons the Settlement

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<sup>40</sup> Application of Southern California Edison Company (U 339 E) for Authority to, Among Other Things, Increase Its Authorized Revenues for Electric Service in 2003, and to Reflect that Increase in Rates; Investigation on the Commission’s Own Motion Into the Rates, Operations, Practices, Service and Facilities of Southern California Edison Company, D.05-03-022, 2005 Cal. PUC LEXIS 126, at \*8 (CPUC Mar. 17, 2005) (*citing* D.88-12-083 (30 CPUC 2d 189, 221-223) and D.91-05-029 (40 CPUC 2d 301, 326)).

<sup>41</sup> Application of Southern California Edison Company (U339E) for Applying the Market Index Formula and As-Available Capacity Prices adopted in D.07-09-040 to Calculate Short-Run Avoided Cost for Payments to Qualifying Facilities beginning July 2003 and Associated Relief; And related matters, D.10-12-035, 2010 Cal PUC LEXIS 467 at \*87 (CPUC Dec. 16, 2010); *and see* Application of Southern California Edison Company (U 339 E) for Authority to, Among Other Things, Increase Its Authorized Revenues for Electric Service in 2003, and to Reflect that Increase in Rates; Investigation on the Commission’s Own Motion Into the Rates, Operations, Practices, Service and Facilities of Southern California Edison Company, D .05-03-022, 2005 Cal. PUC LEXIS 126, at \*8 (CPUC Mar. 17, 2005) (*citing* D.92-12-019, 46 CPUC 2d 538, 553). *See also* Order Instituting Rulemaking on the Commission’s Own Motion to address the issue of customers’ electric and natural gas service disconnection, D. 10- 12-05 1, 2 010 Cal. PUC LEXIS 566 at \*55 (CPUC Dec. 16, 2010) (Commission decisions “express the strong public policy favoring settlement of disputes if they are fair and reasonable”); In the Matter of the Application of Golden State Water Company (U 133 W) for an order authorizing it to increase rates for water service by \$20,327,339 or 20.12% in 2010; by \$2,646,748 or 2.18% in 2011; and by \$4,189,596 or 3.37% in 2012 in its Region II Service Area and to increase rates for water service by \$30,035,914 or 32.67% in 2010; by \$1,714,524 or 1.39% in 2011; and by \$3,664,223 or 2.92% in 2012 in its Region III Service Area; And Related Matter, D.10-11-035, 2010 Cal. PUC LEXIS 495 at\* 17 (CPUC Nov. 19, 2010) (the Commission’s longstanding policy favoring settlement . . . reduces litigation expenses, conserves scarce Commission resources . . .” *and see* Application of Pacific Gas and Electric Company (U39E), Modesto Irrigation District, and Merced Irrigation District for Approval of Nonbypassable Charge Agreement, D.10-11-011, 2010 Cal. PUC LEXIS 533 at \*50 (CPUC Nov. 19, 2010) (“There is a strong public policy favoring the settlement of disputes to avoid costly and protracted litigation.”)

<sup>42</sup> *See, generally*, Application of Southern California Edison Company (U 339 E) for Authority to, Among Other Things, Increase Its Authorized Revenues for Electric Service in 2003, and to Reflect that Increase in Rates; Investigation on the Commission’s Own Motion Into the Rates, Operations, Practices, Service and Facilities of Southern California Edison Company, D.05-03-022, 2005 Cal. PUC LEXIS 126, at \*8-

Agreement is in the public interest.

First, the Settlement is consistent with the Commission's policy in support of settlement. Adoption of the Settlement will conserve Commission resources and help ensure that PG&E is able to conclude its Chapter 11 proceedings in time to participate in the newly created Wildfire Fund. In reaching this Settlement, the Settling Parties agree that PG&E's cooperation with SED in developing and agreeing to fund the System Enhancement Initiatives, and its total \$1.675 billion in shareholder costs evince PG&E's intent to operate, manage, and maintain its electric facilities according to California law and Commission decisions.

Second, regarding the degree of wrongdoing, the \$1.675 billion settlement amount falls within a range that fairly reflects the facts involved and the differing legal positions of the Settling Parties when evaluated against the possible litigated outcomes. PG&E's financial condition, PG&E's continuing efforts to address wildfire risk in its service territory, and the System Enhancement Initiatives were taken into account in agreeing to the structure of the \$1.675 billion settlement amount. PG&E's admissions, its agreement to not seek rate recovery of certain specified wildfire-related expenditures, and its shareholder funding of the System Enhancement Initiatives described in the Settlement Agreement represent a reasonable compromise that is in the public interest. Moreover, the total \$27.18 billion<sup>43</sup> in financial obligations to be paid by PG&E across the various venues will, in part, compensate individual victims and communities for the harm caused by the wildfires.

Third, as mentioned above, AB 1054 requires that PG&E's Chapter 11 case be resolved by June 30, 2020, in order for PG&E to participate in the newly created Wildfire Fund. The Wildfire Fund is intended to help the state's electric utilities pay for future wildfire damages. The practical import of AB 1054 is twofold: First, it is in the interests of PG&E customers and Northern California communities for PG&E's Chapter 11 case to be resolved by June 30, 2020, to meet the AB 1054 deadline, and for PG&E to participate in the Wildfire Fund. Second, it is

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15 (CPUC Dec. 16, 2010)

<sup>43</sup> This total does not include PG&E's expected \$4.8 billion initial contribution to the Wildfire Fund.

also in those groups' interests for PG&E to be adequately capitalized to continue the important work set forth in PG&E's Wildfire Safety Plan. The Settlement reflects the urgency compelled by AB 1054.

Lastly, rather than devoting time and resources to litigate contested facts and law associated with the 2017 and 2018 wildfires, the Settling Parties have worked together, cooperatively and productively, to understand the lessons learned from the electric facility-caused wildfires and develop System Enhancement Initiatives that will improve the way PG&E operates, manages, and maintains its electric facilities. By settling now, the Settling Parties are ensuring that PG&E can begin to work on the System Enhancement Initiatives without the delay of engaging in a lengthy litigated proceeding, the outcome of which is unpredictable.

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For all of the reasons expressed in Section II, the Settlement is reasonable in light of the whole record, consistent with the law, and in the public interest. The Settling Parties respectfully request that the Commission approve the Settlement Agreement.

### **III. THE SETTLEMENT AGREEMENT COMPLIES WITH DECISION 98-12-075**

In Decision 98-12-075, dated April 9, 1998, the Commission adopted the following criteria for evaluating the reasonableness of settlements involving fines: (1) severity of the offense; (2) conduct of the utility; (3) financial resources of the utility; (4) totality of the circumstances in furtherance of the public interest; and (5) the role of precedent. While this Settlement provides for \$1.675 billion in financial obligations borne by PG&E, including PG&E not seeking rate recovery of certain costs and shareholder-funded System Enhancements, rather than a fine payable to the General Fund, the Settlement complies with the factors described in D.98-12-075. These factors are discussed below.

#### **A. Severity of the Offenses**

The Commission has stated that the severity of the offense includes several considerations, including physical harm, economic harm, and harm to the regulatory process.

## **1. Physical and Economic Harm**

The Commission has described the physical and economic harm criteria as follows:

The severity of the offense includes several considerations. Economic harm reflects the amount of expense which was imposed upon the victims as well as any unlawful benefits gained by the public utility. Generally, the greater of these two amounts will be used in establishing the fine. In comparison, violations which caused actual physical harm to people or property are generally considered the most severe, with violations that threatened such harm closely following.<sup>44</sup>

There is no dispute that the 2017 and 2018 wildfires were unprecedented in size, scope, and destruction. That said, the Settling Parties disagree as to whether PG&E violated all of the Commission rules and regulations alleged by SED in the 2017/2018 Wildfire OII and whether PG&E's alleged violations directly contributed to the ignition of all of the 2017 and 2018 wildfires. In light of these disputes, the Settling Parties have "agreed to disagree" as to some alleged violations, and PG&E has agreed not to contest certain other violations.<sup>45</sup> A summary of these positions is set forth in Settlement Agreement Exhibit B. Notwithstanding the disputes regarding ignition-related violations, the Settling Parties agree that the Settlement should be commensurate with the scale of the 2017 and 2018 wildfires. Thus, the terms of the Settlement, including the largest-ever financial dollar amount imposed for wildfire-related violations, reflect the physical and economic harm arising out of the wildfires.

## **2. Harm to the Regulatory Process**

As part of the severity of the offense factor, the Commission has described the harm to the regulatory process criterion as follows:

"Every public utility shall obey and comply with every order, decision, direction, or rule made or prescribed by the Commission in the matters specified in this part, or any other matter in any way relating to or affecting its business as a public utility, and shall do everything necessary or proper to secure compliance therewith by

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<sup>44</sup> Rulemaking to Establish Rules for Enforcement of the Standards of Conduct Governing Relationships Between Energy Utilities and Their Affiliates Adopted By the Commission In Decision 97-12-088, D.98-12-075, 1998 Cal. PUC LEXIS 1016, at \*71 (CPUC Dec. 17, 1998).

<sup>45</sup> PG&E's decision not to contest these violations is not an admission of any wrongdoing, unlawful conduct, or liability. The fact that PG&E is not contesting these violations is not a concession that the violations occurred and should not be used as evidence in any other legal proceeding.



all of its officers, agents, and employees.” Public Utilities Code §702

Such compliance is absolutely necessary to the proper functioning of the regulatory process. For this reason, disregarding a statutory or Commission directive, regardless of the effects on the public, will be accorded a high level of severity.<sup>46</sup>

There were no allegations of Rule 1.1 violations and no allegations of other ethical violations or any deliberate misconduct associated with the wildfires covered by this OII. In addition, PG&E has been supportive of, and an active participant in, the Commission’s critical proceedings to address wildfire risk, including proceedings related to utility wildfire mitigation plans required by Senate Bill 901<sup>47</sup>, rulemaking proceedings regarding utilities’ PSPS programs<sup>48</sup>, investigation into October 2019 PSPS events<sup>49</sup>, and rulemaking proceedings regarding the adoption of emergency disaster relief programs. As such, this consideration was not deemed a significant factor for purposes of the Settlement Agreement.

#### **B. The Conduct of the Utility**

In describing the conduct of the utility aspect of the reasonableness analysis, the Commission has recognized the utility’s conduct in: (1) preventing the violation; (2) detecting the violation, and (3) disclosing and rectifying the violation.<sup>50</sup>

SED contends that PG&E’s conduct prior to the 2017 and 2018 wildfires led to its inability to prevent, detect and rectify the violations of GO 95, GO 165 and PU Code section 451 identified in the SED Fire Reports. Among other things, SED believes that the 2017 Northern California Fires and the 2018 Camp Fire could have been prevented if PG&E had followed the requirements of GO 95 when inspecting its electric facilities and performing vegetation management such that hazardous vegetation conditions and substandard facilities would have

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<sup>46</sup> Rulemaking to Establish Rules for Enforcement of the Standards of Conduct Governing Relationships Between Energy Utilities and Their Affiliates Adopted By the Commission In Decision 97-12-088, D.98-12-075, at \*72 (CPUC Dec. 17, 1998)

<sup>47</sup> R.18-10-007.

<sup>48</sup> I.19-11-013.

<sup>49</sup> R.18-03-011.

<sup>50</sup> Rulemaking to Establish Rules for Enforcement of the Standards of Conduct Governing Relationships Between Energy Utilities and Their Affiliates Adopted By the Commission In Decision 97-12-088, D.98-12-075, at \*56 (CPUC Dec. 17, 1998)

been timely detected and rectified. While SED acknowledges that PG&E has worked to rectify these violations, SED considers PG&E's failure to detect and prevent the violations prior to the events a significant factor for purposes of the Settlement Agreement, especially since many of the violations alleged by SED span decades.

PG&E contends that it followed the requirements of GO 95 when inspecting its electric facilities and performing vegetation management prior to the 2017 Northern California Wildfires and 2018 Camp Fire. Nevertheless, in response to the unprecedented events of 2017 and 2018, prior to the initiation of the 2017/2018 Wildfire OII, PG&E embarked upon numerous improvements to its electric facility operations and maintenance. Examples of PG&E's efforts to respond to the increased risk of wildfire include, but are not limited to, the following: vegetation management process improvements; enhanced inspections of electric assets in HFTD areas; changes to reclosing device settings that improve electric facility safety; the creation and enhancement of PG&E's PSPS program; system hardening improvements to reduce fire risk; enhanced situational awareness of weather conditions, fire occurrence, and spread; and the use of more advanced technologies. Many of these measures aim to meet or exceed the requirements of GO 95 and GO 165.

PG&E's Corrective Actions Report, attached as Attachment 2 to its Initial Report in Response to OII and Order to Show Cause, and PG&E's Report in Response to Attachment B of the OII describe in greater detail many of the improvements that PG&E has made to its electric facility maintenance and operations. In addition, PG&E's WSP thoroughly outlines these improvements in its description of PG&E's pre-existing and newly developed efforts to mitigate the risk of catastrophic wildfire.<sup>51</sup>

The Settling Parties have taken into consideration PG&E's efforts to proactively address the issues raised in the OII. Accordingly, the Settling Parties have worked closely to prescribe a

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<sup>51</sup> See PG&E Amended 2019 WSP, *available at* [https://www.pge.com/pge\\_global/common/pdfs/safety/emergency-preparedness/natural-disaster/wildfires/Wildfire-Safety-Plan.pdf](https://www.pge.com/pge_global/common/pdfs/safety/emergency-preparedness/natural-disaster/wildfires/Wildfire-Safety-Plan.pdf)

set of corrective actions intended to further enhance PG&E's efforts to minimize the risk of catastrophic wildfire in the future.

### C. Financial Resources of the Utility

The Commission has described this criterion as follows:

Effective deterrence also requires that the Commission recognize the financial resources of the public utility in setting a fine which balances the need for deterrence with the constitutional limitations on excessive fines. . . . The Commission intends to adjust fine levels to achieve the objective of deterrence, without becoming excessive, based on each utility's financial resources.<sup>52</sup>

PG&E is currently in Chapter 11 bankruptcy proceedings, a unique circumstance that affects its ability to pay any monetary penalty, particularly one that would require a cash payment to the General Fund. The Settling Parties acknowledge that PG&E has entered into settlement agreements in other venues pursuant to which it has total financial obligations of **\$25.5 billion**,<sup>53</sup> all to settle claims related to the 2017 and 2018 wildfires as part of its Plan of Reorganization. As previously discussed, these include:

- PG&E entered into a settlement agreement pursuant to which, as part of its Plan of Reorganization, it would pay **\$1 billion** in restitution to local governments affected by the 2017 and 2018 wildfires.<sup>54</sup>
- PG&E entered into another settlement agreement, which, if approved by the Bankruptcy Court, would provide for PG&E, as part of its Plan of Reorganization, to pay **\$11 billion** in restitution to entities representing insurance subrogation

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<sup>52</sup> Rulemaking to Establish Rules for Enforcement of the Standards of Conduct Governing Relationships Between Energy Utilities and Their Affiliates Adopted By the Commission In Decision 97-12-088, D.98-12-075, at \*75-76 (CPUC Dec. 17, 1998).

<sup>53</sup> This total does not include PG&E's \$1.675 billion financial obligations from this Settlement Agreement or PG&E's expected \$4.8 billion initial contribution to the Wildfire Fund.

<sup>54</sup> See PG&E Press Release, "In Final Major Settlement, PG&E Reaches Agreement to Resolve Individual Claims Relating to the 2017 and 2018 Wildfires and the 2015 Butte Fire; PG&E Has Now Reached Settlements with All Major Groups of Wildfire Claimants" (December 9, 2019), available at [https://www.pge.com/en/about/newsroom/newsdetails/index.page?title=20191209\\_in\\_final\\_major\\_settlement\\_pge\\_reaches\\_agreement\\_to\\_resolve\\_individual\\_claims\\_relating\\_to\\_the\\_2017\\_and\\_2018\\_wildfires\\_and\\_the\\_2015\\_butte\\_fire](https://www.pge.com/en/about/newsroom/newsdetails/index.page?title=20191209_in_final_major_settlement_pge_reaches_agreement_to_resolve_individual_claims_relating_to_the_2017_and_2018_wildfires_and_the_2015_butte_fire).

claims relating to the 2017 and 2018 wildfires.<sup>55</sup>

- PG&E entered into a settlement agreement with the Official Committee of Tort Claimants (“TCC”) and with firms representing individual claimants who sustained losses from the 2017 Northern California Wildfires and 2018 Camp Fire, which, if approved by the Bankruptcy Court, would provide for PG&E, as part of its proposed Plan of Reorganization, to pay **\$13.5 billion** in restitution to resolve all claims arising from those fires.<sup>56</sup>

Separately, as discussed above, AB 1054 requires that PG&E’s Chapter 11 case be resolved by June 30, 2020, to participate in the newly created Wildfire Fund, which is intended to help the state’s electric utilities pay for future wildfire damages. PG&E expects its initial contribution to the Wildfire Fund to be **\$4.8 billion**.

This Settlement requires PG&E to bear an additional **\$1.675 billion** in financial obligations to resolve this proceeding. If approved, this would be the largest dollar amount ever imposed by the Commission in a wildfire-related enforcement proceeding. Thus, the total of PG&E’s financial obligations as result of the 2017 and 2018 Wildfires amounts to **\$32 billion**.

The Settling Parties believe that the \$1.675 billion combination of amounts for which PG&E will not seek rate recovery and funding of System Enhancement Initiatives here is sufficient in light of PG&E’s financial condition.

#### **D. Totality of Circumstances in Furtherance of Public Interest**

The Commission has described this criterion as follows:

Setting a fine at a level which effectively deters further unlawful conduct by the subject utility and others requires that the Commission specifically tailor the package of sanctions, including any fine, to the unique facts of the case. The Commission will review facts which tend to mitigate the degree of wrongdoing as well as any facts which exacerbate the wrongdoing. In all cases,

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<sup>55</sup> *Id.*

<sup>56</sup> *Id.* This settlement includes payments to resolve claims arising out of the 2015 Butte Fire and 2016 Ghost Ship Fire in Oakland.

the harm will be evaluated from the perspective of the public interest.<sup>57</sup>

The Settling Parties believe the public interest requires approval of this Settlement. First, the Settlement provides a significant resolution of the issues identified here. PG&E agrees not to seek rate recovery for \$1.625 billion in shareholder-funded expenses and capital expenditures and agrees to \$50 million in shareholder-funded System Enhancements. The System Enhancement Initiatives are appropriately targeted to address the problems identified. By reaching a settlement, the Settling Parties have implicitly agreed that total shareholder cost of \$1.675 billion is not constitutionally excessive.

Second, the Settling Parties believe—with an appropriate resolution having been reached—it is in the public interest to resolve this proceeding now. In reaching this Settlement Agreement, the Settling Parties propose that the Commission forego adjudication of the disputed facts, alleged violations, and appropriate penalty. The facts related to the 2017 Northern California Wildfires are well-known after two years of investigations. And the facts related to the 2018 Camp Fire are unlikely to be fully known in a timely manner due to the evidence being in the possession of investigative agencies, which have limited SED and PG&E's access to certain evidence. Approval of the Settlement also promotes administrative efficiency so that the Commission and parties are not required to expend substantial time and resources on continued litigation.

To help achieve the intent to further the public's interest in the safety of PG&E's system, a substantial amount of the costs that PG&E will not seek to recover in rates are for wildfire-related costs that have already gone to PG&E's efforts to mitigate wildfire risk going forward as well as to System Enhancement Initiatives that are meant to further mitigate the wildfire risks associated with PG&E's electric operations.

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<sup>57</sup> Rulemaking to Establish Rules for Enforcement of the Standards of Conduct Governing Relationships Between Energy Utilities and Their Affiliates Adopted By the Commission In Decision 97-12-088, D.98-12-075, at \*76 (CPUC Dec. 17, 1998).

## **E. Consistency with Precedent**

The Commission has described the role of precedent as follows:

The Commission adjudicates a wide range of cases which involve sanctions, many of which are cases of first impression. As such, the outcomes of cases are not usually directly comparable. In future decisions which impose sanctions, the previously issued decisions which involved the most reasonably comparable factual circumstances and explain any substantial differences in outcome.<sup>58</sup>

The Settling Parties agree that the Settlement Agreement is reasonable when compared to the outcome of other SED settlements and outcomes in Commission proceedings. The following are relevant examples of approved settlements and enforcement decisions involving electric utilities and safety issues.

### **1. Long Beach Power Outages OII Decision (D.17-09-024)**

In this proceeding, the CPUC approved a settlement between Southern California Edison Company (“SCE”) and SED related to multiple power outages on SCE’s secondary network system, which serves Long Beach. The electric facility failures caused fires in several underground structures and explosions. No fatalities or injuries resulted from the power outages. SED alleged, among other things, that (1) SCE violated PU Code §§ 451 and 768.6 and GO 128, for failing to properly maintain, inspect, and manage the electrical system in Long Beach; (2) SCE violated a commitment to an earlier settlement by failing to provide accurate estimates of service restoration times during outages; and (3) the violations caused or contributed to the power outages that resulted in fires, explosions, and property damage that endangered the safety of the public. Under the settlement, SCE admitted to violations of Rule 17.1 of GO 128 and PU Code § 451. SCE agreed to pay a penalty of \$4 million to the General Fund. SCE also agreed to perform \$11 million worth of corrective actions, designed to prevent future outages, at shareholder expense.

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<sup>58</sup> Rulemaking to Establish Rules for Enforcement of the Standards of Conduct Governing Relationships Between Energy Utilities and Their Affiliates Adopted By the Commission In Decision 97-12-088, D.98-12-075, at \*76-77 (CPUC Dec. 17, 1998).

## **2. Huntington Beach Underground Vault OII Decision (D.17-06-028)**

In this proceeding, the CPUC approved a settlement between SCE and SED related to an accident that resulted in the death of an employee of SCE's subcontractor. The employee died as a result of inadvertently removing an energized dead-break elbow while preparing underground cables for testing. SED alleged that SCE had, among other things, (1) delegated its safety responsibilities to the subcontractor in violation of California law; (2) failed to ensure that contractors and subcontractors performed their work safely, in violation of PU Code § 451 and Rule 17.1 of GO 128; and (3) refused to submit its investigation report and the documents reviewed in its investigation. Under the settlement, SCE admitted that it failed to identify unsafe practices and failed to prevent the accident. SCE did not "expressly admit" responsibility for "ensuring" contractor safety. SCE agreed to pay a fine of \$2.01 million to the General Fund and to implement safety enhancements, including: (1) improving processes for evaluating contractors and subcontractors; (2) increased oversight and observation over SCE representatives or their designees performing contracted field work; (3) performing Contractors Safety Quality Assessments; and (4) hiring personnel with special safety training to conduct field observations and assessments of Tier 1 contractors.

## **3. Kern Power Plant OII Decision (D.15-07-014)**

In this proceeding, the CPUC approved a settlement between PG&E, Bayview / Hunters Point Community Legal, and SED related to a fatality at the decommissioned Kern Power Plant. The fatality occurred when a subcontractor of PG&E demolished an unused fuel oil tank. SED alleged that PG&E had: (1) failed to maintain a safe system; (2) improperly delegated its duty to maintain a safe system to a third party contractor; (3) failed to adequately investigate incidents to identify and implement corrective actions; and (4) violated PU Code § 451 by failing to furnish and maintain equipment and facilities to promote the safety of the public. Under the settlement, PG&E admitted that, due to a lack of expertise in power plant demolition, it attempted to transfer primary responsibility for safety and safety oversight to a contractor to demolish the fuel oil tank at Kern Power Plant. PG&E also admitted that it had not verified the safety data from the hired

contractor and that the onsite representative did not have formal training in safety management and risk assessment. Under the settlement, PG&E agreed to pay \$5,569,313 in shareholder penalties, which consisted of \$3,269,313 in ratemaking offsets that benefit customers and \$2.3 million in fines paid to the General Fund. PG&E also agreed to implement a Corrective Action Plan to improve safety at PG&E on a company-wide basis. The Corrective Action Plan included a Contractor Safety Program and an Enterprise Causal Evaluation Standard.

#### **4. Malibu Canyon Fire OII Decision – Settlement 1 (D.12-09-019)**

In this proceeding, the CPUC approved a settlement between AT&T, Sprint, Verizon Wireless (the “Settling Respondents”), and SED related to three utility poles that fell during a Santa Ana windstorm and ignited the Malibu Canyon Fire. The poles were jointly owned by SCE, AT&T, Sprint, Verizon Wireless, and NextG. The power lines on the poles were owned and operated by SCE. There were no reported injuries or fatalities. SED alleged, among other things, that (1) one of the felled poles that ignited the Malibu Canyon Fire was overloaded in violation of GO 95 and PU Code § 451; (2) the safety factor of replacement poles did not meet the requirements of GO 95 for new construction; and (3) the Settling Respondents violated Rule 1.1 by submitting accident reports, data responses, and written testimony that contained incorrect information. The Settling Respondents denied all of SED’s allegations. Ultimately, the Settling Respondents also agreed to pay \$12 million (divided equally between the three Settling Respondents). Of the \$12 million, \$6.9 million was to be allocated to the General Fund and \$5.1 million to the Enhanced Infrastructure and Inspection Fund (“EIIF”), established pursuant to the settlement agreement. Funds paid to the EIIF were to be used to strengthen utility poles in Malibu Canyon and to conduct a statistically valid survey of joint-use poles in the service territory for compliance with GO 95. Any funds leftover from the EIIF would revert to the General Fund.

#### **5. Malibu Canyon Fire OII Decision – Settlement 2 (D.13-09-026)**

In the above-referenced Malibu Canyon Fire proceeding, the CPUC also approved a settlement between NextG Networks of California, Inc. (“NextG”) and SED. SED alleged the



same violations of GO 95, PU Code § 451, and Rule 1.1. Under the settlement, NextG admitted noncompliance with GO 95, PU Code § 451, and Rule 1.1. NextG agreed to pay \$14.5 million in penalties. The penalties were comprised of \$8.5 million in fines to the General Fund and \$6 million allocated for a safety audit of all NextG poles and pole attachments in California. The settlement required NextG to complete the audit and any remedial work required following the audit within three years from the start date of the audit. NextG agreed to pay any money left over from the \$6 million to the General Fund; that money could not be used for any remedial work related to substandard facilities identified in the audit.

