

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.

**FILED
PUBLIC UTILITIES COMMISSION
JUNE 27, 2019
SAN FRANCISCO
I.19-06-015**

**ORDER INSTITUTING INVESTIGATION AND
ORDER TO SHOW CAUSE**

I. INTRODUCTION AND STATEMENT OF PURPOSE

By this order, the California Public Utilities Commission (Commission or CPUC) institutes a formal investigation to determine whether Pacific Gas and Electric Company (PG&E), violated any provision(s) of the California Public Utilities Code (PU Code), Commission General Orders (GO) or decisions, or other applicable rules or requirements pertaining to the maintenance and operation of its electric facilities that were involved in igniting fires in its service territory in 2017. These fires have been termed the “October 2017 Fire Siege.” This investigation addresses 15 of the 17 fire incidents investigated by the Commission’s Safety and Enforcement Division (SED).¹ Additionally, this investigation will review systemic concerns, including those identified by SED in the

¹ We are not including in this investigation the incidents associated with the Lobo Fire and the McCourtney Fire. Information concerning these two fires remains confidential. SED plans to issue a supplemental report once the information for the Lobo Fire and the McCourtney Fire is no longer confidential, and we will address any violations found by SED associated with these two fires at that time.

course of its investigations, and determine whether PG&E's practices have been unsafe and in violation of the law. Finally, this investigation orders PG&E to take immediate corrective actions to come into compliance with Commission requirements. Pursuant to the Commission's Rules of Practice and Procedure, Rule 5.1, the Commission opens this Order Instituting Investigation ("OII" or "Order") on its own motion.

The Respondent, PG&E, is an electric and natural gas distribution utility serving approximately 5.4 million electric customers and 4.3 million natural gas customers throughout a 70,000 square mile service area throughout Northern and Central California, stretching from Eureka to Bakersfield. PG&E is subject to the Commission's jurisdiction by virtue of its acceptance of those conditions that governed its formation in addition to several provisions of the Public Utilities Code that give the Commission broad authority to act to protect ratepayers in a variety of circumstances, to enforce the constitution, statutes, and Commission rules, orders, and decisions, and to remedy violations thereof.²

This Order provides notice that the Commission will determine whether PG&E has violated the California Public Utilities Code, Commission General Orders or decisions, or other applicable rules or requirements pertaining to its maintenance and operations of its electric facilities.

This Order is in response to investigative reports issued by the Commission's Safety and Enforcement Division and the California Department of Forestry and Fire Protection (CAL FIRE) and addresses 15 of the 17 fire incidents investigated by both SED and CAL FIRE. In SED's *Report on October 2017 Fire Siege* and the attached incident investigation reports (SED Fire Report),³ SED finds that PG&E violated the

² These provisions include, but are not limited to, Public Utilities Code § 451 (requiring public utilities to furnish and maintain adequate, efficient, just and reasonable service as necessary to promote the safety, health, comfort, and convenience of its patrons, employees and the public); § 701 (Commission may do all things necessary and convenient to exercise its power and jurisdiction to regulate public utilities); § 761 (Commission may adopt order or rule to remedy unjust or unreasonable practices of a public utility); § 798 (provides for remedies against a utility that makes imprudent payments to its holding company); and §§ 2101 - 2113 (authority to enforce Constitution, statutes, and violations of Commission orders, rules, and decisions).

³ Relevant reports by the California Department of Fire and Forestry Protection (CAL FIRE) for

Commission General Orders and Resolution E-4148, and failed to follow industry best practices. The SED Fire Report, issued on June 13, 2019, also alleges various deficiencies in PG&E's Vegetation Management practices and procedures and equipment operations in severe conditions.⁴ In addition, CAL FIRE found that PG&E's electrical facilities ignited all but one of the 15 fires addressed in this investigation.⁵ Based on SED's and CAL FIRE's reports, the Commission finds it has sufficient evidence and good cause to commence a formal investigation to determine whether PG&E violated the Commission's decisions and General Orders, applicable rules and requirements, or the Public Utilities Code.

By initiating this Order, the Commission seeks to: 1) determine whether PG&E should be sanctioned, for failing to comply with General Order 95 and Resolution E-4184 as determined in the SED Fire Report; and 2) investigate and address alleged deficiencies in PG&E's operations and maintenance of its electric facilities that may violate Section 451 of the Public Utilities Code or other provisions of the law. PG&E is directed in this order to provide a report on various aspects of its operations of its electric facilities and to take immediate corrective action.