#### **6. Malibu Canyon Fire OII Decision – Settlement 3 (D.13-09-028)**

In the above-referenced Malibu Canyon Fire proceeding, the CPUC also approved a settlement between SCE and SED. SED alleged the same violations of GO 95, PU Code § 451, and Rule 1.1. SCE admitted: (1) one of the poles was overloaded in violation of GO 95; (2) it failed to take prompt action to prevent the pole from overloading, in violation of PU Code § 451; and (3) it withheld relevant information from SED and CPUC in violation of Rule 1.1. Under the settlement, SCE admitted noncompliance with GO 95, PU Code § 451, and Rule 1.1. SCE agreed to pay \$20 million to the General Fund and provide \$17 million to assess utility poles in the Malibu area for compliance with GO 95 safety factors and SCE's internal standards. SCE agreed to remediate all substandard utility poles. All \$37 million in fines were comprised of shareholder penalties.

#### **7. The Witch/Rice and Guejito Fire Settlements (D.10-04-047)**

In late October 2007, several severe fires occurred in the San Diego area. The Rice Fire ignited in Fallbrook, California, and the Witch Fire ignited in southern San Diego County near State Highway 78 and Santa Ysabel. The Guejito Fire started in the San Pasqual area of the county. In San Diego County, the fires burned more than 197,000 acres, over 1,100 residences were destroyed, and two people were killed.<sup>59</sup> Under the terms of the approved settlement, San

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<sup>59</sup> See 2007 – Witch Creek – Guejito Fires, <https://www.sandiego.gov/fire/about/majorfires/2007witchcreek>.

Diego Gas & Electric Company (“SDG&E”) paid \$14.35 million to the General Fund; CoxCom Inc., and Cox California Telcom LLC Agreement, CoxCom Inc. and Cox California Telcom LLC paid \$2,000,000 to the General Fund; SDG&E was also required to reimburse SED up to an additional \$400,000 in order to implement a computer work module; and SDG&E was required to remit any unused balance of the \$400,000 to the General Fund.

## **8. Discussion of Precedents**

The above precedents provide a wide range of outcomes in enforcement decisions involving electric operations safety issues. Some of the violations include violations of Commission rules, including Rule 1.1. In contrast, although this case involves serious allegations, there are no allegations of deliberate misconduct and no Rule 1.1 allegations. While PG&E disagrees with many of SED’s findings, PG&E acknowledges that there are areas in which it can enhance the safety and reliability of its electric facilities, further mitigate the risks of wildfire in its service territory, and work with the Commission to meet both of these objectives.

Almost all of the precedents include a mix of fines, shareholder funding of programs and/or remedial action plans. This Settlement Agreement calls for **\$1.675 billion** in total financial obligations (of which **\$50 million** is for System Enhancement Initiatives). The settlement amount far exceeds the combined total of the prior fire-related precedents discussed above. The settlement represents a significant amount even for a company of PG&E’s size, and the shareholder-funded projects have been selected to target wildfire safety-related aspects of PG&E’s electric operations in order to help mitigate the risk of similar incidents or harm to the public in the future. SED will monitor PG&E’s implementation of these System Enhancement Initiatives to ensure their benefits are realized. The Settling Parties believe that the Settlement Agreement results in a reasonable outcome considering these precedents and the criteria discussed in this section.<sup>60</sup>

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<sup>60</sup> The Settling Parties do not believe the OII proceedings arising out of the San Bruno gas transmission incident (I.11-02-016; I.11-11-009; I.12-01-007) are comparable. PG&E’s financial resources and financial condition are vastly different, as PG&E was not in bankruptcy proceedings at that time. In addition, the San Bruno OIIs were fully litigated, rather than settled. Further, PG&E’s insurance proceeds

#### **IV. REQUEST FOR EXPEDITED COMMISSION APPROVAL BY THE END OF FEBRUARY 2020**

Lastly, pursuant to Commission Rule 12.1(c), the Settling Parties respectfully request that the Commission grant this Motion and approve the Settlement Agreement on an expedited basis, or by the end of February 2020. As noted above, PG&E is currently in Chapter 11 bankruptcy proceedings. Assembly Bill 1054, passed by the California legislature and enacted to address, among other things, the costs associated with the unprecedented rate of wildfires in California, establishes a wildfire fund to pay future wildfire claims against electric utility companies when certain conditions are met.<sup>61</sup> In order to participate in that fund, PG&E's Chapter 11 case must be resolved no later than June 30, 2020.<sup>62</sup> So that the bankruptcy court and the Commission (in the Order Instituting Investigation related to approval of PG&E's PoR have sufficient time to evaluate and approve PG&E's PoR, and so that the Company's Chapter 11 case may be resolved prior to June 30, 2020 and participate in the wildfire fund, the Settling Parties respectfully request that the Commission grant this Motion and approve the Settlement Agreement by the end of February 2020.

#### **V. CONCLUSION**

For the reasons stated above, the Settling Parties believe that the Settlement Agreement appropriately resolves the 2017/2018 Wildfire OII. The Settlement Agreement is reasonable in light of the record, consistent with the law and precedent, and in the public interest. Therefore, the Settling Parties respectfully request that the Commission grant this Motion and approve the Settlement Agreement in the form presented.

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covered more of the losses resulting from the San Bruno incident, and PG&E expects that its insurance proceeds will cover a small percentage of the expected losses from the 2017 and 2018 Wildfires. Finally, the total \$27.18 billion in financial obligations arising from the 2017 and 2018 Wildfires (excluding PG&E's expected initial commitment of \$4.8 billion to the Wildfire Fund) is almost **\$25 billion** greater than PG&E's total financial obligations arising out of the San Bruno incident.

<sup>61</sup> AB 1054, Section 16 ("Wildfire Fund").

<sup>62</sup> AB 1054, Section 16, Part 6, Chapter 3 (and Cal. Pub. Util. Code Section 3291 created therein).

Dated: December 17, 2019

Respectfully Submitted,

ALYSSA KOO  
ELLIOTT SEALS

By: /s/ Elliott Seals  
ELLIOTT SEALS

PACIFIC GAS & ELECTRIC COMPANY  
Law Department  
77 Beale Street, B30A  
San Francisco, California 94105  
Telephone: (415) 973-4590  
Facsimile: (415) 973-0516  
Email: Elliott.Seals@pge.com

JOSHUA HILL  
CHRISTINE Y. WONG

By: /s/ Joshua Hill  
JOSHUA HILL

MORRISON & FOERSTER LLP  
425 Market Street  
San Francisco, California 94105  
Telephone: (415) 268-7000  
Facsimile: (415) 268-7522  
Email: jhill@mofo.com  
Email: christinewong@mofo.com

Attorneys for  
PACIFIC GAS AND ELECTRIC COMPANY

EMILY FISHER

By: /s/ Emily Fisher  
EMILY FISHER

CALIFORNIA PUBLIC UTILITIES COMMISSION  
505 Van Ness Ave.  
San Francisco, California 94102  
Telephone: (415) 703-1327  
Email: emily.fisher@cpuc.ca.gov

Attorneys for  
THE SAFETY AND ENFORCEMENT DIVISION

RACHAEL E. KOSS

By: /s/ Rachael E. Koss  
RACHAEL E. KOSS

ADAMS BROADWELL JOSEPH & CARDOZO  
601 Gateway Blvd., Suite 1000  
South San Francisco, California 94080  
Telephone: (650) 589-1660  
Facsimile: (650) 589-5062  
Email: rkoss@adamsbroadwell.com

Attorneys for  
COALITION OF CALIFORNIA UTILITY  
EMPLOYEES

REBECCA VORPE

By: /s/ Rebecca Vorpe  
REBECCA VORPE

CALIFORNIA PUBLIC UTILITIES COMMISSION  
505 Van Ness Ave.  
San Francisco, California 94102  
Telephone: (415) 703-4443  
Email: rebecca.vorpe@cpuc.ca.gov

Attorneys for  
OFFICE OF THE SAFETY ADVOCATE

# **EXHIBIT 1**

***SETTLEMENT AGREEMENT BETWEEN PACIFIC GAS AND ELECTRIC  
COMPANY, THE SAFETY AND ENFORCEMENT DIVISION OF THE  
CALIFORNIA PUBLIC UTILITIES COMMISSION, COALITION OF  
CALIFORNIA UTILITY EMPLOYEES, AND THE OFFICE OF THE  
SAFETY ADVOCATE RESOLVING ORDER INSTITUTING  
INVESTIGATION I.19-06-015***

**(ATTACHMENTS 1-7 AND 9-13 CONTAIN CONFIDENTIAL INFORMATION  
AND EXCLUDED FROM PUBLIC VERSION)**

**SETTLEMENT AGREEMENT BETWEEN PACIFIC GAS AND ELECTRIC  
COMPANY, THE SAFETY AND ENFORCEMENT DIVISION OF THE CALIFORNIA  
PUBLIC UTILITIES COMMISSION, COALITION OF CALIFORNIA UTILITY  
EMPLOYEES, AND THE OFFICE OF THE SAFETY ADVOCATE RESOLVING  
ORDER INSTITUTING INVESTIGATION I.19-06-015**

Pacific Gas and Electric Company (“PG&E”), the Safety and Enforcement Division (“SED”) of the California Public Utilities Commission (“CPUC” or “Commission”), Coalition of California Utility Employees (“CUE”), and the Office of the Safety Advocate (“OSA”) are hereinafter collectively referred to as the Settling Parties. On the following terms and conditions, the Settling Parties hereby agree to settle, resolve, and dispose of all claims, allegations, liabilities and defenses within the scope of Commission proceeding I.19-06-015 entitled “*Order Instituting Investigation on the Commission’s Own Motion Into the Maintenance, Operations and Practices of Pacific Gas and Electric Company with Respect to its Electric Facilities*” (“2017/2018 Wildfire OII” or “proceeding”), including all such claims, allegations, liabilities and defenses related to the 37, Adobe, Atlas, Camp, Cascade, Cherokee, La Porte, Lobo, McCourtney, Norrbom, Nuns, Oakmont/Pythian, Partrick, Pocket, Point, Potter/Redwood, Sulphur, Tubbs, and Youngs Fires (the “2017 Northern California Wildfires and 2018 Camp Fire”).

This Settlement Agreement is entered into as a compromise of disputed claims and defenses in order to minimize the time, expense, and uncertainty of continued litigation. The Settling Parties agree to the following terms and conditions as a complete and final resolution of all claims made by SED and all defenses raised by PG&E in this proceeding. This Settlement Agreement constitutes the sole agreement between the Settling Parties concerning the subject matter of this proceeding. PG&E, CUE, and OSA brought no claims in this proceeding.

**I. PARTIES**

The parties to this Settlement Agreement are SED, PG&E, CUE, and OSA.

A. SED is a division of the Commission charged with enforcing compliance with the Public Utilities Code and other relevant utility laws and the Commission’s rules, regulations, orders, and decisions. SED is also responsible for investigations of utility incidents, including fires, and assisting the Commission in promoting public safety.

B. PG&E is a public utility, as defined by the California Public Utilities Code. It serves a population of approximately 16 million in a 70,000-square-mile service area within Northern and Central California.

C. CUE is a coalition of unions that represent approximately 34,000 people who work for investor-owned and publicly-owned utilities in California, and for contractors who perform work for utilities and project developers.

D. OSA is an advocacy unit within the Commission charged with advocating for the continuous and cost-effective improvement of the safety management and safety performance of public utilities. To achieve this goal, OSA advocates for effective public utility safety

management and infrastructure improvements and for the transparency of safety information, as well as assists the Commission in holding public utilities accountable for their safe operation.

## II. RECITALS

The Settling Parties have stipulated to the facts and violations set forth below for the purpose of this Settlement. The Settling Parties also agree that PG&E has complied with all of the requirements listed in Sections V (PG&E Report Required) and VI (Immediate Corrective Actions) of the 2017/2018 Wildfire OIL.

### A. Stipulated Facts

The relevant stipulated facts relating to the 2017 Northern California Wildfires and 2018 Camp Fire and SED's investigation are set forth in Exhibit A to this Settlement Agreement.

### B. Violations

SED's alleged violations are presented in Exhibit B to this Settlement Agreement. For the purposes of this Settlement Agreement, Exhibit B also identifies those violations which PG&E disputes or does not contest. The fact that PG&E is not contesting some of these violations is not a concession that the violations occurred, is inadmissible in evidence in court or in any other legal proceeding, and cannot and should not be used for any purpose in any litigation or any other legal proceeding.

## III. AGREEMENT

To settle this proceeding, PG&E shall (1) not seek rate recovery of wildfire-related expenses and capital expenditures in the amount of \$1,625,000,000, as specified below, and (2) incur costs of \$50,000,000 associated with the PG&E Shareholder-Funded System Enhancement Initiatives specified below and described further in Exhibit C to this Settlement Agreement.

### A. No Recovery of Certain Wildfire-Related Expenditures

PG&E shall not seek rate recovery of the following wildfire-related expenditures in future applications, which will total \$1,625,000,000:

Description	Expense	Capital	Estimated Amount
Distribution Safety Inspections Expense (excludes repairs) (FRMMA <sup>1</sup> /WMPMA <sup>2</sup> )	\$157,000,000	-	\$157,000,000

<sup>1</sup> FRMMA is the Fire Risk Mitigation Memorandum Account.

<sup>2</sup> WMPMA is the Wildfire Mitigation Plan Memorandum Account.



Distribution Safety Repairs Expense (FRMMA/WMPMA) <sup>3</sup>	\$79,000,000	-	\$79,000,000
Transmission Safety Inspections Expense (excludes repairs) (TO) <sup>4</sup>	\$225,000,000	-	\$225,000,000
Transmission Safety Repairs Expense (TO) <sup>5</sup>	\$205,000,000	-	\$205,000,000
AWRR Base Camp and Admin Expense (FHPMA) <sup>6</sup>	\$36,000,000	-	\$36,000,000
2017 Northern California Wildfires CEMA <sup>7</sup> Expense and Capital (for amounts associated with fires for which SED or CAL FIRE have alleged violations) (CEMA)	\$86,000,000	\$66,000,000	\$152,000,000
2018 Camp Fire CEMA Expense (CEMA)	\$435,000,000	-	\$435,000,000
2018 Camp Fire CEMA Capital for Restoration (CEMA)	-	\$253,000,000	\$253,000,000
2018 Camp CEMA Capital for Temporary Facilities <sup>8</sup>	-	\$84,000,000	\$84,000,000
Total:	\$1,222,000,000 <sup>9</sup>	\$403,000,000	\$1,625,000,000

The amounts set forth in the table above include estimates for expenses and capital expenditures that have not yet been recorded. To the extent the recorded costs for each account apart from Transmission Safety Repairs total an amount that is different from \$1,420,000,000, then the amount for which PG&E shall not seek rate recovery for Transmission Safety Repairs will be adjusted so that the total amount for which PG&E shall not seek rate recovery equals \$1,625,000,000. PG&E will file a Tier 2 Advice Letter within 30 days of a Commission decision approving the settlement, which will provide updated recorded amounts for the foregoing

<sup>3</sup> Includes \$26 million forecasted for 2020.

<sup>4</sup> Transmission costs are recovered through PG&E's Federal Energy Regulatory Commission ("FERC")-jurisdictional Transmission Owner ("TO") rate case.

<sup>5</sup> Total forecasted transmission safety repairs costs for 2019 are \$369 million. Only a portion are included here to reach \$1.625 billion total.

<sup>6</sup> FHPMA is the Fire Hazard Prevention Memorandum Account.

<sup>7</sup> CEMA is the Catastrophic Event Memorandum Account.

<sup>8</sup> Includes \$66 million forecasted for 2020.

<sup>9</sup> Amounts do not sum due to rounding.

accounts. If projects funded by the “Camp CEMA Capital for Temporary Facilities” account are still ongoing at that time, PG&E will file another Tier 2 Advice Letter when those projects are completed and the associated capital expenditures have been recorded, and propose a final allocation of the amounts for which PG&E shall not seek rate recovery in accordance with the allocation principle set forth in this paragraph.

**B. PG&E Shareholder-Funded System Enhancement Initiatives**

A description of the PG&E Shareholder-Funded System Enhancement Initiatives is set forth in Exhibit C to this Settlement Agreement.

The Settling Parties agree on the following estimates of duration and funding requirements for each of the System Enhancement Initiatives identified below. The actual duration and funding level for each of the System Enhancement Initiatives may be modified upon agreement by PG&E and SED, as long as shareholder-provided settlement funds for the System Enhancement Initiatives total \$50 million.

PG&E shall submit reports to SED every six months regarding progress and implementation of each of the below System Enhancement Initiatives until the end of the six-month period in which PG&E has completed the System Enhancement Initiatives. PG&E’s semi-annual reports shall, at a minimum, describe progress on each of the initiatives and indicate amounts expended compared to PG&E’s estimate for the work. PG&E and SED will meet and make a good faith effort to reach agreement on the contents of each semi-annual report. SED understands that the estimates provided by PG&E for each of the initiatives are high-level estimates only, subject to revision and do not constitute a promise by PG&E to complete any System Enhancement Initiative within the estimate provided. If PG&E becomes aware that it will not fully expend the shareholder settlement funds estimated for a System Enhancement Initiative, it shall inform SED as part of its semi-annual report, and PG&E and SED shall make a good faith effort to reach agreement on the method of expending any remaining funds.

**Duration and Funding Estimates for PG&E Shareholder-Funded System Enhancement Initiatives**

<b>Shareholder-Funded System Enhancement Initiatives</b>	<b>Estimated Duration (Years)<sup>10</sup></b>	<b>Estimated Shareholder Funding (Millions)</b>
Tree Crew Training and Certificate Program	3	\$6.25
Pre-Inspector Training and Certificate Program	3	\$3.5
Vegetation Management Oversight Pilot	1	\$10.0
Development of Recommendations for General Order 165 Revisions	1	— <sup>11</sup>

<sup>10</sup> The estimated duration runs from the Effective Date.

<sup>11</sup> For any System Enhancement Initiative listed with “—” in the Estimated Shareholder Funding column, the Settling Parties expect any costs to be de minimis or full time employee time only. The Settling Parties have not allocated any shareholder funding to these System Enhancement Initiatives because they expect that the costs of tracking the expenditure of such funds would outweigh the benefits.

<b>Shareholder-Funded System Enhancement Initiatives</b>	<b>Estimated Duration (Years)<sup>12</sup></b>	<b>Estimated Shareholder Funding (Millions)</b>
Accelerating Commercialization of Non-Diesel Temporary Generation	3	\$10.0
LiDAR Asset Analysis	1 <sup>13</sup>	\$0.5
Independent Root Cause Analysis	1	\$3.0
Fuel Reduction Funding	1 <sup>14</sup>	\$2.0
Resilience Centers Grant Program	5 <sup>15</sup>	\$2.0
Funding to California Foundation for Independent Living Centers	1 <sup>16</sup>	\$5.0
Officer Safety Town Halls	5	—
Semi-Annual Wildfire Mitigation Meetings	3	—
ISO 55000 Certification	Make good faith effort to initiate final ISO 55000 certification assessment by end of 2020	\$1.0
Independent Wildfire Safety Audits	3	\$6.0
Verification of Safety-Related Filings	3	—
Quarterly Reporting on Electric Maintenance Work	3	—
Local Government Vegetation Management Data Sharing	3	—
Local Government System Hardening Data Sharing	3	—
Documentation of “Near Hit” Potential Fire Incidents	3 <sup>17</sup>	—
Study of Distribution and Transmission System	Not specified	\$0.75
<b><u>TOTAL</u></b>		<b>\$50.0</b>

C. This Settlement Agreement shall become effective (“Effective Date”) upon (1) approval by the Commission in a written decision, (2) following such approval by the Commission, approval of the United States Bankruptcy Court, Northern District of California,

<sup>12</sup> The estimated duration runs from the Effective Date.

<sup>13</sup> Within one year of the Effective Date, PG&E will implement the pilot program.

<sup>14</sup> Funds shall be disbursed or committed for future disbursement by one year from the Effective Date.

<sup>15</sup> Funds shall be disbursed within five years of the Effective Date.

<sup>16</sup> Funds shall be disbursed, or committed for future disbursement, within one year of the Effective Date.

<sup>17</sup> PG&E will review with OSA and SED annually to assess the utility of the data being provided and confirm that the parties wish to continue receiving the data. PG&E will continue this sharing for up to three years following the Effective Date as long as annual reviews determine an ongoing interest or unless the Wildfire Mitigation Plan Proceeding (Rulemaking 18-10-007) determines a scope for utility reporting of “near hit” data that in substance supersedes this System Enhancement Initiative.

San Francisco Division (“Bankruptcy Court”) in PG&E’s bankruptcy proceeding, *In Re Pacific Gas and Electric Company*, Case No. 19-30088 (DM), and (3) the effectiveness of a Plan of Reorganization (“PoR”) that approves the implementation of this Settlement Agreement.

#### IV. OTHER MATTERS

A. The Settling Parties agree to seek expeditious approval of this Settlement Agreement and the terms of the settlement, and to use their reasonable efforts to secure Commission approval of it without change, including by filing a joint motion seeking approval of this Settlement Agreement and any other written filings, appearances, and other means as may be necessary to secure CPUC approval. PG&E agrees to use reasonable efforts to secure Bankruptcy Court approval of the same, without change, including by filing a motion seeking approval and making any other required filings, appearances, and other means as may be necessary to secure Bankruptcy Court approval.

B. The Settling Parties agree to actively and mutually defend this Settlement Agreement if its adoption is opposed by any other party in proceedings before the Commission. In accordance with Rule 12.6 of the Commission’s Rules of Practice and Procedure, if this Settlement Agreement is not adopted by the Commission, its terms are inadmissible in any evidentiary hearing unless their admission is agreed to by the Settling Parties. In the event the Commission rejects or proposes alternative terms to the Settlement Agreement, Settling Parties reserve all rights set forth in Rule 12.4 of the Rules of Practice and Procedure. The provisions of Paragraph IV.A and B shall impose obligations on the Settling Parties immediately upon the execution of this Settlement Agreement.

C. This Settlement Agreement shall not preclude the non-PG&E parties in this proceeding from opposing any request by PG&E to recover any costs PG&E has incurred or may in the future incur as a result of the 2017 Northern California Wildfires and 2018 Camp Fire; provided, however, that the non-PG&E Settling Parties shall not assert that any violations or conduct underlying the violations alleged or identified by SED in this proceeding are the basis for future disallowances, violations, or penalties, except to the extent PG&E seeks to recover in rates third-party claims costs arising from such wildfires.

D. SED agrees to release and refrain from instituting, directing, or maintaining any violations or enforcement proceedings against PG&E related to the 2017 Northern California Wildfires and 2018 Camp Fire based on the information: (a) known, or that could have been known, to SED at the time that SED executes this Settlement Agreement, or (b) substantially similar to the facts alleged in the SED Fire Reports. This information will include any reports or findings made by the California Department of Forestry and Fire Protection (“CAL FIRE”) and information produced in *In re PG&E Corp. & Pacific Gas and Electric Company*, U.S.D.C., 3:19-cv-05257-JD and in *California North Bay Fire Cases*, Cal. Super., No. CJC17004955.

E. Nothing in this Settlement Agreement constitutes a waiver by SED of its legal obligations, authority, or discretion to investigate and enforce applicable safety requirements and standards (including, without limitation, provisions of GO 95 and GO 165) as to any future conduct by PG&E that SED may identify as the basis for any alleged violation(s). SED shall retain such authority regardless of any factual or legal similarities that future conduct and any

alleged violation(s) may have to PG&E's conduct/alleged violations related to the 2017 Northern California Wildfires and 2018 Camp Fire. Accordingly, any such similarities shall not preclude non-PG&E parties from using future conduct and alleged violation(s) as a basis for seeking future disallowances.

F. The Settling Parties have bargained in good faith to reach the agreement set forth herein. The Settling Parties intend the Settlement Agreement to be interpreted as a unified, interrelated agreement. The Settling Parties agree that no provision of this Settlement Agreement shall be construed against any of them because a particular party or its counsel drafted the provision. The representatives of the Settling Parties signing this Settlement Agreement are fully authorized to enter into this Settlement Agreement.

G. The rights conferred and obligations imposed on any of the Settling Parties by this Settlement Agreement shall inure to the benefit of or be binding on that Settling Party's successors in interest or assignees as if such successor or assignee was itself a party to this Settlement Agreement.

H. Should any dispute arise between the Settling Parties regarding the manner in which this Settlement Agreement or any term shall be implemented, the Settling Parties agree, prior to initiation of any other remedy, to work in good faith to resolve such differences in a manner consistent with both the express language and the intent of the Settling Parties in entering into this Settlement Agreement.

I. This Settlement Agreement is not intended by the Settling Parties to be precedent for any other proceeding, whether pending or instituted in the future. The Settling Parties have assented to the terms of this Settlement Agreement only for the purpose of arriving at the settlement embodied in this Settlement Agreement. Each Settling Party expressly reserves its right to advocate, in other current and future proceedings, or in the event that the Settlement Agreement is rejected by the Commission, positions, principles, assumptions, arguments and methodologies which may be different than those underlying this Settlement Agreement, and the Settling Parties expressly declare that, as provided in Rule 12.5 of the Commission's Rules of Practice and Procedure, this Settlement Agreement should not be considered as a precedent for or against them.

J. The Settling Parties are prohibited from filing a petition for modification of a Commission decision approving this Settlement Agreement regarding any issue resolved in this Settlement Agreement.

K. This Settlement Agreement may be executed in counterparts.

L. The Settling Parties hereby agree that this Settlement Agreement is entered into as a compromise of disputed claims and defenses in order to minimize the time, expense, and uncertainty of continued litigation in the 2017/2018 Wildfire OIL.

M. Nothing in this Settlement Agreement relieves PG&E from any safety responsibilities imposed on it by law or Commission rules, orders, or decisions.

N. In reaching this Settlement Agreement, the Settling Parties expect and intend that neither the fact of this settlement nor any of its specific contents will be admissible as evidence of fault or liability in any other proceeding before the Commission, any other administrative body, or any court. In this regard, the Settling Parties are relying on Evidence Code Section 1152(a) and Public Utilities Code Section 315. Furthermore, such use of this Settlement Agreement or any of its contents in any other proceeding before the Commission, any other administrative body, or any court would frustrate and interfere with the Commission's stated policy preference for settlements rather than litigated outcomes. See Pub. Util. Code § 1759(a).

IN WITNESS WHEREOF, the Settling Parties hereto have duly executed this Settlement Agreement.

[Signatures immediately follow this page]

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Dated: December 17, 2019

Pacific Gas & Electric Company

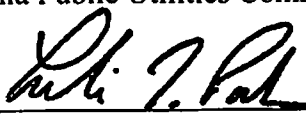
By: Robert S. Kenney

Robert S. Kenney  
Vice President, State and  
Regulatory Affairs  
Pacific Gas & Electric Company

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Dated: 12/17/19

Safety and Enforcement Division  
California Public Utilities Commission

By: 

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

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Dated: December 17, 2019

Coalition of California Utility Employees

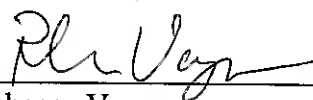


By: \_\_\_\_\_  
Rachael E. Koss  
Attorney for Coalition of California  
Utility Employees

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Dated: 12/17/2019

Office of the Safety Advocate

By:   
Rebecca Vorpe  
Attorney for Office of the Safety  
Advocate

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## **Exhibit A**

### **Stipulated Facts Relevant to the 2017 Northern California Wildfires and 2018 Camp Fire**

#### **I. Stipulated Facts Relevant to the 2017 Northern California Wildfires**

##### **A. Definitions**

1. 2017 October Fire Siege: SED investigated 17 fires that were alleged to have been caused by PG&E's facilities in October 2017.
2. CEMA<sup>1</sup> Patrol: A type of vegetation management ("VM") visual inspection under PG&E's Drought and Tree Mortality Response Program. A CEMA Patrol performed in the Wildland-Urban Interface ("WUI"), defined as areas where homes are built near or among lands prone to wildland fire, is referred to as a CEMA WUI Patrol.
3. Pre-inspectors: Term used by PG&E to describe Vegetation Management (VM) inspectors that inspect vegetation along PG&E's lines to identify vegetation hazards or clearance issues related to electric facilities and prescribe direction for trim or removal to Tree Contractors.
4. Project Management Database: The Project Management Database is a PG&E database used to track PG&E's annual vegetation management plan and schedule vegetation management work.
5. SED 2017 Report: SED's individual investigation reports for each of the 17 fires that occurred in October 2017.
6. Tree Contractors: Term used by PG&E to describe employees or contractors that perform physical trimming or removal of vegetation identified by pre-inspectors.

##### **B. General Observations**

7. PG&E VM pre-inspectors do not record the characteristics, such as tree height or diameter, of the individual trees they inspect unless tree work is prescribed for the tree.

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<sup>1</sup> CEMA is the acronym for PG&E's Catastrophic Event Memorandum Account. The term also is used at PG&E to refer to PG&E's Drought and Tree Mortality Response Program.

8. With one exception, none of the subject trees for which SED identified a vegetation management related violation were identified for trimming or removal by PG&E VM pre-inspectors during the pre-inspections for the previous five years leading up to the 2017 October Fire Siege. The one exception was the subject tree for the Pocket Fire which was trimmed twice in the same five-year time frame.
9. SED requested PG&E's contracted fire investigator's reports for the 2017 October Fire Siege incidents. On August 3, 2018, PG&E informed SED that no such reports existed. As of the date that SED executed this Settlement Agreement, SED has not received any such reports from PG&E.<sup>2</sup>

**C. Stipulated Facts Relevant to Specific Fires**

**Adobe**

10. For purposes of resolving this proceeding, PG&E does not contest SED's finding that on October 8, 2017, at approximately 2234 hours, a eucalyptus tree fell and contacted overhead conductors of PG&E's Dunbar-1101 12 kV circuit. When the tree damaged PG&E's insulated conductors, the Adobe Fire ignited near 8555 Sonoma Highway in Kenwood, Sonoma County.<sup>3</sup>
11. On October 10, 2017, PG&E filed an Electric Safety Incident Report concerning an incident that occurred near 8555 Sonoma Highway (Highway 12), Kenwood, Sonoma County.<sup>4</sup> When PG&E was granted access to the incident location, PG&E observed a eucalyptus tree that had fallen and was laying on three of the conductors of a Dunbar 1101 (12 kV) primary tap line on the ground.<sup>5</sup> The eucalyptus tree was approximately 120 feet tall and rooted approximately 60 feet from the distribution conductors.<sup>6</sup>
12. Between December 14, 2012, and October 8, 2017, PG&E did not identify the subject eucalyptus tree for vegetation trim or removal.<sup>7</sup>

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<sup>2</sup> Attachment 1 (PGE-CPUC\_DR-071918\_Common\_Q04).

<sup>3</sup> SED 2017 Report, Adobe 001.

<sup>4</sup> PG&E Response to Notice re California Wildfires ("Alsup Report"), 3:14-cr-00175-WHA, ECF 956, Exhibit L at 1 (December 31, 2018), which is available in the record at SED Camp Report, CAMP-0136. All additional citations to the SED Camp Report for facts related to the 2017 Northern California Wildfires are citations to exhibits to the Alsup Report, which are the factual reports for the 2017 Northern California Wildfires filed therewith.

<sup>5</sup> SED Camp Report, CAMP-0137 (Alsup Report, Exhibit L (Adobe) at 2).

<sup>6</sup> SED Camp Report, CAMP-0137 (Alsup Report, Exhibit L (Adobe) at 2).

<sup>7</sup> SED 2017 Report, Adobe 007-9.

13. In Mark Porter's<sup>8</sup> report evaluating the subject eucalyptus tree's failure, he identified the subject eucalyptus tree as an "epicormic shoot approximately 109 feet high, [that] was weakly attached to a rotting stump."<sup>9</sup> The report also identified that "the epicormics shoot developed with a one-sided buttress root"<sup>10 11</sup> which created an "unequaled mechanical stress."<sup>12</sup> Mr. Porter concluded that "this failure was preventable had a qualified arborist inspected the tree and the site conditions."<sup>13</sup>
14. PG&E's Project Management Database indicates that a 2015 CEMA WUI Patrol was completed on the subject circuit.<sup>14</sup> However, after a search of its records, PG&E was unable to locate the maps for these patrols.<sup>15</sup> PG&E's vegetation management records associated with this incident location, produced to the CPUC on February 28, 2018, indicate that no work was prescribed at the incident location during this CEMA patrol, as no inspection record or work order is created unless PG&E determines that work is indeed necessary after a CEMA inspection.<sup>16</sup>
15. Work for a cross-arm replacement (work order #103891848) was completed on January 14, 2010, 15 days after its original December 31, 2009, due date.<sup>17</sup>

### **Atlas**

16. For purposes of resolving this proceeding, PG&E does not contest SED's finding that on October 8, 2017, a black oak tree fell on one of PG&E's Pueblo-1104 12 kV conductors, bringing it to the ground and igniting a fire (Atlas 1). On the same date but at a second location, a branch from a valley oak tree fell and contacted PG&E's Pueblo-1104 12 kV overhead conductors thus igniting another fire (Atlas 2). The two fires burned into each other, and together are called the Atlas Fire.<sup>18</sup>

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<sup>8</sup> International Society of Arboriculture (ISA) Certified Arborist #WE465, contracted by CAL FIRE.

<sup>9</sup> SED 2017 Report, Adobe 010.

<sup>10</sup> SED 2017 Report, Adobe 010.

<sup>11</sup> Buttress roots are the roots at the trunk base that help support the tree and equalize mechanical stress.

<sup>12</sup> SED 2017 Report, Adobe 010.

<sup>13</sup> SED 2017 Report, Adobe 065.

<sup>14</sup> SED 2017 Report, Adobe 093 (Response to CPUC Common Data Request Question 10 – Part 3).

<sup>15</sup> SED 2017 Report, Adobe 093 (Response to CPUC Common Data Request Question 10 – Part 3).

<sup>16</sup> SED 2017 Report, Adobe 093 (Response to CPUC Common Data Request Question 10 – Part 3); *see also* Utility Bulletin: TD-7102B-007, Second Patrol – Scope of Work Requirements, July 17, 2017 (produced as part of PG&E's Attachment B Report at PGE-2017Wildfires-OII-0000003192) at 2 ("Trees identified for work are issued on a Work Request to TC [the tree contractors]."); *id.* at 4 ("Trees identified by PI [pre-inspector] as requiring work are entered into a handheld device.").

<sup>17</sup> SED 2017 Report, Adobe 089-91 (work order).

<sup>18</sup> SED 2017 Report, Atlas 001.

17. On October 21, 2017, when PG&E was granted access to the Atlas 1 incident location, PG&E observed a California black oak tree that had broken at the base and was lying on the ground near the Atlas 1 incident location.<sup>19</sup> The base of the California black oak tree was burned and rooted approximately 20 feet from the distribution conductors.<sup>20</sup>
18. On October 19, 2017, when PG&E was granted access to the Atlas 2 incident location, PG&E observed a broken tree limb and broken field-phase primary insulator on the Pueblo 1104 (12 kV) Circuit.<sup>21</sup> A tree limb had fallen from a California white oak/valley oak rooted approximately 15 feet from the distribution conductors and came to rest on the lower of two communications cables.<sup>22</sup>
19. In Mark Porter's report evaluating the black oak tree in the Atlas 1 fire area, he stated that the tree displayed "extensive decay in the trunk as well as the buttress roots" and concluded that "[s]ince the black oak had such dangerous conditions close to high voltage lines, it should have been condemned years ago, due to the severity of the consequences."<sup>23</sup>
20. In other parts of Mark Porter's report relevant to Atlas 2, he stated that he "observed a structural branch defect on a 19-inch diameter valley oak tree..." and noted that "[t]he branch of the valley oak broke at a codominant stem." Mr. Porter "concluded that the valley oak codominant branch failure (a defect) could have been avoided if correctional pruning had been employed years earlier. Both tree failures have visible defects."<sup>24</sup>
21. Repair work for a utility pole (work order #102506022) was completed on August 19, 2013, 676 days after its original October 3, 2011, due date.<sup>25</sup>

### **Cascade**

22. For purposes of resolving this proceeding, PG&E does not contest SED's finding that on October 8, 2017, at approximately 2234 hours, two PG&E 12-kV overhead conductors contacted each other and ignited the Cascade Fire, near 13916 Cascade Way in Browns Valley, Yuba County.<sup>26</sup>

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<sup>19</sup> SED Camp Report, CAMP-0147-148 (Alsup Report, Exhibit M (Atlas) at 2-3) (note, the identification of the Atlas 1 and Atlas 2 incident locations, as defined by the CPUC's December 7, 2017, letter, in Alsup Report, Exhibit M, is the opposite of the terminology used in the SED 2017 Report and in these factual stipulations).

<sup>20</sup> SED Camp Report, CAMP-0147-148 (Alsup Report, Exhibit M (Atlas) at 2-3).

<sup>21</sup> SED Camp Report, CAMP-0147-148 (Alsup Report, Exhibit M (Atlas) at 2-3).

<sup>22</sup> SED Camp Report, CAMP-0147-148 (Alsup Report, Exhibit M (Atlas) at 2-3).

<sup>23</sup> SED 2017 Report, Atlas 011.

<sup>24</sup> SED 2017 Report, Atlas 012.

<sup>25</sup> SED 2017 Report, Atlas 104-108 (work order).

<sup>26</sup> SED 2017 Report, Cascade 001.

23. On October 8, 2017, at 2257 hours, PG&E records indicate that 9 of the 13 meters downstream of Fuse 17841 recorded a smart meter event indicative of power loss.<sup>27</sup> Fuse 17841 is the nearest protection device upstream of the incident location.
24. On October 13, 2017, a CAL FIRE-contracted engineer, Jim Nolt, identified excessive slack in the high-voltage distribution conductors and evidence of recent arcing on the two conductors.<sup>28</sup>
25. On October 17, 2017, PG&E accessed the incident location to assist CAL FIRE in collecting evidence and observed that the secondary service line at the incident location appeared to be damaged at mid-span.<sup>29</sup>
26. Between the date of PG&E's 2009 detailed inspection and October 8, 2017, PG&E's routine patrols and detailed inspections of distribution facilities that included PG&E pole numbers 101288638 and 101288646 did not identify excessive conductor sag between these poles or any other risks that might contribute to conductor-to-conductor contact.<sup>30</sup>

### **Lobo**

27. For purposes of resolving this proceeding, PG&E does not contest SED's finding that on October 8, 2017, at approximately 2327 hours, a ponderosa pine tree fell onto PG&E 21 kV overhead conductors near 11218 Lone Lobo Trail in Nevada City, Nevada County. The tree contact caused the ignition of the Lobo Fire.<sup>31</sup>
28. On October 8, 2017, at 2327 hours, PG&E's Line Recloser ("LR") 48484 operated and reclosed. LR 48484 was the nearest, upstream LR relative to the incident location.<sup>32</sup>
29. From September 13-15, 2016, a PG&E VM contractor felled 46 ponderosa pine trees around the subject ponderosa pine tree, which increased the exposure of the subject tree.<sup>33</sup>

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<sup>27</sup> SED 2017 Report, Cascade 080.

<sup>28</sup> SED 2017 Report, Cascade 063.

<sup>29</sup> SED 2017 Report, Cascade 081.

<sup>30</sup> SED 2017 Report, Cascade 005.

<sup>31</sup> SED 2017 Report, Lobo 0001.

<sup>32</sup> SED 2017 Report, Lobo 0015-6.

<sup>33</sup> SED 2017 Report, Lobo 0008.

30. In Mark Porter's report evaluating the ponderosa pine tree failure, he stated that he identified an extended open cavity that spanned approximately 40 inches above the groundline to the failure point at 14 feet.<sup>34</sup> Mr. Porter concluded that the open cavity, which faced the conductor span, could have been identified during a routine VM inspection; thus, the subject tree should have been removed prior to the incident.<sup>35</sup> In addition, Mr. Porter stated that the loss of neighboring trees changed the wind dynamics affecting the subject tree.<sup>36</sup>
31. PG&E's Project Management Database indicates that a 2014 CEMA Patrol was completed on the subject circuit.<sup>37</sup> However, after a search of its records, PG&E was unable to locate the maps for these patrols.<sup>38</sup> PG&E's vegetation management records associated with this incident location, provided to the CPUC on February 28, 2018, indicate that no work was prescribed at the incident location during this CEMA patrol, as no inspection record or work order is created unless PG&E determines that work is indeed necessary after a CEMA inspection.<sup>39</sup>
32. Between November 13, 2012 and October 8, 2017, PG&E's VM pre-inspectors did not identify the subject ponderosa pine tree for vegetation trim or removal.<sup>40</sup>

### **McCourtney**

33. For purposes of resolving this proceeding, PG&E does not contest SED's finding that on October 8, 2017, at approximately 2348 hours, the McCourtney Fire ignited at two separate locations along the PG&E Grass Valley 1103, 12 kV circuit. An 80-foot ponderosa pine tree fell onto PG&E 12 kV conductors and ignited a fire near 11253 Orion Way in Grass Valley, Nevada County. Shortly afterward, a 12 kV conductor broke at a clamp connector at the source-side of an LR and fell to the ground thus igniting a fire at 11228 McCourtney Road in Grass Valley, Nevada County.<sup>41</sup>

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<sup>34</sup> SED 2017 Report, Lobo 0010.

<sup>35</sup> SED 2017 Report, Lobo 0012.

<sup>36</sup> SED 2017 Report, Lobo 0012.

<sup>37</sup> SED 2017 Report, Lobo 0281 (Response to CPUC Common Data Request Question 10 – Part 3).

<sup>38</sup> SED 2017 Report, Lobo 0281 (Response to CPUC Common Data Request Question 10 – Part 3).

<sup>39</sup> SED 2017 Report, Lobo 0281 (Response to CPUC Common Data Request Question 10 – Part 3); *see also* Utility Bulletin: TD-7102B-007, Second Patrol – Scope of Work Requirements, July 17, 2017 (produced as part of PG&E's Attachment B Report at PGE-2017Wildfires-OII-0000003192) at 2 ("Trees identified for work are issued on a Work Request to TC [the tree contractors]."); *id.* at 4 ("Trees identified by PI [pre-inspector] as requiring work are entered into a handheld device.").

<sup>40</sup> SED 2017 Report, Lobo 0006-8.

<sup>41</sup> SED 2017 Report, McCourtney 0001.



34. On October 8, 2017, at approximately 2345 hours, PG&E LR 58498 measured a ground fault of 51.4 amps.<sup>42</sup>
35. Based on PG&E's 2014 and 2016 overhead distribution patrol documentation for the incident area near 11228 McCourtney Road, PG&E did not identify issues related to the incident facilities.<sup>43</sup>
36. Based on PG&E's 2012 and 2017 overhead distribution detailed inspection documentation for the incident area near 11228 McCourtney Road, PG&E did not identify issues related to the incident facilities.<sup>44</sup>
37. Between 2013 and 2017, PG&E VM pre-inspectors did not identify the subject ponderosa pine (near 11253 Orion Way) for vegetation trim or removal.<sup>45</sup>
38. In Mark Porter's report evaluating the subject ponderosa pine tree (near 11253 Orion Way), he noted that the subject tree displayed visible wood decay and missing buttress roots. Mr. Porter concluded that the tree defect could have been identified during a routine tree inspection and should have been abated.<sup>46</sup>

### **Norrbom**

39. For purposes of resolving this proceeding, PG&E does not contest SED's finding that on October 8, 2017, at approximately 2200 hours, a branch of a black oak tree fell and contacted the overhead conductors of PG&E's Sonoma 1103, 12 kV circuit located near 16200 Norrbom Road in Sonoma, Sonoma County. The tree contact ignited the Norrbom Fire.<sup>47</sup>
40. In Mark Porter's report evaluating the subject black oak tree, he noted that the tree had a cavity with pre-existing decay. The report also noted indications of contact with high voltage distribution wires on the tree bark.<sup>48</sup>
41. Between 2013 and October 8, 2017, PG&E VM personnel did not identify the subject black oak tree (near 16200 Norrbom Road) for vegetation trim or removal.

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<sup>42</sup> SED 2017 Report, McCourtney 0019-20.

<sup>43</sup> SED 2017 Report, McCourtney 0006-7.

<sup>44</sup> SED 2017 Report, McCourtney 0006-7.

<sup>45</sup> SED 2017 Report, McCourtney 0008-11.

<sup>46</sup> SED 2017 Report, McCourtney 0011-12.

<sup>47</sup> SED 2017 Report, Norrbom 001.

<sup>48</sup> SED 2017 Report, Norrbom 010.

## **Nuns**

42. For purposes of resolving this proceeding, PG&E does not contest SED's finding that on October 8, 2017, at approximately 2218 hours, a branch from an alder tree fell and contacted overhead, secondary voltage conductors of PG&E's Dunbar 1101 circuit supplying power to 1210 Nuns Canyon Road in Glen Ellen, Sonoma County. The tree contact ignited the Nuns Fire.<sup>49</sup>
43. In Mark Porter's report evaluating the subject alder tree, he did not note any visual signs of decay that may have contributed to the branch failure.<sup>50</sup>
44. On September 22, 2017, PG&E identified vegetation (not the alder tree branch) that had made contact with and was causing strain on a secondary service line and created a work order (#113271607) to abate the vegetation contacting the line.<sup>51</sup> PG&E asserts that, based on an assessment of several factors in accordance with PG&E policies, PG&E assigned the work order a priority determination reflecting that the identified issue needed prompt but not immediate resolution.<sup>52</sup> SED contends that the comments provided on the work order, suggesting a safety concern, required more immediate action than October 8, 2017.

## **Oakmont/Pythian**

45. For purposes of resolving this proceeding, PG&E does not contest SED's finding that on October 13, 2017, at approximately 1533 hours, a Douglas fir tree fell and contacted overhead conductors of PG&E's Dunbar 1101, 12 kV circuit located near 8050 Pythian Road in Santa Rosa, Sonoma County. The tree contact ignited the Oakmont/Pythian Fire.<sup>53</sup>
46. In Mark Porter's report evaluating the subject Douglas fir tree, he described the tree as "structurally sound and healthy as it lay horizontally supported by neighboring trees" and he did not note any abnormalities or defects on the tree.<sup>54</sup>

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<sup>49</sup> SED 2017 Report, Nuns 001.

<sup>50</sup> SED 2017 Report, Nuns 021.

<sup>51</sup> SED 2017 Report, Nuns 098-100 (work order).

<sup>52</sup> SED 2017 Report, Nuns 098-100 (work order).

<sup>53</sup> SED 2017 Report, Oakmont 001.

<sup>54</sup> SED 2017 Report, Oakmont 009-10.

47. On November 30, 2011, PG&E identified pole #101957837 for reinforcement based on the measured, reduced shell thickness at groundline.<sup>55</sup> On November 30, 2011, intrusive inspection notes a 0% remaining strength and 0% wood strength.<sup>56</sup> However, on September 4, 2012, following a visual “stubbing” inspection, PG&E noted that its inspector determined that the pole did not require reinforcement.<sup>57</sup> PG&E stated that a subsequent intrusive inspection in 2017 and a recent field visit confirmed that no stubbing or reinforcement was necessary.<sup>58</sup> SED notes that PG&E did not reinforce the pole and in subsequent three intrusive inspections in 2012 and twice in 2017, wood strength increased to 100% and remaining strength remained at 0%.
48. On October 13, 2017, two troublemen patrolled most but not all of the circuit spans downstream of Fuse 1251.<sup>59</sup> Downstream of Fuse 1251, the circuit forks, with one line going towards the east (“the east line”), and the other line going towards the northwest (“the northwest line”).<sup>60</sup> The troubleman who patrolled the east line identified wires down, which he isolated prior to closing Switch 14261 and LR 160, which was upstream of Fuse 1251.<sup>61</sup> The northwest line traverses a hill and was patrolled by the second troubleman.<sup>62</sup> This troubleman patrolled the northwest line up to a gate at the end of Pythian Road, and, from this vantage point, performed a visual inspection of the line beyond the gate.<sup>63</sup> He concluded that the portion of the line he could see was intact, but he could not see the portion of the line beyond the crest of the hill.<sup>64</sup> Although the troubleman could not see part of the circuit beyond the crest of the hill, PG&E proceeded to close LR 160, thus energizing the downstream circuit portions past LR 416 and up to the incident location.<sup>65</sup>
49. Pole replacement work related to woodpecker damage to a pole (work order #103891251) was completed 69 days after its original 2011 due date, on August 18, 2011.<sup>66</sup> However, PG&E noted that the work order in question was completed as part of PG&E’s CPUC approved plan to address a backlog of work orders; under this plan, the work was completed on time. Regardless, the work was completed late.

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<sup>55</sup> SED 2017 Report, Oakmont 407-09 (pole report).

<sup>56</sup> SED 2017 Report, Oakmont 408 (pole report).

<sup>57</sup> SED 2017 Report, Oakmont 408 (pole report).

<sup>58</sup> SED 2017 Report, Oakmont 407-08 (pole report).

<sup>59</sup> SED 2017 Report, Oakmont 404-05 (Response to CPUC Oakmont/Pythian Data Request Question 2).

<sup>60</sup> SED 2017 Report, Oakmont 404-05 (Response to CPUC Oakmont/Pythian Data Request Question 2).

<sup>61</sup> SED 2017 Report, Oakmont 404-05 (Response to CPUC Oakmont/Pythian Data Request Question 2).

<sup>62</sup> SED 2017 Report, Oakmont 404-05 (Response to CPUC Oakmont/Pythian Data Request Question 2).

<sup>63</sup> SED 2017 Report, Oakmont 404-05 (Response to CPUC Oakmont/Pythian Data Request Question 2).

<sup>64</sup> SED 2017 Report, Oakmont 404-05 (Response to CPUC Oakmont/Pythian Data Request Question 2).

<sup>65</sup> SED 2017 Report, Oakmont 021.

<sup>66</sup> SED 2017 Report, Oakmont 411-415 (work order).

## **Partrick**

50. For purposes of resolving this proceeding, PG&E does not contest SED's finding that on October 8, 2017, at approximately 2348 hours, a coast live oak tree fell and contacted overhead conductors of PG&E's Pueblo 2103, 12 kV circuit at 1721 Partrick Road in Napa, Napa County. One of the 12 kV conductors fell to the ground and, as a result, ignited the Partrick Fire.<sup>67</sup>
51. When PG&E was granted access to the incident location on October 18, 2017, PG&E observed that a 20-inch diameter coast live oak tree, approximately 50 feet tall and rooted approximately 40 feet uphill from the distribution conductors, had broken near the base.<sup>68</sup> One of the two phases on a 12kV tap line on the Pueblo 2103 Circuit was on the ground.<sup>69</sup>
52. In Mark Porter's report evaluating the subject oak tree, he stated that he observed that the tree failure was associated with visual decay symptoms or pre-existing wounds and defects.<sup>70</sup>
53. Between 2013 and October 8, 2017, PG&E VM personnel did not identify the subject oak tree for vegetation trim or removal.

## **Pocket**

54. For purposes of resolving this proceeding, PG&E does not contest SED's finding that on October 9, 2017, at approximately 0330 hours,<sup>71</sup> a valley oak tree fell onto PG&E's 12 kV overhead conductors near the intersection of Ridge Ranch Road and Ridge Oaks Road in Geyserville, Sonoma County. The tree contact ignited the Pocket Fire.<sup>72</sup>
55. On October 17, 2017, when PG&E was permitted to access the incident location, PG&E observed that a top section of a California white oak/valley oak tree had broken and was laying on at least one conductor serving the Cloverdale 1102 (12 kV) Circuit, near the intersection of Ridge Ranch Road and Ridge Oaks Road.<sup>73</sup> The California white oak/valley oak was rooted approximately 15 feet from the distribution conductors.<sup>74</sup> At least one conductor was on the ground.<sup>75</sup>

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<sup>67</sup> SED 2017 Report, Partrick 001.