II. BACKGROUND AND SUMMARY OF SED'S INVESTIGATION REPORTS

On January 17, 2014, Governor Edmund G. Brown Jr. proclaimed a State of Emergency and directed state officials to take actions to mitigate conditions that could result from the drought and cause a fire. On February 18, 2014, in response to the

each fire are attached to SED's incident investigation report for that fire. The SED Fire Report does not address nor include the investigation reports for the Lobo Fire and the McCourtney Fire. CAL FIRE has referred both of these investigation reports to local law enforcement, thus the information contained in the reports remains confidential. SED plans to issue a supplemental report once the information for the Lobo Fire and the McCourtney Fire is no longer confidential and we will address any violations found by SED for these two fires at that time.

⁴ The SED Fire Report, with its attachments, is Appendix A to this OII are Attachment A to this OII.

⁵ CAL FIRE determined that the Tubbs Fire was started by an unknown event that occurred with the private electrical system on the property where the fire ignited. See SED Fire Report, Section III, and the attached SED and CALFIRE investigations reports for the Tubbs Fire.

proclamation, SED issued a letter to PG&E directing PG&E to take all practicable measures to reduce the likelihood of fires caused by utility facilities, including, increasing inspections, taking corrective actions and modifying protective schemes. On June 12, 2014, the Commission issued Resolution ESRB-4 directing all Investor-Owned Electric Utilities (IOU) to take remedial measures to reduce the likelihood of fires started by or threatening utility facilities. On October 30, 2015, Governor Edmund G. Brown Jr. declared a Tree Mortality State of Emergency due to tree mortality caused by the state's prolonged drought and bark beetle infestations.

On October 7, 2017, the National Weather Service issued a red flag warning⁶ throughout much of Northern California because "Diablo Winds" were expected, with gusts between 20 and 30 miles per hour. A Diablo Wind is a hot, dry wind from the northeast that typically occurs in north-central California, in particular, the San Francisco Bay Area, during spring and fall.⁷

On the evening of October 8, 2017 into the morning of October 9, 2017, a series of wildfires started burning across the state of California. CAL FIRE stated that the start of the October 2017 Fire Siege was on Sunday, October 8, 2017, and that CAL FIRE was responding to 250 wildfires. At the peak of the wildfires there were 21 major wildfires that, in total, burned 245,000 acres. Eleven thousand firefighters battled the fires that, at one time, forced 100,000 people to evacuate, destroyed an estimated 8,900 structures (as of October 30, 2017) and took the lives of 44 people⁸: Atlas (Napa) – 6, Cascade (Yuba) – 4, Nuns⁹ (Napa/Sonoma) – 3, Redwood Valley (Mendocino) – 9, and Tubbs (Sonoma) – 22.¹⁰

⁶ A Red Flag Warning issued by the National Weather Service means that there is a high fire danger with increased probability of a quickly spreading vegetation fire in the area. Wikipedia (https://en.wikipedia.org/wiki/Red_flag_warning)

⁷ SED Fire Report at 1.

⁸ Of the 44 fatalities, 22 are attributed to fires started by PG&E facilities.

⁹ The Nuns Fire included the Nuns, Oakmont/Pythian, Norrbom, Adobe, Pressley and Partrick Fires. SED investigated each of these incidents except the Pressley fire, which was a spot fire that ignited from an ember that originated from the Adobe Fire. One fatality occurred within the

CAL FIRE investigators responded immediately to the October 2017 wildfires not only to protect life and property, but also to find the cause of each fire and, in those instances where PG&E infrastructure was found to have caused the fire, determine whether PG&E violated State law and regulations. CAL FIRE enforces the California Penal Code, Public Resources Code and Health and Safety Code.

SED and CAL FIRE conducted separate investigations into the events leading up to the fires, but provided technical support to each other as requested.¹¹ A summary of SED's findings for the 15 fires addressed in the SED Fire Report is set forth below.¹²

Adobe Fire

On October 8, 2017, the "Adobe Fire" ignited near Sonoma Highway in the city of Kenwood in Sonoma County. The Adobe Fire subsequently combined with other fires (Nuns, Norrbom, Pressley, Partrick and Oakmont/Pythian). These combined fires were called the "Nuns Fire." The Nuns Fire burned 56,556 acres, destroyed 1355 structures and damaged 172 structures. The Nuns Fire resulted in three fatalities with one occurring within the Adobe Fire perimeter.

SED's investigation found that a Eucalyptus tree failed, fell onto and severed PG&E 12 kV overhead conductors which fell to the ground and ignited the fire.

Atlas Fire

On October 8, 2017, the "Atlas Fire" ignited near 3683 Atlas Peak Road in the city of Napa in Napa County. The fire burned 51,624 acres, damaged 783 structures, and destroyed 120 structures. Six fatalities resulted from the fire.