<sup>68</sup> SED Camp Report, CAMP-0250-251 (Alsup Report, Exhibit X (Partrick) at 1-2).

<sup>69</sup> SED Camp Report, CAMP-0250-251 (Alsup Report, Exhibit X (Partrick) at 1-2).

<sup>70</sup> SED 2017 Report, Partrick 009.

<sup>71</sup> SED 2017 Report, Pocket 013.

<sup>72</sup> SED 2017 Report, Pocket 001.

<sup>73</sup> SED Camp Report, CAMP-0260-262 (Alsup Report, Exhibit Y (Pocket) at 2-4).

<sup>74</sup> SED Camp Report, CAMP-0260-262 (Alsup Report, Exhibit Y (Pocket) at 2-4).

<sup>75</sup> SED Camp Report, CAMP-0260-262 (Alsup Report, Exhibit Y (Pocket) at 2-4).

56. In Mark Porter's report evaluating the subject oak tree failure, he stated that he observed a trunk cavity approximately 2'-5" wide and 2'-9" long with woundwood surrounding the cavity. Mr. Porter also stated in his report that the "tree would typically be condemned during an arborist inspection, primarily due to the proximity of powerlines (an immovable target)."<sup>76</sup>
57. Between 2012 and October 9, 2017, PG&E VM personnel trimmed the subject white oak/valley oak tree twice.<sup>77</sup>

### **Point**

58. For purposes of resolving this proceeding, PG&E does not contest SED's finding that on October 9, 2017, at approximately 0110 hours, a limb from a valley oak tree fell onto a PG&E 12 kV overhead conductor, which ignited the Point Fire near 22894 State Highway 26 in West Point, Calaveras County.<sup>78</sup>
59. On or around October 9, 2017, after CAL FIRE collected what it believed to be potentially relevant evidence at an area of interest for the Point Fire, PG&E personnel disposed of a broken crossarm and a damaged portion of a conductor that had been replaced during restoration work.<sup>79</sup> PG&E states that PG&E personnel acted without knowledge of disposing of potentially relevant evidence, and without intent to destroy or conceal potentially relevant evidence.<sup>80</sup> Public Utilities Code Section 316 and GO 95, Rule 19 require a utility to provide SED access to physical evidence under the utility's physical control, custody or possession related to a reportable incident.<sup>81</sup>
60. CAL FIRE's arborist found the subject limb to be sound with no evidence of disease or decay at the break point.<sup>82</sup>

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<sup>76</sup> SED 2017 Report, Pocket 008-9.

<sup>77</sup> Attachment 2 (PGE-CPUC\_DR-112117\_Common\_Q11); Attachment 3 (PGE-CPUC\_00010331); Attachment 4 (PGE-CPUC\_00010329).

<sup>78</sup> SED 2017 Report, Point 001.

<sup>79</sup> SED 2017 Report, Point 216-18, Point 220-21 (February 16, 2018 letter from PG&E to CPUC; March 16, 2018 letter from PG&E to CPUC).

<sup>80</sup> SED 2017 Report, Point 216-18, Point 220-21 (February 16, 2018 letter from PG&E to CPUC; March 16, 2018 letter from PG&E to CPUC).

<sup>81</sup> Public Utilities Code § 316 and GO 95, Rule 19.

<sup>82</sup> SED 2017 Report, Point 019.

## **Potter/Redwood**

61. For purposes of resolving this proceeding, PG&E does not contest SED's finding that on October 8, 2017, at approximately 2334 hours, a valley oak tree limb fell onto a PG&E 60 kV overhead transmission at 13801 N. Busch Road in Potter Valley, Mendocino County, and that on October 9, 2017, at approximately 0027 hours, a valley oak tree limb fell onto PG&E's 12 kV overhead distribution conductors at 9100 Main Street in Potter Valley, Mendocino County. The tree contacts ignited the Potter Fire and combined with a spot fire found in Redwood Valley which was subsequently called the Redwood Fire.<sup>83</sup>
62. During the early morning of October 9, 2017, a PG&E troubleman drove down Hawn Creek Road at the time of the 9100 Main Street incident and did not recall seeing any damage to PG&E equipment or evidence that fire burned any area on the east side of the road, where 9100 Main Street is located.<sup>84</sup> The same troubleman later drove down the same road and recalled seeing one of three phases down on the east side of the road.<sup>85</sup> Crew members who completed repair work the following day observed only a limited area of burned vegetation and no burned structures on 9100 Main Street.<sup>86</sup> It was also PG&E's understanding that no PG&E facilities had been collected by CAL FIRE from 9100 Main Street during its investigation of the Potter/Redwood Fire.<sup>87</sup> PG&E did not believe there was a reportable event at 9100 Main Street and therefore did not file an incident report.<sup>88</sup>
63. On November 6, 2017, CAL FIRE notified PG&E that it was requesting data related to three additional sites, one of which was the Redwood incident location.<sup>89</sup> According to CAL FIRE, the fire on the property of 9100 Main Street was confirmed to be a separate fire from an overhead conductor which later burned together with the fire near 13801 North Busch Road. The three fires burned together and were named the Redwood incident.<sup>90</sup>

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<sup>83</sup> SED 2017 Report, Potter Redwood 001, 004.

<sup>84</sup> SED 2017 Report, Potter Redwood 89 (Redwood Location Fact Report).

<sup>85</sup> SED 2017 Report, Potter Redwood 89 (Redwood Location Fact Report).

<sup>86</sup> SED 2017 Report, Potter Redwood 019.

<sup>87</sup> SED 2017 Report, Potter Redwood 019 (quoting Response to CPUC Redwood Location 2 Data Request Question 1).

<sup>88</sup> SED 2017 Report, Potter Redwood 019 (quoting Response to CPUC Redwood Location 2 Data Request Question 1).

<sup>89</sup> SED 2017 Report, Potter Redwood 019.

<sup>90</sup> SED 2017 Report, Potter Redwood 034.

64. On October 10, 2017, PG&E crews completed repair work at the Redwood incident location for a repair installing approximately 100 feet of new 12 kV conductor and related splices.<sup>91</sup> However, after a search of its records, PG&E states that it has been unable to locate the work order for this repair.<sup>92</sup>
65. PG&E's Project Management Database indicates that a 2016 CEMA WUI Patrol was completed on the subject circuit.<sup>93</sup> However, after a search of its records, PG&E was unable to locate the maps for these patrols.<sup>94</sup> PG&E's vegetation management records associated with this incident location, produced February 28, 2018, indicate that no work was prescribed at the incident location during this CEMA patrol, as no inspection record or work order is created unless PG&E determines that work is indeed necessary after a CEMA inspection.<sup>95</sup>
66. In Charles Martin's<sup>96</sup> reports evaluating both trees involved in the Potter/Redwood incident, he did not identify structural defects, disease, or other pests that negatively affected the subject trees.<sup>97</sup>

### **Sulphur**

67. For purposes of resolving this proceeding, PG&E does not contest SED's finding that on October 8, 2017, a PG&E pole that was part of its Redbud 1102 circuit failed and fell to the ground which resulted in arcing and ignition of the Sulphur Fire. The Sulphur Fire ignited at 1350 Sulphur Bank Drive in Clearlake Oaks, Lake County.<sup>98</sup>

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<sup>91</sup> SED 2017 Report, Potter Redwood 094 (Response to CPUC Redwood Location 2 Data Request Question 5).

<sup>92</sup> SED 2017 Report, Potter Redwood 094 (Response to CPUC Redwood Location 2 Data Request Question 5).

<sup>93</sup> SED 2017 Report, Potter Redwood 096 (Response to CPUC Common Data Request Question 10 – Part 3).

<sup>94</sup> SED 2017 Report, Potter Redwood 096 (Response to CPUC Common Data Request Question 10 – Part 3).

<sup>95</sup> SED 2017 Report, Potter Redwood 096 (Response to CPUC Common Data Request Question 10 – Part 3); *see also* Utility Bulletin: TD-7102B-007, Second Patrol – Scope of Work Requirements, July 17, 2017 (produced as part of PG&E's Attachment B Report at PGE-2017Wildfires-OII-0000003192) at 2 (“Trees identified for work are issued on a Work Request to TC [the tree contractors].”); *id.* at 4 (“Trees identified by PI [pre-inspector] as requiring work are entered into a handheld device.”).

<sup>96</sup> Charles Martin is a CAL FIRE employee who is a Registered Professional Forester and Arborist.

<sup>97</sup> SED 2017 Report, Potter Redwood 013-14.

<sup>98</sup> SED 2017 Report, Sulphur 001.

68. On October 13, 2017, while performing restoration work, PG&E states that a PG&E contractor inadvertently removed the burnt second pole from the field during its normal course of clearing and hauling burnt PG&E poles.<sup>99</sup> PG&E states that this happened after the Sulphur Fire and after CAL FIRE collected what was believed, at the time, to be all potentially relevant evidence for the fire.<sup>100</sup> PG&E believes that the contractor disposed of the pole without knowledge that it may have been relevant evidence and without intent to destroy or conceal relevant evidence.<sup>101</sup> PG&E later alerted SED explaining what happened to the pole and stated that PG&E attempted to retrieve it from the landfill to which it had been delivered, but the landfill manager reported that there was no way to locate the specific pole.<sup>102</sup> Public Utilities Code Section 316 and GO 95, Rule 19 require a utility to provide SED access to physical evidence under the utility's physical control, custody or possession related to a reportable incident.<sup>103</sup>
69. PG&E's Project Management Database indicates that a 2016 CEMA WUI Patrol was completed on the subject circuit.<sup>104</sup> However, after a search of its records, PG&E states that it is unable to locate the maps for these patrols.<sup>105</sup> PG&E's vegetation management records associated with this incident location, produced February 28, 2018, indicate that no work was prescribed at the incident location during this CEMA patrol, as no inspection record or work order is created unless PG&E determines that work is indeed necessary after a CEMA inspection.<sup>106</sup>
70. Between October 17, 2008, and October 8, 2017, PG&E's detailed inspection documentation did not identify issues with the incident pole.<sup>107</sup>
71. Between September 2000 and October 8, 2017, PG&E's intrusive inspection documentation did not identify issues with the incident pole.<sup>108</sup>

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<sup>99</sup> SED 2017 Report, Sulphur 062 (February 16, 2018 letter from PG&E to CPUC), Sulphur 068-69 (Response to CPUC Sulphur Data Request Question 4).

<sup>100</sup> SED 2017 Report, Sulphur 062 (February 16, 2018 letter from PG&E to CPUC), Sulphur 068-69 (Response to CPUC Sulphur Data Request Question 4).

<sup>101</sup> SED 2017 Report, Sulphur 062 (February 16, 2018 letter from PG&E to CPUC), Sulphur 068-69 (Response to CPUC Sulphur Data Request Question 4).

<sup>102</sup> SED 2017 Report, Sulphur 062 (February 16, 2018 letter from PG&E to CPUC), Sulphur 068-69 (Response to CPUC Sulphur Data Request Question 4).

<sup>103</sup> Pub. Util. Code § 316 and GO 95, Rule 19.

<sup>104</sup> SED 2017 Report, Sulphur 065 (Response to CPUC Common Data Request Question 10 – Part 3).

<sup>105</sup> SED 2017 Report, Sulphur 065 (Response to CPUC Common Data Request Question 10 – Part 3).

<sup>106</sup> SED 2017 Report, Sulphur 065 (Response to CPUC Common Data Request Question 10 – Part 3); *see also* Utility Bulletin: TD-7102B-007, Second Patrol – Scope of Work Requirements, July 17, 2017 (produced as part of PG&E's Attachment B Report at PGE-2017Wildfires-OII-0000003192) at 2 ("Trees identified for work are issued on a Work Request to TC [the tree contractors]."); *id.* at 4 ("Trees identified by PI [pre-inspector] as requiring work are entered into a handheld device.").

<sup>107</sup> SED 2017 Report, Sulphur 006.

<sup>108</sup> SED 2017 Report, Sulphur 006.



### **Youngs (Maacama)**

72. For purposes of resolving this proceeding, PG&E does not contest SED's finding that on October 8, 2017, at approximately 2130 hours, a valley oak tree fell onto PG&E's 12 kV overhead conductors near 995 Maacama Lane in Healdsburg, Sonoma County. The tree contacted PG&E's conductors and caused the ignition of the Youngs Fire.<sup>109</sup>
73. On October 18, 2017, PG&E visited the incident location and observed that a California white oak/valley oak tree had broken near its mid-section and was laying on the ground near fallen conductors for the Fulton 1102 (12 kV) Circuit.<sup>110</sup> The California white oak/valley oak tree had a diameter at breast height of approximately 30 inches, was rooted uphill approximately 20 feet from the distribution conductors, and is estimated to be approximately 50 feet tall.<sup>111</sup> PG&E believes the California white oak/valley oak tree broke at a height of approximately 19 feet above ground.<sup>112</sup>
74. Between January 2, 2013 and October 8, 2017, PG&E VM personnel did not identify the subject white oak/valley oak tree for vegetation trim or removal.<sup>113</sup>
75. According to the CAL FIRE lead investigator, Charlie Laird, the subject white oak/valley oak tree exhibited an extended internal cavity and a vertical open cavity.<sup>114</sup>

## **II. Stipulated Facts Relevant to the 2018 Camp Fire**

### **A. Definitions**

76. Aerial Patrol – Visual observations to identify abnormalities (i.e., obvious structural problems or hazards) or circumstances that will negatively impact safety; aerial patrols are conducted by helicopter.<sup>115</sup>
77. Center Phase – The phase between the Left and Right Phases.
78. C-hook – Hardware that is part of an insulator assembly used to attach an insulator assembly to a structure or tower.

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<sup>109</sup> SED 2017 Report, Youngs 001.

<sup>110</sup> SED 2017 Report, Youngs 065-066.

<sup>111</sup> SED 2017 Report, Youngs 066.

<sup>112</sup> SED 2017 Report, Youngs 066.

<sup>113</sup> SED 2017 Report, Youngs 007-8.

<sup>114</sup> SED 2017 Report, Youngs 013, 014.

<sup>115</sup> SED Camp Report, CAMP-0035.

- 79. Insulator Assembly – A string of insulators and associated attachment hardware between a high-voltage conductor and a tower structure used to provide mechanical support and electrically isolate the conductor from the tower and other support structures.
- 80. Detailed Climbing Inspection – A detailed supporting-structure-based observation involving climbing of a structure to determine if there are any abnormal or hazardous conditions that adversely impact safety, service reliability, or asset life.<sup>116</sup>
- 81. Detailed Ground Inspection – A detailed visual observation used to look for abnormalities or circumstances that will negatively impact safety, reliability, or asset life, typically done from the ground with binoculars.<sup>117</sup> Individual elements and components are examined carefully through visual and/or routine diagnostic tests, and each abnormal condition is graded and/or recorded.<sup>118</sup>
- 82. Hanger plate – A part of a tower that serves as an attachment point from which insulator assemblies are suspended.
- 83. Hold-down anchor – Hardware used to anchor an insulator assembly from excessive movement, typically when the insulator assembly is subject to the effects of upward tension because of its location on a tower with lower elevation than an adjacent tower.
- 84. Left Phase - For an observer facing a tower in the southerly direction along the Caribou-Palermo line, the phase on the left-hand side of the tower.
- 85. Right Phase – For an observer facing a tower in the southerly direction along the Caribou-Palermo line, the phase on the right-hand side of the tower.
- 86. Runner arm – A steel cross-member on a structure that can be used to suspend insulator assemblies.
- 87. SED Camp Report – SED’s investigation report for the 2018 Camp Fire.
- 88. Suspension Insulator – A type of insulator that is suspended from the cross-members of a tower and is used to support conductors while electrically insulating them from the tower.

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<sup>116</sup> SED Camp Report, CAMP-0035.

<sup>117</sup> SED Camp Report, CAMP-0035.

<sup>118</sup> SED Camp Report, CAMP-0035.

89. Transposition Jumper – A conductor used to complete a phase reconfiguration of the transmission line. The phase reconfiguration consists of a realignment of a phase conductor from the position it occupies on one side of the tower to a different position on the opposite side of the tower for the purpose of improving the electrical characteristics of the transmission line.

**B. Stipulated Facts Relevant to 2018 Camp Wildfire**

90. The Camp Fire burned approximately 153,336 acres.<sup>119</sup>
91. The Camp Fire resulted in 85 confirmed fatalities and destroyed 18,804 structures.<sup>120</sup>
92. CAL FIRE identified an ignition point near the community of Pulga in Butte County.<sup>121</sup>
93. CAL FIRE identified a second ignition point located near the intersection of Concow Road and Rim Road in the city of Concow in Butte County.<sup>122</sup> PG&E does not concede that there was a second independent ignition point.

**November 8, 2018**

94. Wind speed and wind gusts recorded at 0610 hours at the Stirling City weather station were 10.27 mph and 36.39 mph respectively.<sup>123</sup> The Stirling City weather station is the closest PG&E weather station to the two ignition points identified by CAL FIRE. The November 1, 2019 Exponent report regarding a study of PG&E's Caribou-Palermo Assets states that the average wind speed experienced by the Caribou-Palermo (North) transmission line, in 2010, was 10.7 mph.<sup>124</sup>
95. The line current on the Caribou-Palermo 115kV Transmission Line for the period from 0400 to 0615 hours is reflected in Figure 1 of SED's Camp Report, which is based on Supervisory Control and Acquisition Data ("SCADA") from the Palermo Substation.<sup>125</sup>
96. PG&E's Caribou-Palermo 115 kV Transmission Line connects PG&E's Palermo Substation and Caribou #1 Powerhouse.<sup>126</sup>

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<sup>119</sup> SED Camp Report, CAMP-0002.

<sup>120</sup> SED Camp Report, CAMP-0001-2.

<sup>121</sup> SED Camp Report, CAMP-0038.

<sup>122</sup> SED Camp Report, CAMP-0038.

<sup>123</sup> SED Camp Report, CAMP-0009.

<sup>124</sup> SED Camp Report, CAMP-0597-598 and CAMP-0601, Figure 38.

<sup>125</sup> SED Camp Report, CAMP-0021, Figure 1.

<sup>126</sup> SED Camp Report, CAMP-0009.

97. At 0615 hours, Palermo Substation relay detected a ground fault current of 256 Amps and opened Circuit Breaker (“CB”) 152.<sup>127</sup>
98. At 0615 hours, Caribou #1 Powerhouse relay detected a ground fault current of 202 Amps and opened CB 112. The fault was isolated with both circuit breakers Palermo CB 152 and Caribou CB 112 opening.<sup>128</sup>
99. According to CAL FIRE’s website, the fire started at 0629 hours at 39.82° latitude and -121.44° longitude. These coordinates correspond to a location near Tower :27/222 of the Caribou-Palermo 115 kV Transmission Line.<sup>129</sup>
100. At 0630 hours, a PG&E employee observed fire in the vicinity of Tower :27/222, and this observation was reported to 911 by PG&E employees.<sup>130</sup>
101. At 0645 hours, PG&E LR 1704 operated and the Big Bend 1101 12 kV Distribution Circuit experienced an outage.<sup>131</sup>
102. LR 1704 is a protection device on PG&E’s Big Bend 1101 12 kV Distribution Circuit.<sup>132</sup>
103. Between approximately 0900 and 1300 hours, PG&E conducted an aerial patrol of the Caribou-Palermo 115 kV Transmission Line. At Tower :27/222, the patrol identified a suspension insulator supporting a transposition jumper that had disconnected from an arm on the tower.<sup>133</sup>
104. Following PG&E’s aerial patrol, PG&E filed an Electric Incident Report at 1806 hours explaining that “PG&E experienced an outage on the Caribou-Palermo 115 kV Transmission Line in Butte County.”<sup>134</sup>

### **November 9, 2018**

105. A PG&E employee on patrol arrived at the location of the pole with LR 1704 on the Big Bend 1101 12 kV Distribution Circuit and observed that the pole and other equipment was on the ground.<sup>135</sup>

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<sup>127</sup> SED Camp Report, CAMP-0009.

<sup>128</sup> SED Camp Report, CAMP-0009.

<sup>129</sup> SED Camp Report, CAMP-0009-10.

<sup>130</sup> SED Camp Report, CAMP-0010.

<sup>131</sup> SED Camp Report, CAMP-0010.

<sup>132</sup> SED Camp Report, CAMP-0010.

<sup>133</sup> SED Camp Report, CAMP-0010.

<sup>134</sup> SED Camp Report, CAMP-0010, CAMP-040.

<sup>135</sup> SED Camp Report, CAMP-0046.

### **November 12, 2018**

106. North of LR 1704, a PG&E employee observed wires down and damaged and downed poles near the intersection of Concow Road and Rim Road. At this location, the employee observed several snapped trees, with some on top of the downed wires.<sup>136</sup>

### **November 13, 2018**

107. PG&E assisted CAL FIRE in collecting evidence related to an outage on the Big Bend 1101 12 kV Distribution Circuit.<sup>137</sup>
108. CAL FIRE provided PG&E with receipts for evidence collected prior to PG&E's arrival at the site near the intersection of Concow Road and Rim Road.<sup>138</sup>

### **November 14, 2018**

109. PG&E assisted CAL FIRE in collecting evidence from Tower :27/221 and Tower :27/222 on the Caribou-Palermo 115 kV Transmission Line.<sup>139</sup> Towers :27/221 and :27/222, as well as their associated equipment, were initially installed between 1919 and 1921, and first went into service on May 6, 1921.<sup>140</sup> Portions of the line have been replaced over time as a result of routine maintenance and emergency work.<sup>141</sup>
110. PG&E identified original Great Western Power drawings for the construction of Great Western Power Line Number Three (a portion of which is now the line referred to as the Caribou-Palermo line) and the records show that certain components on the line may be original vintage. An example of Great Western Power documents that appear to be associated with Great Western Power Line Number Three is a drawing of a "Suspension Hook" dated "10-11-12."<sup>142</sup>
111. The C-hook that broke on Tower :27/222 on the Caribou-Palermo 115 kV Transmission Line (the "incident hook") bears certain similarities to a C-hook manufactured by Ohio Brass, as determined by design drawings.<sup>143</sup>

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<sup>136</sup> SED Camp Report, CAMP-0046.

<sup>137</sup> SED Camp Report, CAMP-0046.

<sup>138</sup> SED Camp Report, CAMP-0046.

<sup>139</sup> SED Camp Report, CAMP-0045-46.

<sup>140</sup> SED Camp Report, CAMP-0008-9.

<sup>141</sup> Attachment 5 (PGE-CPUC\_12062018-DR\_001\_Q37).

<sup>142</sup> Attachment 6 (PGE-CPUC\_12062018-DR\_002\_Q11); Attachment 7 (PGE-CPUC\_12062018-DR\_002\_Q12); Attachment 8 (PGE-CAMP-CPUC-0000031180).

<sup>143</sup> Attachment 8 (PGE-CAMP-CPUC-0000031180).

112. CPUC staff were at the site to observe the evidence collection.
113. At Tower :27/221 the CPUC staff observed that the right phase insulator hold-down anchor was disconnected.<sup>144</sup> PG&E found this condition during an inspection on September 11, 2018, and assigned it Priority Code E in accordance with its Electric Transmission Preventive Maintenance (“ETPM”) Manual.<sup>145</sup> Under the ETPM Manual, Priority Code E conditions must be addressed within 12 months.<sup>146</sup>
114. Post-Camp Fire inspections of the Caribou-Palermo line identified three conditions relating to hold-down anchors that resulted in Priority Code A notifications.<sup>147</sup>
115. At Tower :27/222 a suspension insulator had disconnected from its hanger plate, and was hanging from the transposition jumper wire, approximately 20-30 feet above the ground.<sup>148</sup>
116. At Tower :27/222, the C-hook holding the left phase suspension insulator (the incident hook) broke and became disconnected from its hanger plate.<sup>149</sup> During evidence collection in November 2018, CAL FIRE took possession of that portion of the incident hook that remained attached to the insulator. PG&E gained access to the area near Tower :27/222 after CAL FIRE collected evidence that it deemed relevant to its investigation. PG&E and SED have been unable to locate the remainder of the incident hook.<sup>150</sup>
117. SED made a close visual observation and took photographs before the incident hook was placed in a CAL FIRE truck bed.<sup>151</sup> In SED’s assessment: the smooth portion is an indication of wear that occurred over a long period of time prior to failure; the rough upper portion of the cross-section fractured at the time of the incident.<sup>152</sup> PG&E expresses no opinion on SED’s assessment. CAL FIRE collected the incident hook on Tower :27/222 with PG&E’s assistance in November 2018. Neither PG&E nor the CPUC are in possession of the incident hook. As of the date of this stipulation, neither PG&E nor the CPUC has been able to conduct any metallurgical analysis or testing of the incident hook.

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<sup>144</sup> SED Camp Report, CAMP-0022, Figure 2.

<sup>145</sup> SED Camp Report, CAMP-450-535.

<sup>146</sup> SED Camp Report, CAMP-0468.

<sup>147</sup> SED Camp Report, CAMP-0656-661.

<sup>148</sup> SED Camp Report, CAMP-0022, Figure 3.

<sup>149</sup> SED Camp Report, CAMP-0011, CAMP-0045-46.

<sup>150</sup> Attachment 9 (PGE-CPUC\_12062018-DR\_002\_Q02).

<sup>151</sup> SED Camp Report, CAMP-0023, Figure 4.

<sup>152</sup> SED Camp Report, CAMP-0011 and CAMP-0023, Figure 4.

118. PG&E's transmission inspection procedures, effective prior to and at the time of the Camp Fire, state that components displaying material loss greater than 50% should receive a Priority Code A maintenance notification and be immediately repaired or made safe.<sup>153</sup>
119. Prior to the incident hook breaking on Tower :27/222, the incident hook attached a suspension insulator to a hanger plate on the Tower.
120. There was wear on the working eye of the runner arm where the incident hook was attached on Tower :27/222—both the working eye on the runner arm and the working eye on the attached hanger plate displayed some degree of wear.<sup>154</sup>
121. Arc flash marks were present on the transposition jumper and a steel cross-member and leg on Tower :27/222.<sup>155</sup>

#### **November 15, 2018**

122. At approximately 1800 hours, CAL FIRE held a press conference during which it identified a “possible second origin related to the Camp incident in the Concow area.”<sup>156</sup>

#### **November 16, 2018**

123. At approximately 1600 hours, PG&E submitted the Electric Incident Report<sup>157</sup> for the second ignition point identified by CAL FIRE at the intersection of Concow Road and Rim Road. PG&E reported an outage on the Big Bend 1101 12 kV Distribution Circuit.<sup>158</sup>
124. CPUC Resolution E-4184 requires electric utilities to report electric incidents within 2 hours of a reportable incident during normal working hours or within 4 hours of a reportable incident outside of normal working hours.<sup>159</sup>

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<sup>153</sup> SED Camp Report, CAMP-0474, Table 8.

<sup>154</sup> SED Camp Report, CAMP-0024, Figure 6.

<sup>155</sup> SED Camp Report, CAMP-0023, Figure 5.

<sup>156</sup> SED Camp Report, CAMP-0010.

<sup>157</sup> SED Camp Report, CAMP-0010.

<sup>158</sup> SED Camp Report, CAMP-0010.

<sup>159</sup> CPUC Resolution E-4184.

## **November 19, 2018**

125. CAL FIRE removed a tree from an area near the intersection of Concow Road and Rim Road as evidence. CPUC staff were present to see the tree loaded on a trailer. CPUC staff also saw a PG&E crew waiting to assist with removal of PG&E equipment from the area at the request of CAL FIRE.

## **December 2018**

126. PG&E announced the launch of the Wildfire Safety Inspection Program (“WSIP”) to perform accelerated and enhanced inspections of its electric distribution, transmission, and other facilities.<sup>160</sup> PG&E implemented the WSIP following the 2018 Camp Fire.<sup>161</sup>
127. The WSIP enhanced inspections for transmission facilities involved climbing and utilizing drones to inspect the Caribou-Palermo 115 kV Transmission Line in detail. WSIP inspections are based on a Failure Modes and Effects Analysis (“FMEA”) conducted by PG&E shortly after the Camp Fire in November 2018.<sup>162</sup> The FMEA identifies potential points of failure on transmission assets that could cause a fire ignition. The FMEA involved determination of the ways that an asset or component might fail (i.e., failure modes) and determination of whether the failure may result in an ignition source. Based on the FMEA, inspection techniques for how those failure modes could be evaluated were developed. WSIP inspectors use mobile technology and electronic checklists (known as “Pronto Forms”) to document inspection findings electronically.<sup>163</sup> According to a PG&E data request response, a Centralized Inspection Review Team (CIRT), comprising individuals with relevant engineering and field expertise personnel that collectively have knowledge and background in transmission and distribution system maintenance and engineering, reviews inspection findings to determine the final priority of identified conditions.<sup>164</sup>

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<sup>160</sup> Business Wire, PG&E Announces Enhanced Wildfire Prevention and Safety Efforts Including Expanded Inspections; Additional Support for Camp Fire Victims and Their Families (Dec. 10, 2018), *available at* <https://www.businesswire.com/news/home/20181210005882/en/PGE-Announces-Enhanced-Wildfire-Prevention-Safety-Efforts>.

<sup>161</sup> SED Camp Report, CAMP-0547.

<sup>162</sup> Attachment 10, (PGE-CPUC\_06252019-DR\_SED-007\_Q06\_Camp Fire).

<sup>163</sup> Attachment 10, (PGE-CPUC\_06252019-DR\_SED-007\_Q06\_Camp Fire).

<sup>164</sup> Attachment 10, (PGE-CPUC\_06252019-DR\_SED-007\_Q06\_Camp Fire).



### **March 6, 2019**

128. PG&E's ETPM Manual defines the following Priority Codes:

**Table 1.** Transmission Notification Priority Codes<sup>165</sup>

Priority Code	Priority Description
A	The condition is urgent and requires <b>immediate</b> response and continued action until the condition is repaired or no longer presents a potential hazard. SAP due date will be 30 days to allow time for post-construction processes and notification close-out.
B	Corrective action is required within <b>3 months</b> from the date the condition is identified. The condition must be reported to the transmission line supervisor as soon as practical.
E	Corrective action is required within <b>12 months</b> from the date the condition is identified.
F	Corrective action is recommended within <b>24 months</b> from the date the condition is identified, (due beyond 12 months, not to exceed 24 months). Requires Director approval.

129. PG&E provided the CPUC 29 Priority Code "A" maintenance notifications resulting from inspections of the Caribou-Palermo 115 kV Transmission Line that occurred on or after November 8, 2018. The same inspections also identified 495 Priority Code "B," "E" and "F" maintenance notifications for the Caribou-Palermo 115 kV Transmission Line. Those inspections included climbing inspections of the line conducted before the launch of WSIP and climbing and drone inspections conducted pursuant to that program.<sup>166,167</sup>

### **March 29, 2019**

130. PG&E removed equipment from Tower :24/199, a transposition tower on the Caribou-Palermo 115 kV Transmission Line at the request of law enforcement. Neither PG&E nor SED have physical custody of the equipment that was removed. To PG&E's and SED's knowledge, CAL FIRE has not identified Tower :24/199 as a cause of the Camp Fire.

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<sup>165</sup> See Electric Transmission Preventative Maintenance Manual TD-1001M, Publication Date: 11/20/2018, Rev: 04 (produced as part of PG&E's Attachment B Report at PGE-2017Wilfires-OII-0000001151) at 19 (description of Priority Codes, Table 5). Previous version Rev: 03 dated 5/12/16 is in SED Camp Report at CAMP-0468. Rev:04 is modified from Rev:03 to add Director approval for Priority Code F conditions.

<sup>166</sup> SED Camp Report, CAMP-0536-538.

<sup>167</sup> SED Camp Report, CAMP-0539-541.

131. The C-hook removed from the right phase suspension insulator on Tower :24/199 displayed material loss of over 50% in the cross section where it made contact with the hanger plate. SED observed that the cross-section of the C-hook, where the material was worn away, was flat and smooth.<sup>168</sup> PG&E expresses no opinion on SED's assessment.

#### **May 15, 2019**

132. CAL FIRE investigators determined that the Camp Fire was caused by electric "transmission lines owned and operated by Pacific Gas and [Electric] (PG&E) located in the Pulga area."<sup>169</sup>
133. CAL FIRE investigators also determined that "[t]he cause of a second fire was determined to be vegetation into electrical distribution lines owned and operated by PG&E."<sup>170</sup>

#### **November 1, 2019**

134. Exponent completed a report titled "PG&E Caribou-Palermo Asset Condition Investigation."<sup>171</sup> The report concluded, among other things:
- a. From 2001 to November 2018, the Caribou-Palermo line was subjected to similar ground inspection and patrol frequencies as comparison lines. These inspections and patrols yielded comparable normalized high-priority tag counts between Caribou-Palermo and comparison lines.<sup>172,173</sup>
  - b. The Caribou-Palermo line was confirmed to have greater post-Camp Fire high-priority ("A" and "B") repair tag counts than all selected comparison lines, as well as an increased per-structure high-priority tag rate when normalized for the number of steel lattice towers.<sup>174</sup>

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<sup>168</sup> SED Camp Report, CAMP-0012, CAMP-0025, Figure 9.

<sup>169</sup> SED Camp Report, CAMP-0037-38.

<sup>170</sup> SED Camp Report, CAMP-0037-38.

<sup>171</sup> SED Camp Report, CAMP-0542-626.

<sup>172</sup> To best compare lines of different lengths with different numbers of structures, tag counts were normalized by the number of steel lattice towers based on approximations from PG&E's GIS data.

<sup>173</sup> SED Camp Report, CAMP-0626.

<sup>174</sup> SED Camp Report, CAMP-0625.

- c. Cold-end insulator hardware-related issues were responsible for the highest number of “A” priority post-Camp Fire tags on Caribou-Palermo, and the second highest number of “B” priority tags.<sup>175</sup>
- d. Foundation-related issues accounted for the greatest number of “B” tags.<sup>176</sup>
- e. Tags were generated due to burial of the tower footings or steel lattice members. This type of soil coverage can increase the risk of corrosion of buried steel components. However, unlike wear, soil movement does not necessarily represent tower damage. Further assessment would be required to determine if soil movement associated with high-priority tags resulted in damage.<sup>177</sup>
- f. The Caribou-Palermo, Bucks Creek-Rock Creek, and Cresta-Rio Oso lines, each located within the North Fork Feather River Canyon, exhibited high-priority cold-end hardware wear tag counts more than three times higher than the next highest comparison line when normalized for steel lattice towers.<sup>178</sup>
- g. Caribou-Palermo North<sup>179</sup> experiences higher annual average wind speeds than non-adjacent comparison lines. Lines analyzed within the North Fork Feather River Canyon may have increased wear tag rates associated with longer-duration high-wind conditions. No apparent correlation between wear tags and temperature, precipitation, or peak wind speed (50-year return) was observed.<sup>180</sup>
- h. PG&E’s post-Camp Fire enhanced inspection procedures, including CIRT or DIRT<sup>181</sup> reviews, have led to substantial improvements in identifying progressive or wear-related insulator hardware damage.<sup>182</sup>

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<sup>175</sup> SED Camp Report, CAMP-0625.

<sup>176</sup> SED Camp Report, CAMP-0625.

<sup>177</sup> SED Camp Report, CAMP-0570.

<sup>178</sup> SED Camp Report, CAMP-0625.

<sup>179</sup> For an explanation of Caribou-Palermo North and Caribou-Palermo South designations, see SED Camp Report, CAMP-0556.

<sup>180</sup> SED Camp Report, CAMP-0626.

<sup>181</sup> PG&E’s Drone Inspection Review Team.

<sup>182</sup> SED Camp Report, CAMP-0626.

- i. Caribou-Palermo and other North Fork Feather River Canyon lines appear to have a unique set of factors that contributed to increased rates of high-priority cold-end hardware tags relative to other comparison lines. Factors such as design (link connectors and a relatively large number of non-tensioned insulated conductors), long-duration exposure to higher winds, age, and historical inspection methodologies likely all contributed to these cold-end hardware wear issues.<sup>183</sup>

### **Prior to the Camp Fire**

135. According to PG&E's records, every year from 2001 to 2018, PG&E performed either a ground patrol, air patrol, or detailed inspection of the Caribou-Palermo 115 kV Transmission Line.<sup>184</sup> PG&E's ETPM Manual was first published in August 2005. Under the ETPM Manual Rev: 03, aerial patrols are required annually, detailed inspections by ground are required every 5 years, and climbing or aerial inspections are prescribed as triggered by specific conditions.<sup>185</sup> Prior to the Camp Fire, PG&E's ETPM Manual did not call for routine climbing inspections for non-500 kV towers.<sup>186</sup>
136. Consistent with minimum required time intervals in the PG&E ETPM Manual in effect at the time, PG&E's records indicate that detailed ground inspections of the Caribou-Palermo 115 kV Transmission Line were performed in 2009 and 2014. Consistent with the then-applicable guideline, Utilities Operation ("UO") Guideline G0066, which came into effect in November 1996, PG&E's records indicate that PG&E also performed ground patrols of the Caribou-Palermo line in January 2001, August 2003, and August 2005.<sup>187</sup>

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<sup>183</sup> SED Camp Report, CAMP-0626.

<sup>184</sup> Attachment 11, (PGE-CPUC\_12062018-DR\_002\_Q20).

<sup>185</sup> SED Camp Report, CAMP-0491 and CAMP-0501.

<sup>186</sup> SED Camp Report, CAMP-0491.

<sup>187</sup> SED Camp Report, CAMP-0014; Attachment 11 (PGE-CPUC\_12062018-DR\_002\_Q20).

137. PG&E inspection records for the period of January 2001 to November 8, 2018, indicate that PG&E performed detailed climbing inspections on approximately 80 towers along the Caribou-Palermo 115 kV Transmission Line between September 19 and November 5, 2018.<sup>188</sup> Notification 114730861 was created following PG&E's decision earlier in 2018 to perform climbing inspections of the Caribou-Palermo 115 kV Transmission Line and multiple other transmission lines as part of an effort to assess the condition of its transmission lines and help inform its broader asset management strategy.<sup>189</sup> Tower :27/221 and Tower :27/222 were not climbed during this period but were subject to ground inspections in 2001, 2003, 2005, 2009 and 2014.<sup>190</sup>
138. The inspectors who conducted detailed climbing inspections between September 29 and November 5, 2018 used a Steel Structure Detailed Climbing Inspection form that was dated 03/16.<sup>191</sup> A newer version of the form, PG&E's Steel Structure Detailed Climbing Inspection Form TD-1001M-F04 (dated 09/18) was published on PG&E's Technical Information Library ("TIL") on September 1, 2018.<sup>192</sup> PG&E contends that the inspection form dated 09/18 became effective on November 30, 2018 and went into effective status on the TIL on December 7, 2018, at which point the form dated 03/16 was archived and was no longer accessible through the TIL. SED contends that the form dated 03/16 became outdated when the new form was published on the TIL on September 1, 2018. Form TD-1001M-F04 dated 09/18, is shown in Figures 11 and 13 of SED's Camp Report.<sup>193</sup>
139. PG&E's records indicate that a work order was placed in 2009 for Tower :27/222 under Notification #103995542, which called for replacement of a connector.<sup>194</sup> Connectors and C-hooks are different types of equipment. The required end date for that notification was reassessed in 2011 under Notification #105375996, which referred back to Notification #103995542.<sup>195</sup>

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<sup>188</sup> SED Camp Report, CAMP-0014, CAMP-0675-676; *see also* Attachment 11.

<sup>189</sup> SED Camp Report, CAMP-0675-676; *see also* Attachment 12 (PGE-CAMP-CF-0000023311) (Notification 114730861 states "... CIRCUIT REQUIRES A DETAILED INSPECTION ON ALL STEEL STRUCTURES BY THE TOWER DEPARTMENT NORTH"); Attachment 13 (PGE-CAMP-CF-0000006474) (these were climbing inspections, as evidenced by the inspection form provided ("Steel Structure Detailed Climbing Inspection (Non-500 kV Structures)")).

<sup>190</sup> SED Camp Report, CAMP-0014.

<sup>191</sup> SED Camp Report, CAMP-0026 and CAMP-0028, Figures 10 and 12, CAMP-0673-674.

<sup>192</sup> SED Camp Report, CAMP-0029, Figures 11 and 13.

<sup>193</sup> SED Camp Report, CAMP-0027 and CAMP-0029, Figures 11 and 13.

<sup>194</sup> SED Camp Report, CAMP-0651-653.

<sup>195</sup> SED Camp Report, CAMP-0651-655.

140. Replacement hanger plates had been added to the left and right runner arms on Tower :27/222, possibly before 2000.<sup>196</sup> PG&E has been unable to locate records that identify when the attached hanger plates were installed.<sup>197</sup> However, the original plates that were replaced showed signs of wear on the working eye. See Figure 6 and Figure 7 in SED's Camp Report.<sup>198</sup> Figure 8 in SED's Camp Report shows a typical location of runner arms on transmission towers that have them.<sup>199</sup>
141. PG&E's records indicate that PG&E replaced the connector identified in Notification #103995542<sup>200</sup> on June 18, 2016. The work was originally scheduled to be completed by November 30, 2015.<sup>201</sup> PG&E's records do not indicate the reason why the connector replacement work identified in LC Notification #103995542 was completed later than the originally scheduled completion date. PG&E procedures state that notifications that go beyond the due date should document the factor(s) that led to the delayed completion of the notification.<sup>202</sup>

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<sup>196</sup> SED Camp Report, CAMP-0011, footnote 29.

<sup>197</sup> SED Camp Report, CAMP-011.

<sup>198</sup> SED Camp Report, CAMP-0024, Figures 6 and 7.

<sup>199</sup> SED Camp Report, CAMP-0025, Figure 8.

<sup>200</sup> SED Camp Report, CAMP-0651-653.

<sup>201</sup> SED Camp Report, CAMP-0651-653.

<sup>202</sup> SED Camp Report, CAMP-0468-469.

# **Attachment 1**

**PACIFIC GAS AND ELECTRIC COMPANY**  
**October 2017 Wildfires**  
**CPUC Data Request – Common**

**Requesters: Leslie L. Palmer and Nicholas Sher**

**Request Date: July 19, 2018**

**Response Date: August 3, 2018**

**Question 4:**

Provide PG&E's contracted fire investigator's report for each incident. If an investigation was not performed, explain why.

**Response to Question 4:**

No such reports exist for any of the incident locations, as defined by the CPUC's July 19, 2018, Data Request (the "incident locations"). PG&E is investigating the incident locations, including retaining experts, in preparation for litigation. At this time, this investigation, including the work performed by those experts, is privileged. PG&E previously provided Incident Description and Factual Summaries for each incident location, as defined by the CPUC's December 7, 2017, letter, in response to Question 62 of the CPUC's November 21, 2017, Data Request. Factual analysis and review of documents is ongoing.

*Response provided by:*

Jadwindar Singh, Director, Compliance & Vegetation Management, [REDACTED]  
[REDACTED]



# **Attachment 2**

**PACIFIC GAS AND ELECTRIC COMPANY**  
**October 2017 Wildfires**  
**CPUC Data Request – Common**

**Requesters: Leslie L. Palmer and Nicholas Sher**

**Request Date: November 21, 2017**

**Question 11:**

Please provide all Vegetation Management records (Records for request 7 & 8) for subject tree(s) for the past five (5) years.

**Response to Question 11:**

In response to Question 10, PG&E produced Vegetation Management records for the incident locations, as defined by the CPUC's December 7, 2017, letter for the last five years.

Based on a reasonable search, PG&E records indicate that, while each incident location was inspected numerous times in the last five years, tree work was prescribed and completed for the subject tree at three incident locations: Cherokee (Incident No. 171010-8557), Potter Valley (Incident No. 171009-8553), and Pocket (Incident No. 171021-8592). The table below identifies the subject tree records (Inspection Records and Work Requests) for these sites, which are contained within the records provided in response to Question 10.

VM Subject Tree Records for October 8, 2012 – October 8, 2017						
Incident #	Incident Name	Inspection Records			Work Requests	
		Bates Number	Tree #	Work Prescribed	Bates Number	Tree #
171010-8557	Cherokee	PGE-CPUC_00010014	3	Routine Side Trim	PGE-CPUC_00010276	66
		PGE-CPUC_00010015	3	None	N/A	N/A
		PGE-CPUC_00010017 <sup>1</sup>	3	Routine Side Trim	PGE-CPUC_00010257	86
		PGE-CPUC_00010018	4	None	N/A	N/A
171021-8592	Pocket	PGE-CPUC_00010138	2	Accelerate Side Trim	PGE-CPUC_00010331	13
		PGE-CPUC_00010140	2	None	N/A	N/A
		PGE-CPUC_00010142	2	Routine Side Trim	PGE-CPUC_00010329	2
		PGE-CPUC_00010144	2	None	N/A	N/A
		PGE-CPUC_00010146	2	None	N/A	N/A
171009-8553	Potter Valley	PGE-CPUC_00010177	4	None	N/A	N/A
		PGE-CPUC_00010178	2	Routine Side Trim	PGE-CPUC_00010351	142
		PGE-CPUC_00010179	2	None	N/A	N/A
		PGE-CPUC_00010180	2	None	N/A	N/A
		PGE-CPUC_00010182	2	None	N/A	N/A

*Response provided by:*

Principal, Vegetation Management

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<sup>1</sup> Please note that the field indicating tree species was inadvertently modified during this inspection activity.

# **Attachment 3**



Pacific Gas & Electric  
Vegetation Management  
Work Request SRNB1036983

Oct 23, 2012

Division: North Bay  
Circuit: CLOVERDALE 1102 #0042821102

0009-9636

CLOVERDALE 1102-1

SSD Routing #: 8200

Contractor: Davey

Contract: ZS4335009C

Work Type: Distribution

Acct Type: Maintenance

Total Loc # 19

General Comments:

Work Request= SRNB1036983 and TL.sAcctType= 'M'

Location Num: 3

Address		City	Quad Map	Thomas Guide	Area	Inspection Date / Time
		CLOVERDALE	H541	T-262-D2	CLOV 1102	10/10/12 11:34 AM
XStreet	Group	County	Loc Rt:	U-Bld	Insp	Inspection Company
		SONOMA	80600	No		WECI
Location Directions			Loc Lat/Lon		Customer Name #1	Customer Phone #1
2.7MI N/O RIDGE OAK RD						
Alerts			Struct1	Struct2	Customer Name #2	Customer Phone #2
Locked Gate						
SRA	Tag Number	Tag Type	Packet Project #	SSD #:	NTW Number	
Yes			0009-9636	1381		

Loc Comments:

P5-P6;4TH SPAN SE/O P2 (SSD#1381).SPAN FROM P5 BELOW RD TO P6. AXS 22000 GATE (COMBO- SEE MAP

Location Summary:	Units: 1	Notification:	Phone
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										Completed		
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Crew	Tree - Species	Trim Type	Priority	Est Hr	dbh	HV Ctr	Est Qty	Date	Qty	T&M	OT	Hrs	By	Tree #
Notes:														

Location Num: 4

Address		City	Quad Map	Thomas Guide	Area	Inspection Date / Time
		CLOVERDALE	H541	T-262-D2	CLOV 1102	10/10/12 11:50 AM
XStreet	Group	County	Loc Rt:	U-Bld	Insp	Inspection Company
		SONOMA	80610	No		WECI
Location Directions			Loc Lat/Lon		Customer Name #1	Customer Phone #1
2.6MI N/O RIDGE OAK RD						
Alerts			Struct1	Struct2	Customer Name #2	Customer Phone #2
Locked Gate						
SRA	Tag Number	Tag Type	Packet Project #	SSD #:	NTW Number	
Yes			0009-9636	1381		

Loc Comments:

P6-P7;5TH SPAN SE/O P2 (SSD#1381).SPAN FROM P6 UPHILL TO XFR P7. END OF SPAN XS RD TWICE AXS 22000 GATE (COMBO- SEE MAP

Location Summary:	Units: 2	Notification:	
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										Completed		
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Crew	Tree - Species	Trim Type	Priority	Est Hr	dbh	HV Ctr	Est Qty	Date	Qty	T&M	OT	Hrs	By	Tree #
CA	Valley Oak	Side	Accelerat	42	40	12	1	12/4/12	1	TR	0		JP	13

Com:

Tline: Owner: Private Clearance: 12  
Wire Type: None VELB Area: No Tree Lat/Lon: Worked Reason:

Tree Com: .25S;E/O LINES.SPROUTS,TTT.TRIM OV TOO

Worked Comments:

Psc Com:

Alerts:

CA	Valley Oak	Side	Routine	30	48	10	1	12/4/12	1	TR	0		JP	14
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Com:

Tline: Owner: Private Clearance: 10  
Wire Type: None VELB Area: No Tree Lat/Lon: Worked Reason:

Tree Com: .3S;E/O LNS.TTT.TOP B-LO LN HT TOO-ROT @ BASE

Worked Comments:

Psc Com:

Alerts:

# **Attachment 4**



**Pacific Gas & Electric**  
**Vegetation Management**  
**Work Request SRNC1005214**  
**Feb 3, 2015**

Division: North Coast  
 Circuit: CLOVERDALE 1102 #0042821102

0012-0127  
 CLOVERDALE 1102-1

SSD Routing #: 8200  
 Contractor: Davey Tree  
 Contract:  
 Work Type: Distribution  
 Acct Type: Maintenance  
 Total Loc # 15

General Comments:

Work Request= SRNC1005214 and TLsAcctType= 'M'

Location Num: 1

Address		City CLOVERDALE	Quad Map H541	Thomas Guide T-262-D2	Area CLOV 1102	Inspection Date / Time 1/20/15 4:37 PM
XStreet	Group	County SONOMA	Loc Rt: 80610	U-Bld No	Insp	Inspection Company WECI
Location Directions 2.6MI N/O RIDGE OAK RD			Loc Lat/Lon		Customer Name #1	Customer Phone #1
Alerts Locked Gate			Struct1	Struct2	Customer Name #2	Customer Phone #2
SRA Yes	Tag Number	Tag Type	Packet Project # 0012-0127			NTW Number

Loc Comments: P6-P7;5TH SPAN SE/O P2 (SSD#1381).SPAN FROM P6 UPHILL TO XFR P7. END OF SPAN XS RD TWICE.AXS 22000 GATE (COMBO- SEE MAP

Location Summary: Units: 2	Notification: Door Hanger	Phone
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Completed													
Grew	Tree - Species	Trim Type	Priority	Est Ht	dbh	HV Clr	Est Cby	Date	Qty	T&M	QT	Hrs	By
CA	Valley Oak	Side	Routine	42	40	12	1	3/5/15	1	TR	0		LE

Com:

Time: Owner: Private Clearance: 12  
 Wire Type: None VELB Area: No Tree Lat/Lon: Worked Reason:

Tree Com: .25S;E/O LINES.SPROUTS,TTT.TRIM OV TOO

Worked Comments:

Psc Com:

Alerts:

LA	Bay, Calif.	Side	Routine	45	60	18	1	3/5/15	1	TR	0		LE
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Com:

Time: Owner: Private Clearance: 18  
 Wire Type: None VELB Area: No Tree Lat/Lon: Worked Reason:

Tree Com: .4S; XSTM; SAG/SWY/WND; TTT/L

Worked Comments:

Psc Com:

Alerts:

Notes:

Location Num: 2

Address		City CLOVERDALE	Quad Map H541	Thomas Guide T-262-D2	Area CLOV 1102	Inspection Date / Time 1/20/15 5:13 PM
XStreet	Group	County SONOMA	Loc Rt: 80690	U-Bld No	Insp	Inspection Company WECI
Location Directions 2.1MI N/O RIDGE OAK RD			Loc Lat/Lon		Customer Name #1	Customer Phone #1
Alerts Access			Struct1	Struct2	Customer Name #2	Customer Phone #2
SRA Yes	Tag Number	Tag Type	Packet Project # 0012-0127	SSD #: 17547	NTW Number	

# **Attachment 5**



**PACIFIC GAS AND ELECTRIC COMPANY**  
**Camp Wildfire**  
**CPUC Data Request: SED-001**

**Requesters: Banu Acimis**  
**Request Date: December 6, 2018**  
**Response Sent: February 1, 2019**

**Question 37:**

When was the subject conductor(s) installed?