The Atlas Fire resulted from two ignition points. SED's investigation found that at the first location, "Atlas 1," a Black Oak tree fell onto a PG&E 12 kV overhead conductor which caused the conductor to fall to the ground and ignite a fire. The second location, "Atlas 2," ignited when a branch from a Valley Oak tree failed

Adobe Fire's perimeter., however, SED does not know the location of the other two fatalities within the merged Nuns Fire. (SED Fire Report at 1.)

¹⁰ SED Fire Report at 1.

¹¹ SED Fire Report at 2.

¹² SED Fire Report at 8-11.

and contacted a PG&E 12 kV overhead conductor which dropped sparks and molten metal to the ground. The fires eventually combined together.

Cascade Fire

On October 8, 2017, the “Cascade Fire” ignited near 13916 Cascade Way in the city of Browns Valley in Yuba County. The Cascade fire burned to 9,989 acres destroying 264 structures, damaging 10 other structures and resulted in four fatalities. The Cascade fire eventually combined with the La Porte fire to form the “Wind Fire.”

SED’s investigation found that two overhead conductors of PG&E’s 12 kV circuit slapped together and dropped sparks or molten metal on the ground that ignited the fire.

Cherokee Fire

On October 8, 2017, the “Cherokee Fire” ignited near 3401 Cherokee Road in the city of Oroville in Butte County. The fire burned 8,417 acres and destroyed six structures.

SED’s investigation found that multiple failed branches from a Valley Oak tree contacted a PG&E 12 kV overhead conductor, causing it to fall to the ground and ignite a fire.

La Porte Fire

On October 8, 2017, the “La Porte Fire” ignited at 167 Darby Road in the city of Bangor in Butte County. The La Porte Fire burned 6,151 acres, destroyed 74 structures, and damaged two structures. The La Porte fire eventually combined with the Cascade Fire and was named the “Wind Fire.”

SED’s investigation determined that a Valley Oak tree branch failed and fell onto PG&E 12kV overhead conductors, which fell to the ground and ignited the fire.

Norrbom Fire

On October 8, 2017, the “Norrbom Fire” ignited at 16200 Norrbom Road in the City of Sonoma, Sonoma County. The Norrbom Fire subsequently combined with other fires (Nuns, Adobe, Pressley, Partrick and Oakmont/Pythian) and was named the “Nuns Fire.” The Nuns Fire burned 56,556 acres, destroyed 1355 structures, damaged 172 structures, and resulted in three fatalities.

SED’s investigation found that a Black Oak failed and fell onto PG&E 12 kV overhead conductors which in turned failed and started the fire.

Nuns Fire

On October 8, 2017, the “Nuns Fire” ignited near 1210 Nuns Canyon Road in the city of Glen Ellen in Napa County. Once the Nuns Fire combined with the Norrbom, Adobe, Partrick, Pressley and Oakmont/Pythian fires, the fire burned 56,556 acres, damaged and/or destroyed 1,527 structures. The combined Nuns Fire resulted in three fatalities.

SED’s investigation found that an Alder tree stem fell on open wire secondary overhead conductors which in turned failed and ignited the fire.

Oakmont/Pythian Fire

On October 13, 2017, the “Oakmont/Pythian Fire” ignited near 8050 Pythian Road in the city of Santa Rosa in Sonoma County. The Oakmont/Pythian fire subsequently combined with other fires (Nuns, Adobe, Norrbom, Pressley, and Partrick fires) and was called the “Nuns Fire.” The Nuns Fire burned 56,556 acres, destroyed 1,355 structures, damaged 172 structures, and resulted in three fatalities.

SED’s investigation found that a Douglas Fir tree uprooted and fell onto PG&E 12 kV overhead conductors, which failed and fell to the ground igniting the fire.

Partrick Fire

On October 8, 2017 the “Partrick Fire” ignited at 1721 Partrick Road in the City of Napa, Napa County. The Partrick Fire subsequently combined with other fires (Nuns, Norrbom, Pressley, Adobe and Oakmont/Pythian) and was named the “Nuns Fire.” The Nuns Fire burned 56,556 acres, destroyed 1,355 structures, damaged 172 structures, and resulted in three fatalities.

SED’s investigation found that a Coast Live Oak tree failed and fell onto PG&E 12 kV overhead conductors, which in turned failed and started the fire.

Pocket Fire

On October 8, 2017 the “Pocket Fire” ignited near the intersection of Ridge Ranch Road and Ridge Oaks Road in the City of Geyserville, Sonoma County. The Pocket Fire burned approximately 17,357 acres and destroyed six structures and damaged two structures.

SED’s investigation found that a portion of a Valley Oak tree failed and fell onto PG&E 12 kV overhead conductors which in turn failed and started the fire.

Point Fire

On October 9, 2017, the “Point Fire” ignited near 22894 State Highway 26 in the city of West Point in Calaveras County. The fire burned 130 acres, destroyed 19 structures and damaged three structures.