**Response to Question 37:**

**Incident Location 1 (as defined by the SED's Data Request IV):**

PG&E's present understanding based upon its records is that the conductor at Incident Location 1 and the associated equipment were initially installed between 1919 and 1921. PG&E understands towers on the Caribou-Palermo 115 kV Transmission Line first went into service on May 6, 1921. Portions of this line have been replaced over time as a result of routine maintenance and emergency work. PG&E is not presently aware of any records showing if or when the conductor between Towers :27/221 and :27/222 was replaced.

**Incident Location 2 (as defined by the SED's Data Request IV):**

PG&E's present understanding based upon its records is that the conductor at Incident Location 2 was installed on July 13, 2018.

*Response provided by:*

[REDACTED] Supervising Engineer, Transmission Line Engineering-North [REDACTED]  
[REDACTED]

[REDACTED] Manager Electric Asset Strategy. [REDACTED]

# **Attachment 6**

**PACIFIC GAS AND ELECTRIC COMPANY**  
**Camp Wildfire**  
**CPUC Data Request: SED-002**

**Requesters: Banu Acimis**  
**Request Date: December 6, 2018**  
**Response Date: April 2, 2019**

**Question 11:**

For incident location 1, provide all documents, including but limited to construction drawings and blueprints, showing or pertaining to Caribou-Palermo design, excavation and clearing, installation of towers, wires, all other components on the line, and the beginning of service.

**Response to Question 11:**

Based on clarification received by the SED, PG&E understands “incident location 1”, as defined by the SED’s Data Request IV, to refer to Towers :27/221 and :27/222 on the Caribou-Palermo 115 kV Transmission Line and the span of conductors in between. Consistent with the SED’s Data Request 002, Question 10, PG&E understands this question to be seeking information regarding the original design and construction of the line associated with Incident Location 1.

PG&E is producing original design drawings, bills of materials and other documents identified to date related to the construction of the section of Great Western Power Line Number Three that corresponds to what is now a section of the Caribou-Palermo 115 kV Transmission line and includes what are now referred to as Towers :27/221 and :27/222 on that line, at Bates range PGE-CAMP-CPUC-0000031176 – PGE-CAMP-CPUC-0000031180, PGE-CAMP-CPUC-0000031189 – PGE-CAMP-CPUC-0000031198, PGE-CAMP-CPUC-0000031623 – PGE-CAMP-CPUC-0000031715.

PG&E notes that some of these documents were included in a recent production to CAL FIRE, which PG&E in turn provided to the CPUC.

*Response provided by:*

[REDACTED] Manager, Transmission Portfolio Management [REDACTED]  
[REDACTED]

# **Attachment 7**

**PACIFIC GAS AND ELECTRIC COMPANY**  
**Camp Wildfire**  
**CPUC Data Request: SED-002**

**Requesters: Banu Acimis**

**Request Date: December 6, 2018**

**Response Date: April 2, 2019**

**Question 12:**

For incident location 1, provide all manuals, specifications, and manufacturer instructions for installation, maintenance, weight limits, operation, and specifications of each component of the Caribou-Palermo line.

**Response to Question 12:**

PG&E understands this question as requesting documents provided by component manufacturers, including manuals, and other documents related to specifications and manufacturer instructions for installation, maintenance, weight limits, and operations of components associated with transmission facilities at Incident Location 1, as defined by the SED's Data Request IV. PG&E is producing the documents identified to date that are responsive to this request.

PG&E is producing a series of drawings related to the original construction of Great Western Power Line Number Three, a portion of which is now part of the Caribou-Palermo 115 kV Transmission Line that encompasses Incident Location 1. These documents set forth, among other things, the specifications for certain components on the line. Those drawings are being produced at Bates range PGE-CAMP-CPUC-0000031179 – PGE-CAMP-CPUC-0000031180, PGE-CAMP-CPUC-0000031198 – PGE-CAMP-CPUC-0000031199, PGE-CAMP-CPUC-0000031700 – PGE-CAMP-CPUC-0000031709, PGE-CAMP-CPUC-0000031768 and PGE-CAMP-CPUC-0000032034.

PG&E is also producing at Bates number PGE-CAMP-CPUC-0000031200 a set of drawings for the connectors that replaced the existing connectors on Tower :27/222 in 2016. This work was described in PG&E's response to the SED's Data Request 001, Question 6.

PG&E is also producing at Bates number PGE-CAMP-CPUC-0000031711, a document showing test loads for type "SA" towers and type "SB" towers, which were originally installed on the Great Western Power Line Number Three and remain on the Caribou-Palermo 115 kV Transmission Line. Tower :27/222 is a type "SB" tower while Tower :27/221 is a type "SA" tower.

At Bates number PGE-CAMP-CPUC-0000031712, PG&E is producing a document showing heights and clearances for type "SB" towers. PG&E is also producing at Bates number PGE-CAMP-CPUC-0000032035 a drawing showing the deflection curve for the conductor on Great Western Power Line Number Three. At Bates number PGE-CAMP-CPUC-0000031710,

PG&E is producing a stress deflection chart for the cable on a section of the Caribou-Golden Gate line, a predecessor name for the Caribou-Palermo 115 kV Transmission Line.

PG&E is also producing two Ohio Brass Catalogs that contain specifications for certain components on the line. The documents at Bates numbers PGE-CAMP-CPUC-0000031769 and PGE-CAMP-CPUC-0000031911 are Ohio Brass catalogs from 1919 and 1921, respectively. PG&E is also producing at Bates number PGE-CAMP-CPUC-0000031716 an Ohio Brass document that addresses the history of certain suspension insulators that it manufactured, including suspension insulators on the Caribou-Palermo 115 kV Transmission Line.

PG&E notes that some of these documents were included in a recent production to CAL FIRE, which PG&E in turn provided to the CPUC.

*Response provided by:*

[REDACTED] Manager, Transmission Portfolio Management, [REDACTED]  
[REDACTED]

# **Attachment 8**





# **Attachment 9**

**PACIFIC GAS AND ELECTRIC COMPANY**  
**Camp Wildfire**  
**CPUC Data Request: SED-002**

**Requesters: Banu Acimis**  
**Request Date: December 6, 2018**  
**Response Date: April 2, 2019**

**Question 2:**

Have PG&E employees or agents noted any other damage to any of the towers or attached equipment, or noted parts missing from any towers, in addition to the tower damage noted in the aerial survey? If so, provide:

- a. The date and circumstances in which such damage was found, or part missing was noted.
- b. The nature and location of the damage and the components damaged, and the identity and function of the part or parts missing.
- c. PG&E's assessment of how the damage occurred, and whether PG&E understands that CalFire had taken custody of the missing parts.
- d. PG&E's assessment of whether the damage occurred independently of the first damaged tower or whether the condition of either tower damaged the other tower or increased damaged to the other tower.

**Response to Question 2:**

PG&E understands this question as requesting information about damage to Towers :27/221 and :27/222 on the Caribou-Palermo 115 kV Transmission Line.

**Damage Noted During Evidence Collection with CAL FIRE**

PG&E has provided an Incident Description and Factual Summary (the "Report") for the Incident Locations, as defined by the SED's Data Request IV. This Report was emailed to the CPUC contemporaneously with PG&E's December 31, 2018 filing as Exhibit A (titled "Camp Fire Incident Description & Factual Summary") to PG&E's response to the Northern District of California District Court's November 27, 2018 Notice re California Wildfires in the matter captioned *United States of America v. Pacific Gas and Electric Company*, Case No. 3:14-cr-00175-WHA. PG&E provided the Report with its response to the SED's Data Request 001, Question 56.

As noted in the Report, on November 14, 2018, PG&E assisted CAL FIRE's collection of assets from Towers :27/222 and :27/221. At the time of the collection, PG&E observed a broken C-hook that had attached the suspension insulator to a tower arm, along with wear at the connection point. In addition, PG&E observed a flash mark on Tower :27/222 near where the jumper was suspended and damage to the transposition jumper and suspension insulator. At Tower :27/221, there was an insulator hold down anchor (a non-energized piece of equipment) that had become disconnected. To date, PG&E has not located the remainder of the broken C-hook from Tower :27/222.

It is possible that CAL FIRE collected evidence, including the remainder of the broken C-hook that PG&E has been unable to locate, either before November 14, 2018, or between November 14, 2018 and the release of Incident Location 1 by CAL FIRE on November 17, 2018. PG&E is not aware of what evidence, if any, CAL FIRE may have collected from Incident Location 1 prior to November 14, 2018. The evidence collected by CAL FIRE of which PG&E is presently aware is set forth in the evidence log PG&E produced in its response to the SED's Data Request 002, Question 8.

#### Damage Noted After CAL FIRE Released Incident Location 1

CAL FIRE released Incident Location 1 on November 17, 2018. After the release of Incident Location 1, PG&E observed remains of broken insulators in the area surrounding Towers :27/222 and :27/221. PG&E, assisted by Fire Cause Analysis ("FCA"), a third party vendor, collected and logged these insulator fragments. PG&E produced FCA's evidence catalog in response to the SED's Data Request 001, Questions 41 and 42. FCA is continuing to catalog the evidence that it collected, and additional evidence may be added to the log.

#### Issues Noted During Enhanced Inspections

On January 22, 2019, as part of PG&E's Wildfire Safety Inspection Program ("WSIP"), PG&E conducted climbing inspections of Towers :27/222 and :27/221. On Tower :27/222, six findings, not all of which relate to "damage" to the tower, were identified: (1) "No high [voltage] signs"; (2) "Dead end arm is bent"; (3) "Top peak has not been painted"; (4) "A lot of rust and corrosion on top of structure"; (5) "C hook is rusty and corrosion is set on"; and (6) "Frog plates are corroded and rusty".

On Tower :27/221, four findings, not all of which relate to "damage" to the tower, were identified: (1) "Dirt/soil has deposited on both sides of structure and a big rock"; (2) "Has old high [voltage] sign and only on one side"; (3) "Five cross members are bent[,] three in lower positions[,] two in the air"; and (4) "Frog plates are oblong and showing signs of corrosion". These findings were recorded on inspection forms that set out an electronic checklist for assessing conditions identified during the WSIP inspections.

PG&E is producing the inspection forms for the January 22, 2019 WSIP inspections of Towers :27/222 and :27/221 at Bates range PGE-CAMP-CPUC-0000016745 to PGE-CAMP-CPUC-0000016769 and PGE-CAMP-CPUC-0000031216 to PGE-CAMP-CPUC-0000031234.<sup>1</sup>

In addition, on January 29, 2019, also as part of the WSIP, PG&E conducted drone inspections of Towers :27/222 and :27/221. On Tower :27/222, the following findings, not all of which

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<sup>1</sup> The findings identified on these forms may, but do not always, result in the generation of a preliminary ("S5") notification. A preliminary S5 notification is generated when the field inspector or drone reviewer identifies a condition that they believe is in need of repair. These preliminary notifications are subject to review by a Centralized Inspection Review Team ("CIRT"), which determines whether the findings warrant generation of a Line Corrective ("LC") Notification in accordance with PG&E's Electric Transmission Preventive Maintenance ("ETPM") Manual.

### How the Damage Occurred and the Relationship Between Damage to the Towers

## Manager, Transmission Portfolio Management & Change Control

# **Attachment 10**

**PACIFIC GAS AND ELECTRIC COMPANY**  
**Camp Wildfire**  
**CPUC Data Request: SED-007**

**Requesters: Banu Acimis**  
**Request Date: June 25, 2019**  
**Response Date: August 23, 2019**

**Question 6:**

WSIP revealed a large number of tags on the CP 115kV line. Which of these should have been identified during the previous regular inspections and patrols? Has PG&E conducted a study on how these tags were not detected during regular inspections/patrols? What is the difference between regular inspection and enhanced inspection?

**Response to Question 6:**

Since the November 8, 2018 Camp Fire, PG&E has significantly enhanced its inspection efforts in Tier 2 and Tier 3 High Fire-Threat District (“HFTD”) areas. PG&E’s WSIP inspections differ from its prior routine inspections in various ways. For example:

- Under WSIP, every transmission asset in Tier 2 or Tier 3 HFTD areas is subject to both a climbing inspection and a drone inspection. In contrast, under PG&E’s routine inspection program, only towers operating at 500 kV are climbed on a routine basis, and towers operating at less than 500 kV are climbed only as triggered by specific events specified in PG&E’s Electric Transmission Preventive Maintenance (“ETPM”) Manual. In addition, under WSIP, a Drone Inspection Review Team (“DIRT”) reviews drone photographs of transmission assets to identify potential conditions requiring repair. PG&E’s routine inspection program did not use drone technology.
- A Centralized Inspection Review Team (“CIRT”) comprising individuals with relevant engineering and field expertise reviews inspection findings to determine the final priority of identified conditions. PG&E’s routine inspection program did not utilize CIRT teams.
- WSIP inspections are based on a Failure Modes and Effects Analysis (“FMEA”) that PG&E conducted shortly after the Camp Fire in November 2018. The FMEA identifies potential points of failure on transmission assets that could cause a fire ignition. In contrast, inspections conducted pursuant to PG&E’s routine inspection program were not informed by the findings of a FMEA.
- WSIP inspections differ from prior routine inspections in that WSIP inspectors use mobile technology and electronic checklists (known as “Pronto Forms”) to document inspection findings electronically. In contrast with previous routine inspections, the WSIP inspection process requires inspectors to document and record findings for every component on an inspected structure, regardless of whether the components are

determined to require repair, which provides additional information on asset condition and increases the verifiability of inspections.

As PG&E has publicly disclosed, those efforts have identified thousands of conditions requiring repairs on PG&E's system that had not been previously identified.

As the description above makes clear, there are numerous possible reasons why conditions would be identified for the first time during an enhanced inspection. By way of example, the condition may have arisen or become more visible since the last inspection or patrol, or the enhanced inspection methods may have provided a better vantage point for detecting the condition. PG&E has not conducted a study to determine how many of the thousands of conditions identified during WSIP inspections should or should not have been detected during a prior inspection or patrol.

*Response provided by:*

Tom Wright Jr., Director, T&S Risk Analytics, [REDACTED]  
[REDACTED]

# **Attachment 11**



**PACIFIC GAS AND ELECTRIC COMPANY**  
**Camp Wildfire**  
**CPUC Data Request: SED-002**

**Requesters: Banu Acimis**  
**Request Date: December 6, 2018**  
**Response Date: April 2, 2019**

**Question 20:**

With respect to the Caribou-Palermo line, identify by date and characteristic each inspection done from January 1, 2000 until November 8, 2018, and provide the reasons why the inspection was conducted.

**Response to Question 20:**

PG&E understands this question to refer to patrols and inspections of transmission lines performed in accordance with the standards outlined in PGE's Electric Transmission Preventive Maintenance ("ETPM") Manual. PG&E's ETPM Manual supports PG&E's compliance with the CPUC's General Order ("GO") 165 Inspection Requirements for Electric Distribution and Transmission Facilities.

PG&E's understanding based upon records it has identified to date is that the Caribou-Palermo 115 kV Transmission Line was subject to the patrols and inspections identified in the table below for the period January 1, 2000 through November 8, 2018. The below table also identifies the dates on which each such patrol or inspection was performed, as well as the Bates numbers corresponding to the relevant records for each such patrol or inspection.

The reasons for and characteristics of PG&E's inspections and patrols of transmission lines, including the Caribou-Palermo 115 kV Transmission Line, are set forth in detail in the ETPM Manual, and are summarized below.

In accordance with the ETPM Manual, PG&E conducts routine patrols and inspections of transmission lines according to the schedules outlined in the ETPM Manual at Tables 10 and 11. During a routine patrol, PG&E personnel are instructed to visually observe transmission assets to identify abnormalities (*i.e.*, obvious structural problems or hazards) or circumstances that will negatively impact safety. Routine patrols are typically done by air. During a detailed inspection, PG&E personnel are instructed to visually examine transmission assets and look for and document abnormalities or circumstances they observe that will negatively impact safety, reliability, or asset life. Detailed inspections are typically done by ground with binoculars.

In accordance with the ETPM Manual, PG&E also conducts three primary types of non-annual patrols of transmission lines: non-routine, infrared, and emergency.

PG&E conducts non-routine patrols of transmission lines in the event of specific conditions that require follow up, including, for example, third-party observations and complaints, component

defects identified from a less-than-ideal vantage point, and concerns about the fast growth of vegetation. Non-routine patrols can be done by air (typically helicopter) or by ground. Non-routine patrols occur independent of and in addition to the routine schedule for patrols and inspections.

PG&E conducts infrared patrols using thermographic technology to identify abnormal conditions on electrical equipment. These patrols are typically done by air. Pursuant to the ETPM Manual, infrared patrols are conducted when required by Utility Procedure TD-1004P-04, which is being produced at Bates number PGE-CAMP-CPUC-0000020050-0060, or as triggered by specific conditions, such as component failure or a high fire hazard. In addition, PG&E conducts infrared patrols for lines that have exceeded their emergency ratings for 30 minutes or more to inspect for possible component damage.

In addition, PG&E conducts emergency patrols in response to momentary or sustained outages caused by unknown conditions on overhead or underground transmission lines. An emergency patrol is a visual check made either by ground or by air to look for the specific condition that caused the outage.

<b>Inspections Performed from January 1, 2000 through November 8, 2018 on the Caribou-Palermo 115 kV Transmission Line</b>			
<b>Notification or Order Number</b>	<b>Description</b>	<b>Date Completed</b>	<b>Bates Number</b>
<b>114730861</b>	Caribou-Palermo Non-Routine Ground Patrol	In-Progress	PGE-CAMP-CPUC-0000017231
<b>115332698</b>	Caribou-Palermo Emrg Air Patrol	12/12/2018	PGE-CAMP-CPUC-0000012110-2113
<b>115095827</b>	Caribou-Palermo Line Inspection Ground Patrol	10/28/2018	PGE-CAMP-CPUC-0000018118-8121
<b>43219839</b>	2018 Aerial Patrol	9/19/2018	PGE-CAMP-CPUC-0000000516-520
<b>114624783</b>	Caribou-Palermo Line Inspection Infrared	5/31/2018	PGE-CAMP-CPUC-0000004115-4116
<b>114354005</b>	Caribou-Palermo Line Inspection Ground Patrol	3/2/2018	PGE-CAMP-CPUC-0000018108-8110
<b>114122605</b>	Caribou-Palermo Line Inspection Ground Patrol	12/21/2017	PGE-CAMP-CPUC-0000018091
<b>42889355</b>	2017 Aerial Patrol	9/13/2017	PGE-CAMP-CPUC-0000000510-515
<b>113164291</b>	Caribou-Palermo Line Inspection Airp	8/16/2017	PGE-CAMP-CPUC-0000004110-4114
<b>112791582</b>	Caribou-Palermo Infrared Patrol	5/23/2017	PGE-CAMP-CPUC-0000004109
<b>112828418</b>	Caribou-Palermo Non-Routine Ground Patrol	5/17/2017	PGE-CAMP-CPUC-0000018117
<b>112616464</b>	Colgate-Palermo Non-Routine Air Patrol	2/21/2017	PGE-CAMP-CPUC-0000004106-4108

<b>Inspections Performed from January 1, 2000 through November 8, 2018 on the Caribou-Palermo 115 kV Transmission Line</b>			
<b>Notification or Order Number</b>	<b>Description</b>	<b>Date Completed</b>	<b>Bates Number</b>
<b>112549499</b>	Caribou-Palermo Non Routine Air	1/24/2017	PGE-CAMP-CPUC-0000004100-4105
<b>112475924</b>	Table Mtn Jan 2017 Wind/Rain Event	1/11/2017	PGE-CAMP-CPUC-0000004098-4099
<b>112533961</b>	Caribou-Palermo 24/200 Conductor	1/10/2017	PGE-CAMP-CPUC-0000018079-8085
<b>112475652</b>	Caribou - Palermo Non Routine Air Patrol	1/9/2017	PGE-CAMP-CPUC-0000004095-4097
<b>112390933</b>	Caribou-Palermo Non-Routine Ground	12/6/2016	PGE-CAMP-CPUC-0000018096-8101
<b>112010351</b>	Caribou-Palermo Non-Routine Air	10/3/2016	PGE-CAMP-CPUC-0000004093-4094
<b>42583149</b>	2016 Aerial Patrol	8/5/2016	PGE-CAMP-CPUC-0000000443-447
<b>111643890</b>	Caribou Palermo 2016 Infrared Patrol Fire Area	5/26/2016	PGE-CAMP-CPUC-0000004090-4092
<b>111071959</b>	Caribou-Palermo Non-Routine Air Patrol	12/10/2015	PGE-CAMP-CPUC-0000004088-4089
<b>111072159</b>	Caribou-Palermo Non-Routine Ground Patrol	12/10/2015	PGE-CAMP-CPUC-0000018107
<b>110529506</b>	Caribou Palermo Non-Routine Ground Patrol	7/22/2015	PGE-CAMP-CPUC-0000018102-8103
<b>42292776</b>	2015 Aerial Patrol	7/20/2015	PGE-CAMP-CPUC-0000000448-509
<b>110403178</b>	Caribou Palermo 2015 Infrared Fire Area	6/3/2015	PGE-CAMP-CPUC-00000004087
<b>110370832</b>	Caribou Palermo Non-Routine Air Patrol	5/5/2015	PGE-CAMP-CPUC-00000004086
<b>110177818</b>	Caribou-Palermo Non-Routine Air Patrol	4/14/2015	PGE-CAMP-CPUC-00000004085
<b>110030646</b>	Caribou Palermo Non-Routine Air Patrol	2/7/2015	PGE-CAMP-CPUC-00000004084
<b>41980167</b>	2014 Detailed Inspection	8/28/2014	PGE-CAMP-CPUC-0000003997-4056
<b>107938102</b>	Caribou-Palermo 2014 Infrared Patrol (Wildfire	5/22/2014	PGE-CAMP-CPUC-0000004076-4082
<b>107981920</b>	Caribou-Palermo Non-Routine Air Patrol	5/5/2014	PGE-CAMP-CPUC-00000004083
<b>107597189</b>	Caribou-Palermo Non-Routine Ground Patrol	1/13/2014	PGE-CAMP-CPUC-0000018087
<b>107477009</b>	Caribou-Palermo Non-Routine Air Patrol	11/23/2013	PGE-CAMP-CPUC-00000004075

<b>Inspections Performed from January 1, 2000 through November 8, 2018 on the Caribou-Palermo 115 kV Transmission Line</b>			
<b>Notification or Order Number</b>	<b>Description</b>	<b>Date Completed</b>	<b>Bates Number</b>
<b>41815952</b>	2013 Aerial Patrol	8/15/2013	PGE-CAMP-CPUC-0000003866-3927
<b>107061440</b>	Caribou-Palermo Non-Routine Ground Patrol	8/1/2013	PGE-CAMP-CPUC-0000018127
<b>106634988</b>	Caribou Palermo Non-Routine Grd Patrol	1/9/2013	PGE-CAMP-CPUC-0000018114
<b>106600637</b>	Caribou-Palermo Non-Routine Ground Patrol	12/24/2012	PGE-CAMP-CPUC-0000018104
<b>106572605</b>	Caribou-Palermo Non-Routine Air Patrol	12/3/2012	PGE-CAMP-CPUC-0000018113
<b>106156838</b>	Caribou Palermo NR Air Patrol	8/8/2012	PGE-CAMP-CPUC-0000018128
<b>41619753</b>	2012 Aerial Patrol	8/6/2012	PGE-CAMP-CPUC-0000003803-3865
<b>106000207</b>	Caribou Palermo Infrared Air Patrol	5/31/2012	PGE-CAMP-CPUC-0000004074
<b>105898520</b>	Caribou Palermo Non-Routine Air Patrol	1/23/2012	PGE-CAMP-CPUC-0000018105
<b>105822882</b>	Caribou Palermo Non-Routine Air Patrol/Storm	12/8/2011	PGE-CAMP-CPUC-0000018078
<b>41440593</b>	2011 Aerial Patrol	7/27/2011	PGE-CAMP-CPUC-0000003740-3802
<b>105341808</b>	Caribou-Palermo Non Routine Air Patrol	6/17/2011	PGE-CAMP-CPUC-0000018122-8125
<b>41504355</b>	Caribou-Palermo Non Routine Patrol	6/15/2011	PGE-CAMP-CPUC-0000016973
<b>105223329</b>	Caribou Palermo Non - Routine Air Patrol	2/25/2011	PGE-CAMP-CPUC-0000018106
<b>105180842</b>	Caribou Palermo Non - Routine Grd Patrol	1/6/2011	PGE-CAMP-CPUC-0000018126
<b>104890485</b>	Caribou Palermo Non - Routine Grd Patrol	10/15/2010	PGE-CAMP-CPUC-0000018092
<b>104884393</b>	Caribou Palermo Non - Routine Air Patrol	10/12/2010	PGE-CAMP-CPUC-0000018076
<b>41233615</b>	2010 Aerial Patrol	8/6/2010	PGE-CAMP-CPUC-0000003678-3739
<b>104687592</b>	Caribou Palermo Infrared Air Patrol	5/4/2010	PGE-CAMP-CPUC-0000004073
<b>104436864</b>	Caribou Palermo Non - Routine Air Patrol	2/5/2010	PGE-CAMP-CPUC-0000018090
<b>41011565</b>	2009 Detailed Inspection	8/31/2009	PGE-CAMP-CPUC-0000003928-3996

<b>Inspections Performed from January 1, 2000 through November 8, 2018 on the Caribou-Palermo 115 kV Transmission Line</b>			
<b>Notification or Order Number</b>	<b>Description</b>	<b>Date Completed</b>	<b>Bates Number</b>
<b>103949626</b>	Caribou Palermo Non - Routine Grd Patrol/Fire	8/16/2009	PGE-CAMP-CPUC-0000018095
<b>103655045</b>	Caribou Palermo Non - Routine Air Patrol	1/14/2009	PGE-CAMP-CPUC-0000018093
<b>103307720</b>	Caribou Palermo Infrared Non -Routine Ptrl	10/17/2008	PGE-CAMP-CPUC-0000004072
<b>40898009</b>	2008 Aerial Patrol	8/22/2008	PGE-CAMP-CPUC-0000016924-6972
<b>103165797</b>	Caribou Palermo Non - Routine Grd Patrol/Fire	7/19/2008	PGE-CAMP-CPUC-0000018116
<b>103161265</b>	Caribou Palermonon Rnt Grd Patrol/Fires	7/14/2008	PGE-CAMP-CPUC-0000018094
<b>103155367</b>	Caribou Palermo Non Rnd Grd Patrol	7/8/2008	PGE-CAMP-CPUC-0000018077
<b>103129923</b>	Caribou Palermo Non - Routine Grd Patrol/Fire	7/7/2008	PGE-CAMP-CPUC-0000018088
<b>103117780</b>	Caribou -Palermo Non Routine Patrol	6/22/2008	PGE-CAMP-CPUC-0000018112
<b>102876082</b>	Caribou Palermo Non - Routine Patrol	2/12/2008	PGE-CAMP-CPUC-0000018089
<b>102835999</b>	Caribou Palermo N - Routine Air Patrol	1/11/2008	PGE-CAMP-CPUC-0000018111
<b>40700549</b>	2007 Aerial Patrol	6/7/2007	PGE-CAMP-CPUC-0000016876-6923
<b>102315958</b>	Caribou-Palermo Non-Routine Air Patrol	3/28/2007	PGE-CAMP-CPUC-0000018164
<b>102290387</b>	Caribou-Palermo Non-Routine Air Patrol	2/23/2007	PGE-CAMP-CPUC-0000018171
<b>102290384</b>	Caribou-Palermo Non-Routine Ground Patrol	2/22/2007	PGE-CAMP-CPUC-0000018165
<b>102287591</b>	Caribou-Palermo Non-Routine Air Patrol	2/20/2007	PGE-CAMP-CPUC-0000018163
<b>102263830</b>	Caribou-Palermo Non-Routine Air Patrol	1/22/2007	PGE-CAMP-CPUC-0000018172
<b>102216467</b>	Caribou-Palermo Non-Routine Ground Patrol	11/16/2006	PGE-CAMP-CPUC-0000018167
<b>40597326</b>	2006 Aerial Patrol	8/22/2006	PGE-CAMP-CPUC-0000016974-7065
<b>102072527</b>	Caribou-Palermo Non-Routine Ground Patrol	7/13/2006	PGE-CAMP-CPUC-0000018160
<b>40432681</b>	2005 Ground Patrol	8/15/2005	PGE-CAMP-CPUC-0000016774-6820

Inspections Performed from January 1, 2000 through November 8, 2018 on the Caribou-Palermo 115 kV Transmission Line			
Notification or Order Number	Description	Date Completed	Bates Number
101791317	Caribou Palermo Emergency A-Patrol	6/29/2005	PGE-CAMP-CPUC-0000018170
40377249	2004 Aerial Patrol	9/1/2004	PGE-CAMP-CPUC-0000017066-7113
101316411	Caribou-Palermo Emergency Ground Patrol	3/18/2004	PGE-CAMP-CPUC-0000018166
101280778	Caribou-Palermo Emergency Ground Patrol	2/4/2004	PGE-CAMP-CPUC-0000018161
40255152	2003 Ground Patrol	8/11/2003	PGE-CAMP-CPUC-0000017114-7148
101028212	Caribou-Palermo Emergency Air Patrol On Relay	6/24/2003	PGE-CAMP-CPUC-0000018162
40124199	2002 Aerial Patrol	8/20/2002	PGE-CAMP-CPUC-0000017149-7188
100703476	Caribou-Palermo Emergency Air Patrol	4/25/2002	PGE-CAMP-CPUC-0000018169
N/A	Emergency Patrol Inspection Datasheet	10/22/2001	PGE-CAMP-CPUC-0000016872-6873
100546280	Caribou-Palermo Emergency Air Patrol	9/27/2001	PGE-CAMP-CPUC-0000018168
40083387	Caribou-Palermo Emergency Air Patrol	9/24/2001	PGE-CAMP-CPUC-0000016874-6875
40112802	2001 Infrared Patrol	7/31/2001	PGE-CAMP-CPUC-0000016870-6871
40105141	2001 Aerial Patrol	7/10/2001	PGE-CAMP-CPUC-0000033029-3072
100487040	Caribou-Palermo :18/157 Emergency Patrol	7/4/2001	PGE-CAMP-CPUC-0000018173
40035884	2001 Ground Patrol	1/25/2001	PGE-CAMP-CPUC-0000016821-6869

Response provided by:

Manager, Transmission Portfolio Management.

# **Attachment 12**



## CARIBOU-PALERMO NON RTN GROUND PATROL

LC # 114730861  
Priority E - Schd Compl Yr 0  
Work Type 539 - BFY-PatrolGround-Emergency

Line Name 10391 CARIBOU-PALERMO  
Functional Location ETL.3190 - 10391 CARIBOU-PALERMO  
Equipment  
Structure ID  
Main Work Center TABLEMTN - Table Mountain Required End Date 6/12/2019  
Planner Group TLM - GC Tower -TABLEMTN Order # 43382525  
Voltage Wood ☐ Steel ☐  
Latitude 0 Longitude 0  
Bird report event log Bird Incident #

Facility	Damage	Activity
LINE Non-Routine Patrol	INVG Investigate	GRPT Ground Patrol

Status - Cond/Oper Info	Status - Field Ident	Status - Field Cond (Expo)	Status - Field Cond (Access)	Status - Other
NONR Non-Routine				

Street  
Cross Street  
Division NV  
City Zip 00000  
County 004 - Butte County

Crew Size  
Estimated Labor Hours

Reported by Date Found 6/12/2018

Completed By Date Actual Labor Hours  
Reviewed By Date  
Signature  
*I verify that all maintenance on this notification is completed*

## Field Notes

## Long Text

06/26/2018 14:54:17  
PER ( )CIRCUIT REQUIRES A DETAILED INSPECTION ON ALL STEEL  
STRUCTURES BY TOWER DEPARTMENT NORTH



# **Attachment 13**

# **Steel Structure Detailed Climbing Inspection (Non-500 kV Structures)**

The 500 kV Tower Line Climbing Inspection Form provides a ready reference to ensure a thorough inspection.

- It is intended that the items on Page 2 of the form will be inspected during the climbing inspection.
- Refer to the ETPM Manual for guidance regarding the Facility, Damage, and Action

Structure #: <b>10/86</b>	Line Name: CARIBOU-PALERMO	Voltage: 115	SAP Structure ID #: <b>40816572</b>
Date Inspected: <b>10/30/18</b>	Inspected By: [REDACTED]	[REDACTED] # [REDACTED]	
Order #: 43382525	Notification Required:	No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> Notification #:
Comments:	[REDACTED]		
Inspector Review:	[REDACTED] (Signature)	LAN ID [REDACTED]	Date: <b>10/30/18</b>
Supervisor Review:	[REDACTED] (Signature)	LAN ID:	Date:

## **PRIORITY CODES**

N/A	Does not apply to this location
NP	No problem found
*Using Priority Code requires a Condition and Action to be documented*	
PC	Problem corrected at the time of inspection
A	Perform work immediately
B	Perform work within 3 months
E	Perform work within 12 months
F	Perform work within 24 months

## **INSTRUCTIONS.**

1. The Facility, Damage, and Action Codes (FDA), are to be in accordance with the Electric Transmission Preventive Maintenance Manual.
2. Send completed forms to:  
Tower Dept. Davis  
500Kv Inspection file  
316 "L" Street,  
Davis, CA 95616

## Steel Structure Detailed Climbing Inspection (Non-500 kV Structures)

Elec. Trans.  
ETPM Form  
TD-1001M-FXX  
03/16

CHECK THIS ITEM	Condition Found							Damage	Action	COMMENTS
	N/A	NP	PC	A	B	E	F			
<b>ANCHOR FOUNDATION</b>										
Concrete is at least 6" above ground line	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Concrete is not cracked or deteriorated	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Concrete is sealed and water proofed	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Earth around anchors is not eroded	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Anchors have no evidence of pull out?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Do anchors consist of loops or rods?	<input checked="" type="checkbox"/>	<input type="checkbox"/> Loops		<input type="checkbox"/> Rods						
<b>GUY WIRE</b>										
Guys are properly tensioned	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Turnbuckle punched	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Proper guy cable and hardware used	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
6" of travel left in turnbuckle	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Preform cross ties properly installed	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Guy tails clipped properly	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Preform grips in thimbles	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Correct number of guys	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Automatic Guy Splice Present	<input checked="" type="checkbox"/> No		<input type="checkbox"/> Yes							
<b>STRUCTURE FOUNDATIONS</b>										
Concrete is at least 6" above ground line	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Concrete is not cracked or deteriorated	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Rebar Exposed	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Concrete is sealed and water proofed	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Earth around structure is not eroded	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Direct buried steel grillage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Piles exposed	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Piles rotted/deteriorated	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
<b>STRUCTURE/STEEL</b>										
Tower is plumb and not leaning	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Tower legs straight, not bowed or twisted	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
High voltage signs per E.D. 022168	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Tower no. & line name per E.D. 022168	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Anti-climbing guard per E.D. 022168	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Climbing steps installed correctly & are in good condition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Broken or bent members	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Loose or missing steel members	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Loose bolts	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Missing bolts	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
All bolt threads are double punched	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Galvanized finish is OK	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Galvanox applied to unfinished areas	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Working eyes and shackles free of wear	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Bird nests present	<input checked="" type="checkbox"/> No		<input type="checkbox"/> Yes							
Cell antenna attachments	<input checked="" type="checkbox"/> No		<input type="checkbox"/> Yes							
Unauthorized attachments	<input checked="" type="checkbox"/> No		<input type="checkbox"/> Yes							
Bird Mitigation installed	<input checked="" type="checkbox"/> No		<input type="checkbox"/> Yes							
Bird Mitigation recommended	<input checked="" type="checkbox"/> No		<input type="checkbox"/> Yes							



## Steel Structure Detailed Climbing Inspection (Non-500 kV Structures)

CHECK THIS ITEM	Condition Found							Damage	Action	Comments
	N/A	NP	PC	A	B	E	F			
<b>CONDUCTOR</b>										
Conductor is in good condition, no broken strands or birdcaging at the connectors or in the span	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
All dampers are present?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
All dampers are in good condition, not fatigued with drooping messenger or missing weight	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
<b>OVERHEAD GROUND WIRE</b>										
Shield wire or OPGW is grounded properly	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Shield wire is in good condition, no broken strands at the connectors or in the span	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
All dampers are in present?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
All dampers are in good condition?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
<b>HARDWARE &amp; INSULATORS</b>										
Insulator cap(s) are free of corrosion	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
All insulators are intact and in good condition, not chipped or broken?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
<b>VEGETATION</b>										
Vegetation impact foundation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Vegetation impact structure	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			

**Comments and Overall Condition of Foundations, Guys, Structure, & Conductor:**

Tower is in great condition

## Exhibit B

### Violations Alleged by SED and PG&E's Positions as Part of Settlement

The below tables list all violations alleged by SED in this proceeding. For purposes of this settlement agreement, PG&E does not contest the violations that are identified as “Not contested” in the PG&E Position column. The fact that PG&E is not contesting these violations is not a concession that the violations occurred, is inadmissible in evidence in court or in any other legal proceeding, and cannot and should not be used for any purpose in any litigation or any other legal proceeding.

#### A. Violations related to 2017 Wildfires

No.	Fire Name	Alleged Violation	PG&E Position
1.	Adobe	GO 95, Rule 31.1 – Hazardous tree not identified and abated	Disputed
2.	Adobe	GO 95, Rule 31.1 – Records of 2015 CEMA inspection not retained	Not contested
3.	Adobe	GO 95, Rule 31.1 – Work order completed late	Not contested
4.	Atlas	GO 95, Rule 31.1 – Failure to identify and abate hazardous Black Oak tree at Atlas 1 site	Disputed
5.	Atlas	GO 95, Rule 31.1 – Failure to identify and perform correctional prune of hazardous Valley Oak codominant branch at Atlas 2 site	Disputed
6.	Atlas	GO 95, Rule 35 – Vegetation clearance not maintained at Atlas 1 site	Disputed
7.	Atlas	GO 95, Rule 35 – Vegetation clearance not maintained at Atlas 2 site	Disputed
8.	Atlas	GO 95, Rule 31.1 – Work order completed late	Not contested
9.	Cascade	GO 95, Rule 38 – Conductor clearance not maintained	Disputed
10.	Cherokee	No violations identified	N/A
11.	La Porte	No violations identified	N/A
12.	Lobo	GO 95, Rule 31.1 – Hazardous tree with open cavity not identified and abated	Disputed
13.	Lobo	GO 95, Rule 31.1 – Failure to identify unsafe condition that left the subject tree exposed to high winds	Disputed
14.	Lobo	GO 95, Rule 31.1—Records of 2014 CEMA inspection not maintained	Not contested

15.	Lobo	GO 95, Rule 35 – Vegetation clearance not maintained	Disputed
16.	McCourtney	GO 95, Rule 31.1 – Failure to identify and remove a hazard tree	Disputed
17.	McCourtney	GO 95, Rule 35 – Vegetation clearance not maintained	Disputed
18.	Norrbom	GO 95, Rule 31.1 – Hazardous tree not identified and abated	Disputed
19.	Norrbom	GO 95, Rule 35 – Vegetation clearance not maintained	Disputed
20.	Nuns	GO 95, Rule 35 - Improper prioritization and delay in abating vegetation strain on secondary conductor	Disputed
21.	Oakmont/Pythian	GO 95, Rule 31.1 – Incomplete patrol prior to re-energizing circuit	Not contested
22.	Oakmont/Pythian	GO 95, Rule 31.1 – Failed to complete work order and reinforce a pole	Disputed
23.	Oakmont/Pythian	GO 95, Rule 31.1 – Completed a work order late	Not contested
24.	Partrick	GO 95, Rule 31.1 – Hazardous tree not identified and abated	Disputed
25.	Partrick	GO 95, Rule 35 – Vegetation clearance not maintained	Disputed
26.	Pocket	GO 95, Rule 31.1 – Hazardous tree not identified and abated	Disputed
27.	Pocket	GO 95, Rule 35 – Vegetation clearance not maintained	Disputed
28.	Point	GO 95, Rule 19 – Evidence disposal	Not contested
29.	Potter/ Redwood	Resolution E-4184 – Second fire located at 9100 Main St., Potter Valley not reported	Disputed
30.	Potter/Redwood	GO 95, Rule 31.1 – Repair records not maintained	Not contested
31.	Potter/Redwood	GO 95, Rule 31.1 – Records of 2016 CEMA inspection not maintained	Not contested
32.	Sulphur	GO 95, Rule 19 – Evidence disposal	Not contested
33.	Sulphur	GO 95, Rule 31.1 – Records of 2016 CEMA inspection not maintained	Not contested
34.	Tubbs	No violations identified	N/A
35.	Youngs/ Maacama	GO 95, Rule 31.1 – Hazardous tree not identified and abated	Disputed
36.	Youngs/ Maacama	GO 95, Rule 35 – Vegetation clearance not maintained	Disputed
37.	37	N/A, not a reportable incident	N/A

**B. Violations related to 2018 Wildfires**

<b>No.</b>	<b>Fire Name</b>	<b>Alleged Violation</b>	<b>PG&amp;E Position</b>
1.	Camp	GO 95, Rule 44.3 - PG&E failed to replace or reinforce the C-hook on Tower :27/222 (Incident Tower) before its safety factor was reduced to less than two-thirds of the safety factor specified in Rule 44.1, Table 4, which is a violation of Rule 44.3.	Disputed
2.	Camp	GO 95, Rule 31.1 - PG&E failed to maintain the C-hook supporting the transposition jumper on the Incident Tower :27/222 for its intended use and regard being given to the conditions under which it was to be operated.	Disputed
3.	Camp	GO 95, Rule 31.2 - PG&E failed to inspect Incident Tower thoroughly and failed to detect an immediate Safety Hazard or Priority A condition on the incident C-hook.	Disputed
4.	Camp	GO 165, § IV - PG&E failed to follow its procedures by failing to document the factors and reasons that led to the delay in the repair work on the Incident Tower.	Not contested
5.	Camp	GO 165, § IV - PG&E failed to conduct detailed climbing inspections when conditions to trigger climbing inspections were evident as specified in PG&E's procedures.  Wear on the original working eyes that remained on the Incident Tower is an indication of a known condition with potential to recur on the added hanger plates with working eyes, which should have triggered detailed climbing inspection to examine the added hanger plates.	Disputed
6.	Camp	GO 95, Rule 31.1 - The condition of the C-hook (material loss > 50%) supporting the transposition jumper on Tower :24/199 demonstrates that PG&E did not maintain the tower for its intended use.	Disputed
7.	Camp	GO 95, Rule 31.2 - PG&E failed to inspect	Disputed

		Tower :24/199 thoroughly and failed to detect an immediate Safety Hazard or Priority A Condition on the C-hook.	
8.	Camp	GO 165, § IV - C-hook on Tower :24/199 had material loss of over 50%. PG&E failed to detect and correct the Priority A condition as specified in PG&E's procedures.	Disputed
9.	Camp	GO 95, Rule 18 - PG&E assigned an incorrect priority for an immediate Safety Hazard (disconnected insulator hold-down anchor on Tower :27/221).	Disputed
10.	Camp	GO 165, § IV - PG&E failed to follow its procedures by using an outdated inspection form during the detailed climbing inspections that PG&E conducted from September 19 to November 5, 2018.	Not contested
11.	Camp	Res. E-4184 - PG&E failed to report the reportable incident on the Big Bend 1101 12kV Distribution Circuit in a timely manner.	Not contested
12.	Camp	CA Public Utilities Code, § 451 - PG&E failed to maintain an effective inspection and maintenance program to identify and correct hazardous conditions on its transmission lines in order to furnish and maintain service and facilities, as are necessary to promote the safety and health of its patrons and the public.	Disputed



## Exhibit C

### Description of PG&E Shareholder-Funded System Enhancement Initiatives

A. Funding and Duration of PG&E Shareholder-Funded System Enhancement Initiatives. \$50 million in shareholder-provided settlement funds shall be spent on the System Enhancement Initiatives identified in Part B below, which will be undertaken to enhance, among other things, PG&E's Vegetation Management and Electric Operations compliance and capabilities and the safety and reliability of PG&E's electrical system.

The Settling Parties agree on the following estimates of duration and funding requirements for each of the System Enhancement Initiatives identified in Section B. The actual duration and funding level for each of the System Enhancement Initiatives may be modified upon agreement by PG&E and SED, as long as shareholder-provided settlement funds for the System Enhancement Initiatives total \$50 million.

SED understands that the estimates provided by PG&E for each of the initiatives are high-level estimates only, subject to revision and do not constitute a promise by PG&E to complete any System Enhancement Initiative within the estimate provided. If PG&E becomes aware that it will not fully expend the shareholder settlement funds estimated for a System Enhancement Initiative, it shall inform SED as part of its semi-annual report as described in Section III.B of the Settlement Agreement, and PG&E and SED shall make a good faith effort to reach agreement on the method of expending any remaining funds.

### Duration and Funding Estimates for PG&E Shareholder-Funded System Enhancement Initiatives

Shareholder-Funded System Enhancement Initiatives	Estimated Duration (Years) <sup>1</sup>	Estimated Shareholder Funding (Millions)
Tree Crew Training and Certificate Program	3	\$6.25
Pre-Inspector Training and Certificate Program	3	\$3.5
Vegetation Management Oversight Pilot	1	\$10.0
Development of Recommendations for General Order 165 Revisions	1	— <sup>2</sup>
Accelerating Commercialization of Non-Diesel Temporary Generation	3	\$10.0

<sup>1</sup> The estimated duration runs from the Effective Date.

<sup>2</sup> For any System Enhancement Initiative listed with “—” in the Estimated Shareholder Funding column, the Settling Parties expect any costs to be de minimis or full time employee time only. The Settling Parties have not allocated any shareholder funding to these System Enhancement Initiatives because they expect that the costs of tracking the expenditure of such funds would outweigh the benefits.

<b>Shareholder-Funded System Enhancement Initiatives</b>	<b>Estimated Duration (Years)<sup>3</sup></b>	<b>Estimated Shareholder Funding (Millions)</b>
LiDAR Asset Analysis	1 <sup>4</sup>	\$0.5
Independent Root Cause Analysis	1	\$3.0
Fuel Reduction Funding	1 <sup>5</sup>	\$2.0
Resilience Centers Grant Program	5 <sup>6</sup>	\$2.0
Funding to California Foundation for Independent Living Centers	1 <sup>7</sup>	\$5.0
Officer Safety Town Halls	5	—
Semi-Annual Wildfire Mitigation Meetings	3	—
ISO 55000 Certification	Make good faith effort to initiate final ISO 55000 certification assessment by end of 2020	\$1.0
Independent Wildfire Safety Audits	3	\$6.0
Verification of Safety-Related Filings	3	—
Quarterly Reporting on Electric Maintenance Work	3	—
Local Government Vegetation Management Data Sharing	3	—
Local Government System Hardening Data Sharing	3	—
Documentation of “Near Hit” Potential Fire Incidents	3 <sup>8</sup>	—
Study of Distribution and Transmission System	Not specified	\$0.75
<b><u>TOTAL</u></b>		<b>\$50.0</b>

<sup>3</sup> The estimated duration runs from the Effective Date.

<sup>4</sup> Within one year of the Effective Date, PG&E will implement the pilot program.

<sup>5</sup> Funds shall be disbursed or committed for future disbursement by one year from the Effective Date.

<sup>6</sup> Funds shall be disbursed within five years of the Effective Date.

<sup>7</sup> Funds shall be disbursed, or committed for future disbursement, within one year of the Effective Date.

<sup>8</sup> PG&E will review with OSA and SED annually to assess the utility of the data being provided and confirm that the parties wish to continue receiving the data. PG&E will continue this sharing for up to three years following the Effective Date as long as annual reviews determine an ongoing interest or unless the Wildfire Mitigation Plan Proceeding (Rulemaking 18-10-007) determines a scope for utility reporting of “near hit” data that in substance supersedes this System Enhancement Initiative.

B. System Enhancement Initiatives. PG&E shall undertake the following System Enhancement Initiatives:

**Vegetation Management-Focused Initiatives**

1. Tree Crew Training and Certificate Program. PG&E, in partnership with International Brotherhood of Electrical Workers (“IBEW”) and educational institutions in Northern California, will establish a multi-week training program designed to provide the skills and knowledge necessary to perform tree crew work safely and competently. The Tree Crew Training Program will provide both classroom and in-the-field instruction, which will focus on safety, climbing, and line clearance qualifications. Those who successfully complete the program will receive a certificate. Certificate holders will meet the minimum requirements to be hired as entry-level tree workers by PG&E and its contractors; and receive support in obtaining certification as International Society of Arboriculture (“ISA”) Certified Tree Worker Climber Specialists. PG&E estimates that completion of the course work required to obtain ISA Certified Tree Worker Climber Specialist certification would take up to three years. PG&E will adopt a continuous improvement element to the Training Program and, therefore, may also adjust training elements based on user feedback and performance after initial implementation. The Settling Parties estimate that the Tree Crew Training Program will be shareholder-funded for a three-year period from the Effective Date and not exceed \$6.25 million of shareholder funding.

2. Pre-Inspector Training and Certificate Program. PG&E, in partnership with educational institutions in Northern California, will establish a multi-week training program designed to provide the skills and knowledge necessary to perform pre-inspector work safely and competently. Pre-Inspectors are the vegetation management personnel that are responsible for identifying hazardous and diseased trees for trimming. The Pre-Inspector Training Program will provide both classroom and in-the-field instruction. Those who successfully complete the program will receive a certificate and support in obtaining ISA certification. PG&E will adopt a continuous improvement element to the Training Program and therefore also may adjust training elements based on user feedback and performance after initial implementation. The Settling Parties estimate that the Pre-Inspector Training Program shall be shareholder-funded for a three-year period from the Effective Date and not exceed \$3.5 million of shareholder funding.

3. Vegetation Management Oversight Pilot. PG&E will implement a Vegetation Management Oversight (“VMO”) pilot program designed to provide enhanced oversight of pre-inspection and tree work performed on behalf of PG&E. The VMO pilot program will consist of two main initiatives. First, PG&E will add additional in-field workers directly responsible for real-time observation of and direct feedback to pre-inspectors and tree workers regarding safety, productivity, and quality. These field observers will also assess workers’ adherence to PG&E procedures. Consistent with PG&E procedures, field observers will be subject to PG&E’s universal “Stop the Job” policy. Under the “Stop the Job” policy, field observers who identify a safety risk or compliance issue will intervene in order to address and correct the identified safety risk or compliance issue. Second, PG&E will bolster its Quality Control team, which helps to ensure that pre-inspectors and tree crews meet PG&E’s vegetation management goals. PG&E expects these efforts to include trend analysis, additional internal reporting, and a “work verification team” that provides verification on all Enhanced Vegetation Management work. The

Settling Parties estimate that the VMO pilot program shall be shareholder-funded for a one-year period from the Effective Date and shall not exceed \$10 million of shareholder funding.

### **Electric Operations-Focused Initiatives**

4. Development of Recommendations for General Order 165 Revisions. During a one-year period following the Effective Date, PG&E will collaborate with SED and other interested Settling Parties to develop recommendations for revisions to GO 165, which could include revisions to its provisions regarding both transmission facilities and distribution facilities. Recommendations may include the incorporation of components of PG&E's enhanced electric transmission inspection program, scheduled to launch in 2020.

5. Accelerating Commercialization of Non-Diesel Temporary Generation. PG&E will issue a Request for Information ("RFI") intended to identify non-diesel generators capable of meeting a range of use cases including (but not limited to) planned outages, unplanned outages, and temporary micro-grids for Public Safety Power Shutoff ("PSPS") events, including Resilience Zones.<sup>9</sup> If the RFI identifies a solution that is ready for deployment, PG&E will commit commercialization funds of up to \$10 million to acquire the product(s) for use. If a ready-for-deployment solution is not identified, PG&E will augment the RFI with funding up to \$10 million in order to incentivize market competition for the development of workable, cost-effective solutions. The Settling Parties estimate that this initiative will be shareholder-funded for a three-year period from the Effective Date and not exceed \$10 million of shareholder funding.

### **System-Wide Analyses**

6. LiDAR Asset Analysis. Within one year of the Effective Date, PG&E will implement a pilot program for the purpose of: (1) designing and testing a Light Detection and Ranging ("LiDAR") data-based methodology capable of estimating the probability of contact between overhead distribution conductors that are exposed to high wind in Tier 3 HFTD<sup>10</sup> areas; and (2) creating modeling and analytical tools designed to supplement the evaluation of overhead distribution conductors during inspections. The pilot program will include the following phases: (a) categorization of the data collected for the purpose of converting the data into inputs for the computer system; (b) building the model using the collected, categorized data; (c) training and testing the model using the collected, categorized data; and (d) utilization of the model in order to answer questions about the data. The data collected for use in the pilot program will be either data that is in PG&E's possession or data that PG&E is in the process of collecting for other purposes. PG&E will adopt a continuous improvement element to the pilot program and will

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<sup>9</sup> As used in the Settlement Agreement, "Resilience Zones" refers to designated areas for which PG&E provides electricity to central community resources during a PSPS.

<sup>10</sup> As used in Exhibit C, Tier 2 and Tier 3 High Fire-Threat District ("HFTD") areas mean those areas that the Commission has designated as Tier 2 – Elevated or Tier 3 – Extreme Fire-Threat Areas. The areas designated as such may be found at [cpuc.ca.gov/FireThreatMaps](http://cpuc.ca.gov/FireThreatMaps).

consider whether to include load data, temperature data, or other data inputs in the pilot program. PG&E will commit \$500,000 of shareholder funds to this initiative.

7. Independent Root Cause Analysis. PG&E shareholders shall pay for an independent root cause analysis company to conduct a Root Cause Analysis (RCA) for each of the wildfires included in this OII that were reportable incidents to the CPUC and for which CAL FIRE determined that the ignition involved PG&E facilities.<sup>11</sup> The RCA for the applicable 2017 wildfires will be started within three months of bankruptcy court approval of this OII Settlement and completed no later than one year after the date on which the RCA commences. Due to the inaccessibility of evidence related to the Camp Fire and to ensure that a thorough RCA is conducted, the RCA for the 2018 Camp Fire will be started upon conclusion of the Butte County District Attorney's investigation related to the Camp Fire and after CAL FIRE provides access to the evidence. The Settling Parties estimate that the cost of this study will not exceed \$3 million of shareholder funding.

PG&E will select three consultants qualified to perform an RCA, from which SED and OSA will select one consultant to perform the RCA. PG&E shall enter into a contract with the RCA consultant selected by SED and OSA. The RCA consultant shall confer with and work under the direction of SED and OSA. SED and OSA shall review and approve the terms and scope of work prior to PG&E entering into the contract with the RCA consultant.

The purpose of the RCA will be to analyze the factors that contributed to the ignition of the fires and make recommendations as appropriate so that the learnings can be implemented on a go-forward basis to mitigate the risk of similarly caused fires in the future. Analyzing all of these fires will maximize lessons learned not only for PG&E, but also for the Commission. The information revealed may show that areas of GO 95 should be modified. The RCA shall consider all potential root causes, and shall not be restricted to violations of GO 95. The RCA may identify systemic, programmatic, management, and structural matters that may need to be addressed to reduce such incidents in the future.

The RCA final report(s) shall be provided to the Director of SED and served on the service list for I.19-06-015. A separate RCA final report will be issued for the Camp Fire if needed to avoid delay in the RCA final report for the 2017 wildfires. PG&E will submit a response to the Director of SED and the service list for I.19-06-015 within 30 days after each RCA final report is submitted to address whether and how it will work to incorporate lessons learned based on the RCA report and its recommendations into its operations, to the extent not already reflected therein based on other corrective actions and system improvements. If PG&E declines to incorporate any lessons learned into its operations, PG&E will explain its reasoning in its response. PG&E will make a good faith effort to initiate incorporation of the lessons learned within 12 months after the RCA final report is delivered to PG&E. The non-PG&E parties to this proceeding shall not use the results of the RCA to assert that the Commission should impose any additional financial penalties upon PG&E nor to argue for any additional disallowance.

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<sup>11</sup> For the avoidance of doubt, the fires to be included are the Adobe, Atlas, Camp, Cascade, Cherokee, La Porte, Lobo, McCourtney, Norrbom, Nuns, Oakmont/Pythian, Partrick, Pocket, Point, Potter/Redwood, Sulphur, and Youngs Fires.

## **Community Engagement-Focused Initiatives**

8. **Fuel Reduction Funding.** Within one year of the Effective Date, PG&E shall disburse or commit for future disbursement \$2 million total in additional funding to the California Fire Safe Council. This additional disbursement will be funded by PG&E shareholders. PG&E intends that the California Fire Safe Council will, in turn, distribute these funds to local Fire Safe Councils within PG&E's service territory and/or other nonprofit Council partner organizations. Local Fire Safe Councils are community-led organizations that focus on wildfire prevention and mitigation efforts. These organizations implement projects (e.g., hazardous-fuel-reduction projects) and educational programming regarding wildfire safety, preparedness, and planning. PG&E will collaborate with SED and other interested Settling Parties regarding the parameters of this funding to determine the most effective and mutually agreeable earmarks for these funds.

9. **Resilience Centers Grant Program.** Within five years of the Effective Date, PG&E will disburse a total of \$2 million in funding to support the development of local "resilience centers" aimed at PSPS events, wildfire risks, and other climate-driven extreme weather events. This disbursement will be funded by PG&E shareholders. Resilience centers are designated areas designed to provide residents and customers with a safe, energized location to receive basic power needs (e.g., to charge mobile phones and laptops; to access Wi-Fi connection, where possible), and to provide residents and customers up-to-date information about PSPS events. This funding will be distributed through a competitive solicitation and bid process to eligible nonprofit or governmental organizations (including tribal governments) within PG&E's service territory.

10. **Funding to California Foundation for Independent Living Centers.** Within one year of the Effective Date, PG&E shall disburse or commit for future disbursement up to \$5 million total in shareholder funds to the California Foundation for Independent Living Centers ("CFILC"), for a pilot program currently in development. This funding will be used to help alleviate some disruptive impacts for, and support the safety and welfare of, vulnerable customers before, during, and after disasters and PSPS events. The funding is expected to fund activities such as disaster relief events, activities, and trainings for community members; coordination of housing for vulnerable individuals during disasters and PSPS events; and provision of access to backup batteries during disasters and PSPS events.

11. **Officer Safety Town Halls.** During the two years following the Effective Date, PG&E will hold a total of 24 "Town Hall" meetings (12 annually) at various locations across its service territory. PG&E intends that the "Town Hall" meetings will take place one to two times per month during most of the year, and will not be held during the highest fire threat months (September, October, and November). PG&E expects that Town Halls will be held at locations across PG&E's service territory, including urban population centers and more rural locales, and that the event locations will prioritize areas that are at a higher risk of wildfire or have seen higher impacts from PG&E activities such as vegetation work and PSPS.

During the Town Halls, PG&E will share safety and utility service-related information with attendees and gather feedback from members of the community. At least one PG&E officer

(Vice President level or higher) will attend each event. PG&E will prepare a summary report following each event, which will be submitted to the Commission and posted to the PG&E website within 30 days of the Town Hall which the report summarizes.

Ahead of the end of the two-year period following the Effective Date, PG&E and SED will discuss and agree upon any desired changes to the schedule, format, and locations of Town Halls or similar community events to be held monthly during the following three years, with the exception of September through November, for a total of nine events annually. These potential changes for Town Halls or similar community events are intended to allow the events to be tailored to emerging community concerns, priorities, and program updates that may arise in intervening years. PG&E will continue to meet in communities throughout the PG&E service territory with a focus on those communities at the highest risk of wildfire.

During the five years following the Effective Date, with the exception of September through November, PG&E will also hold monthly webinars. Like the Town Halls, during each webinar PG&E will share safety and utility service-related information. At least one PG&E officer (Vice President level or higher) will attend each webinar. PG&E will prepare a summary report following each webinar, which will be submitted to the Commission and posted to the PG&E website within 30 days of the webinar which the report summarizes.

12. Semi-Annual Wildfire Mitigation Meetings. At least once every six months for three years after the Effective Date, leadership from the PG&E electric operations wildfire team will hold a meeting with local government planning, public works, emergency services, and fire leadership to exchange feedback and information regarding ongoing wildfire safety activities. In any given semi-annual period, PG&E will hold multiple region-specific meetings to cover its entire service territory (with PG&E to determine what constitutes each “region” for these purposes). PG&E may, at its discretion, hold the meetings in person or via teleconference. Following the conclusion of each set of semi-annual meetings, PG&E will prepare a single report for the meetings held during the preceding semi-annual period that identifies: (1) issues raised by the local governments; (2) action items to address identified issues; and (3) a progress report for previously-identified action items. PG&E will submit this report to SED or its designee, and will serve the report on the service list for the Wildfire Mitigation Plan Rulemaking<sup>12</sup> or its successor docket. Local governments will have the opportunity to submit a written response to PG&E’s report within 20 days.

### **Transparency and Accountability-Focused Initiatives**

13. ISO 55000 Certification. PG&E shall make a good faith effort to initiate the final International Organization for Standardization (“ISO”) 55000 certification assessment required to obtain ISO 55000 certification from an accredited organization for its Electric Operations by the end of 2020.<sup>13</sup> Within three months of the Effective Date of this settlement agreement, PG&E shall provide OSA and SED with a report on the status of its ISO 55000 certification

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<sup>12</sup> R.18-10-007.

<sup>13</sup> ISO 55000 is an international standard for asset management. ISO 55000 certification means that an accredited organization has determined that the company meets the standards set forth in ISO 55000.

implementation, including any remaining non-conformances to be addressed prior to applying for certification. PG&E shall inform OSA and SED in advance of scheduled gap-assessment closeout meetings. OSA and SED shall be allowed to participate in gap-assessment closeout meetings and PG&E will share assessment reports with OSA and SED, including the final assessment report. PG&E shareholders shall pay the costs to address any gaps up to a total of \$1 million over the certification period. PG&E shall notify OSA and SED when it applies for certification and when it receives certification. Once certification is received, PG&E shall make a good faith effort to maintain certification status during the three-year certification period. After certification is received, PG&E will invite its third-party ISO 55000 auditor to conduct a surveillance audit of its ISO 55000 program every six months. After each six-month audit, PG&E will report to OSA and SED on the status of its ISO 55000 certification. These reports will include the third-party ISO 55000 auditor's audit report.

Before the initial three-year certification period ends, PG&E shall re-apply for certification and shall again make a good faith effort to obtain and maintain certification for an additional three-year certification period ("Second Certification Period"). If PG&E decides not to re-apply for certification after the Second Certification Period, PG&E shall notify OSA and SED in writing at least six months prior to the end of the Second Certification Period. In this notification, PG&E shall: (1) explain its reasons for declining to seek re-certification, and (2) demonstrate that the safety management system in place at the end of the Second Certification Period will be comparable to or more robust than that required for ISO 55000 certification.

14. Independent Wildfire Safety Audits. PG&E shall retain Safety Evaluator(s), defined as independent consultant(s) who will perform the following Independent Safety Evaluations: (1) audits and reviews of PG&E policies, procedures, and practices surrounding the areas identified in (a) through (d) below ("policy and procedure audits"); (2) audits and reviews of PG&E compliance with the shareholder-funded System Enhancement Initiatives agreed upon as part of this Settlement Agreement ("compliance audits"); and (3) audits and reviews of PG&E financial data related to PG&E's Wildfire Safety Plans ("financial audits"). These compliance audits and financial audits shall be conducted annually for a three-year period after the Effective Date at an estimated cost of \$6 million of shareholder funding.

For each audit, PG&E shall provide SED with a list of reasonably qualified Safety Evaluators, with experience in auditing electric utility records and the subject matter of the audit. For each audit, SED shall select qualified Safety Evaluator(s) from the list provided by PG&E. PG&E shall enter into a contract with the Safety Evaluator(s) selected by SED. The Safety Evaluator(s) will consult with and work under the direction of SED. SED shall review and approve the terms and scope of work prior to PG&E entering into the contract(s) with the Safety Evaluator(s). PG&E acknowledges that a single Safety Evaluator may not be able to conduct all the evaluations identified in this System Enhancement Initiative. Safety Evaluators will be separate and distinct from Independent Evaluators contemplated by Senate Bills 247 and 901 and Assembly Bill 1054. To the extent that the Safety Evaluators' evaluations or findings overlap with the Wildfire Mitigation Plan Independent Evaluator, the Safety Evaluators may coordinate with the Wildfire Mitigation Plan Independent Evaluators.

The samples and methodology will be developed in accordance with the Safety Evaluator's professional judgment and standard practices in similar contexts and in consultation



with SED. Prior to the outset of the audits, the Safety Evaluator shall present SED with the methodology and a description of the anticipated final product of the audit based upon the goals and objectives identified in this Settlement Agreement. Within the scope identified here, SED may consult with the Safety Evaluator about the methodology and plans to achieve the goals identified herein. The selected Safety Evaluator will audit PG&E's policies, procedures, and practices regarding each of the following:

a) *Vegetation Management: PG&E's Tree Tracker Application ("Tree Tracker App").*<sup>14</sup> The Safety Evaluator will: (i) audit samples of records from PG&E's Tree Tracker App, a soon-to-be deployed mobile application intended to improve PG&E's tracking of its vegetation management work, or its successor program; (ii) utilize the Tree Tracker App (or its successor program) to conduct field reviews of samples of pre-inspector and tree work in order to assess adherence to applicable PG&E procedures; (iii) survey vegetation management contractors and employees who utilize the Tree Tracker App (or its successor program) in the field to validate adherence to PG&E's Tree Tracker App (or its successor program) procedures, consistency of use, and overall usability of the tool; and (iv) recommend improvements to PG&E's Tree Tracker App (or its successor program) based on the Safety Evaluator's review. The Safety Evaluator's review of the Tree Tracker App (or its successor program) will commence six months after the Tree Tracker App (or its successor program) is implemented at PG&E.

b) *Overhead Distribution and Transmission Preventive Maintenance Program.* The Safety Evaluator will: (i) field audit samples of work orders generated in connection with patrols and inspections of PG&E overhead distribution and transmission facilities; (ii) review samples of work orders for adherence to PG&E policies and procedures; and (iii) recommend improvements to PG&E's distribution and transmission inspection and maintenance procedures based on the Safety Evaluator's review of PG&E's overhead distribution and transmission preventive maintenance program. The Safety Evaluator's review of PG&E's overhead distribution and transmission preventive maintenance program and procedures shall commence within one year of the Effective Date.

c) *Local Conditions Study of PG&E Territory.* The Safety Evaluator will: (i) assess PG&E's current practices and procedures for identifying and addressing local conditions that may warrant modifications to the design, construction, or maintenance of PG&E's distribution or transmission assets, consistent with GO 95, Rule 31.1; and (ii) recommend improvements to PG&E's practices and procedures related to identifying local conditions in accordance with GO 95, Rule 31.1.

d) *Evidence Collection and Retention.* The Safety Evaluator will: (i) conduct field reviews of reportable incidents and samples of outage events that may be attributable to PG&E facilities for the purpose of identifying errors or areas of improvement in PG&E's

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<sup>14</sup> The Tree Tracker App is a software and mobile application system that allows pre-inspectors to enter prescriptions from a mobile device and to mark segments of conductor as "inspected" on a digital map, rather than highlighting a paper map.

evidence collection and retention practices and procedures; and (ii) recommend improvements to PG&E's evidence collection and retention practices and procedures.

The Safety Evaluator audit reports shall be provided to the Director of SED and served on the service list for I.19-06-015. PG&E will submit a response to the Director of SED and the service list for I.19-06-015 within 30 days after each audit report is submitted to address whether and how it will implement the recommendations provided by the Safety Evaluator(s).

15. Verification of Safety-Related Filings. For three years following the Effective Date, PG&E will provide to the Commission verification of safety-related filings by either a Senior Vice President, Vice President, Senior Director, Director, or Manager, as provided below. For each safety-related filing outlined below, the designated officer, director, or manager will be tasked with verifying that the filing is accurate and complete. Verification requirements will be designed to enhance accountability among senior-level personnel at PG&E as well as the public's confidence in PG&E's commitment to safety and reliability. After this three-year period and if desired, PG&E will work with SED to evaluate effectiveness, continued need, and potential expansion of the verifications described in this System Enhancement Initiative.

#### **Electric Safety-Related Communication to the Commission**

##### **General Order Reporting**

<b>Item</b>	<b>Name</b>	<b>Level of Verification</b>
1	GO 166 Report	Vice President
2	GO 174 Report	Vice President
3	GO 165 Report	Vice President

##### **Compliance and Incident Reporting**

<b>Item</b>	<b>Name</b>	<b>Level of Verification</b>
1	Self-Reports	Vice President
2	20-Day Reports	Manager
3	PSPS 10-Day Reports	Vice President
4	Citation Responses	Senior Vice President

##### **NOVs**

<b>Item</b>	<b>Name</b>	<b>Level of Verification</b>
1	Notice(s) of Violation Responses	Senior Director

##### **Audits**

<b>Item</b>	<b>Name</b>	<b>Level of Verification</b>
1	Audit Report Responses	Senior Director

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### **Gas Safety-Related Communication to the Commission**

#### **General Reporting**

<b>Item</b>	<b>Name</b>	<b>Level of Verification</b>
1	GO 112F Annual Report	Vice President
2	Gas Pipeline Patrol Report	Director
3	Class Location Report	Director
4	Meter Protection Program	Director
5	Gas Pipeline Replacement Program	Director
6	Gas Safety Report	Vice President

#### **Incident Reporting and Notifications**

<b>Item</b>	<b>Name</b>	<b>Level of Verification</b>
1	Self-Reports	Vice President

#### **NOPVs**

<b>Item</b>	<b>Name</b>	<b>Level of Verification</b>
1	Notice(s) of Probable Violation Responses	Director
2	Citation Responses	Senior Vice President

#### **Audits**

<b>Item</b>	<b>Name</b>	<b>Level of Verification</b>
1	Audit Report Responses	Director

16. Quarterly Reporting on Electric Maintenance Work. For three years following the Effective Date, PG&E will prepare quarterly reports, to be submitted to SED, summarizing the status of maintenance work generated by the Wildfire Safety Inspection Program (“WSIP”). Through WSIP, PG&E performs enhanced inspections on an accelerated schedule for electric facilities in Tier 2 and Tier 3 HFTD areas. These enhanced inspections focus on conditions that could lead to fire ignitions. Each of these reports will include at a minimum: (1) the number, status, and locations of any open maintenance tags and (2) a table summarizing the status of all tags identified in the report.

17. Local Government Vegetation Management Data Sharing. For counties within PG&E’s service territory that request in writing to be included in these report distributions, PG&E will provide electronic month-ahead reports of planned vegetation management activity in each county. Nothing in this provision shall prohibit PG&E from undertaking vegetation management activities in each jurisdiction that did not originally appear on a month-ahead report or from accelerating the original timeline for work or from not completing planned activities included in a month-ahead report. Such changes are frequently necessary due to the diverse exigencies of PG&E’s wildfire reduction efforts.

Beginning with the first full month after the Effective Date, and for three years following the Effective Date, PG&E will submit the relevant month-ahead reports to designated county recipients on or before the last day of the preceding month (*e.g.*, the report for April 2021 will be provided on or before March 31, 2021). After that three-year period and if desired, PG&E will work with the Commission and the participating local governments to evaluate effectiveness, continued need, and potential expansion to other counties or conclusion of the data sharing.

These reports will include the following data from PG&E's Enhanced Vegetation Management, Catastrophic Event Memorandum Account (CEMA), and routine vegetation management programs for PG&E's distribution and transmission systems:

- Addresses of planned work, scheduled inspection date, and name of third-party contractor performing this work.
- Summaries of any applicable plans or permits required by law for the relevant work scheduled to take place.
- The number of tree-trims or tree-removals scheduled to take place.
- Whether PG&E has contacted the relevant property owner(s) at the location(s) of any planned work.

18. Local Government System Hardening Data Sharing. For counties within PG&E's service territory that request in writing to be included in these report distributions, PG&E will provide electronic month-ahead reports of planned system hardening work in each county. These reports will be based upon a mutually agreed upon data set or template. Nothing in this provision shall prohibit PG&E from undertaking system hardening activities in each jurisdiction that did not originally appear on a month-ahead report or from accelerating the original timeline for work. Such changes are frequently necessary due to the diverse exigencies of PG&E's wildfire reduction efforts.

Beginning with the first full month after the Effective Date, and for three years following the Effective Date, PG&E will submit the relevant month-ahead reports to designated county recipients on or before the last day of the preceding month (*e.g.*, the report for April 2021 will be provided on or before March 31, 2021). After that three-year period and if desired, PG&E will work with the Commission and the participating local governments to evaluate effectiveness, continued need, and potential expansion to other counties or conclusion of the data sharing.

These reports will include, at the local government's request, engineering drawings and plans, work schedules, and re-grade/relocation permits per franchise agreements. The sharing of system hardening data may require non-disclosure agreements with each of the local governments receiving the reports.

19. Documentation of “Near Hit”<sup>15</sup> Potential Fire Incidents. PG&E will document “near hit” potential fire incidents, such as arcing or sparking, that could have resulted in an ignition but did not, as well as fire ignitions that travelled one meter or less from the ignition point. This documentation will include the following categories of data:

- (1) Data from PG&E’s Field Automation System (“FAS”), to the extent such data is collected in FAS as of the Effective Date, for events categorized with specific existing FAS codes to be agreed upon among PG&E, OSA, and SED. This data will include information related to “near hit” incidents from customer and service calls (inclusive of incidents detected by Smart meters), as well as “near hit” incidents data concerning secondary facilities and service drops;
- (2) All unplanned momentary and sustained outage data associated with PG&E’s primary distribution facilities (inclusive of outages detected by Smart meters);
- (3) All unplanned outage data and path interruptions associated with PG&E’s facilities operating at a transmission voltage level, whether or not customers were affected; and
- (4) Any fire ignitions that travelled one meter or less from an ignition point.<sup>16</sup>

All data will be provided on a quarterly basis to SED and other Settling Parties that request in writing to receive this data. Data for each of the four above items shall be provided in a format that is searchable and sortable, for example, by location and cause of the incident described in each entry (e.g., failed transformer, animal, slapping conductors, failed conductor, etc.). Within 30 days of the Effective Date, SED and PG&E will meet and confer regarding the specific data within these four categories to be provided, including the specific existing FAS codes as outlined above, and the sorting of the data. PG&E will begin this “near hit” reporting system within three months of the Effective Date. After this implementation date, PG&E will review with OSA and SED annually to assess the utility of the data being provided and confirm that the parties wish to continue receiving the data. PG&E will continue this sharing for up to three years following the Effective Date as long as annual reviews determine an ongoing interest or unless the Wildfire Mitigation Plan Proceeding (Rulemaking 18-10-007) determines a scope for utility reporting of “near hit” data that in substance supersedes this System Enhancement Initiative.

20. Independent Study of Distribution and Transmission System. PG&E shareholders shall pay for an independent engineering firm to study the grounding methods and circuit and transformer configuration in PG&E’s distribution system and transmission system. PG&E will recommend three independent engineering firms qualified to perform this study; SED and OSA may select one of these firms or, in consultation with PG&E, a different firm, to perform this

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<sup>15</sup> The term “near miss” is used at times to refer to a similar or identical concept as “near hit” as used in this System Enhancement Initiative.

<sup>16</sup> This reporting requirement goes beyond the reporting currently required for “reportable events” under Decision 14-02-015. Note also that events reported under this provision may be duplicative of other events reported as part of this System Enhancement Initiative.

study. PG&E shall enter into a contract with the firm selected by SED and OSA. This study will consider PG&E's unique territory as well as topics discussed in SED's 2013 Liberty Consulting Report on PG&E and analyze opportunities to reduce wildfire risk and the occurrence of energized wires down including, but not limited to, system configuration. The study should also consider factors such as the costs and benefits of potential mitigations. The final scope of the study will be developed by SED and OSA in consultation with PG&E. The contracted firm shall work at the direction of SED and OSA. PG&E, along with SED and OSA, will have the opportunity to review and comment on drafts of the study prior to it being finalized. PG&E will consider adoption of any recommendations from this report. The final study report shall be provided to the Director of SED and served on the service list for I.19-06-015. PG&E will submit a response to the Director of SED and the service list for I.19-06-015 within 30 days after the final study report is submitted to address whether and how it will implement the recommendations provided by the independent engineering firm. If PG&E declines to incorporate any recommendation, PG&E will explain its reasoning in writing to the Director of SED and the service list for I.19-06-015. The Settling Parties estimate that the cost of this study will not exceed \$0.75 million of shareholder funding.