SED’s investigation found that a limb from a Valley Oak tree failed onto a PG&E 12 kV overhead conductor resulting in both falling to the ground and igniting the fire.

Potter/Redwood Fire

On October 8, 2017, the “Potter Fire” ignited at 13801 N. Busch Road and 9100 Main St. in the city of Potter Valley in Mendocino County. The “Potter Fire” subsequently combined with a spot fire found in Redwood Valley. The combined fires were called the “Redwood Incident.” The Redwood Incident burned 36,523 acres, destroyed 546 structures, damaged 44 structures and resulted in nine fatalities and 43 injuries.

SED’s investigation found the branch of a Valley Oak tree failed and fell onto a PG&E 60 kV overhead transmission conductor resulting in both falling to the ground and igniting the fire near North Busch Road. The fire near Main Street started when a Valley Oak tree branch fell and contacted a PG&E 12 kV conductor, bringing the conductor down and starting a fire.

Sulphur Fire

On October 8, 2017, the “Sulphur Fire” ignited near Sulphur Bank Drive and Pomo Road in the city of Clearlake Oaks in Lake County. The fire burned 2,207 acres and damaged or destroyed 162 structures.

SED’s investigation found that a PG&E wood pole carrying energized facilities failed and fell to the ground, thus igniting the fire.

Tubbs Fire

On October 8, 2017, the “Tubbs Fire” ignited near 1128 Bennett Lane in the city of Calistoga in Napa County. The Tubbs Fire burned approximately 36,807 acres, destroyed 11,272 structures and damaged 317 structures. The fire resulted in 22 fatalities.

CAL FIRE eliminated all causes for the Tubbs Fire, except for an electrical caused fire originating from an unknown event that affected privately-owned facilities.

Youngs Fire

On October 8, 2017, the “Youngs Fire” ignited near 995 Maacama Lane in the city of Healdsburg located in Sonoma County. The Youngs Fire burned 89 acres, and damaged three structures and multiple vehicles.

SED’s investigation determined that a Valley Oak tree failed and fell onto PG&E 12kV overhead conductors, which ignited the fire.

37 Fire

On October 9, 2017, the “37 Fire” ignited in the area of State Highway 37 and Lakeville Highway in the city of Sonoma in Sonoma County. The 37 Fire burned approximately 1,660 acres but did not damage structures or public infrastructure.

SED determined that this incident was not reportable to the CPUC. CAL FIRE investigators eliminated all causes for the fire except for an unknown event that may have occurred with the transmission lines above the burned area. SED did not identify any violations during its field review of the incident area and did not prepare an incident investigation report for the 37 Fire.

SED also investigated the Lobo Fire and the McCourtney Fire, but information is still confidential at this time. Therefore, the Lobo Fire and the McCourtney Fire are not within the scope of this investigation, but will be addressed once the information can be made public.

A. SED’s Alleged Violations

1. GO 95

General Order 95 establishes the requirements for design, construction, and maintenance of overhead electric lines to ensure adequate service and safety. This General Order imposes upon utilities the requirement to maintain a safe and reliable electric system.

In its investigation reports, SED alleges that PG&E violated a number of GO 95 Rules as follows:¹³

¹³ SED Fire Report at 3.

- 1) GO 95, Rule 19, for disposing of evidence related to a reported incident and Commission investigation.
- 2) GO 95, Rule 31.1:
 - a) For failing to identify and abate dying, diseased or weakened trees and tree parts.
 - b) For improper performance of vegetation management activities, such as trimming, removal, etc.
 - c) For failing to perform a complete patrol of its system and according to best practices described in PG&E procedures.
 - d) For failing to retain documents related to vegetation inspections and a work order.
 - e) For 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.
- 3) GO 95, Rule 35:
 - a) For allowing vegetation to contact energized, bare conductors operating at distribution voltages.
 - b) For improperly prioritizing and deferring abatement of vegetation straining and abrading a secondary/service voltage conductor.
- 4) GO 95, Rule 38, for allowing two energized conductors of the same circuit to make contact thus violating minimum clearance requirements.

2. Resolution E-4184

Resolution E-4184 adopts procedures for reporting electric and gas emergencies to Commission staff. SED alleges that PG&E violated Resolution E-4184 by failing to report one of the fires in the Potter/Redwood Fire.

B. Summary of Violations

Table 1 below summarizes SED's determinations whether it found violations of GO 95 or Resolution E-4184 for each of the fire investigations. Pursuant to PU Code §§ 2107 and 2108, the potential range of fines for a violation of law ranges from \$500 to \$100,000, with each day of occurrence constituting a separate violation.

Table 1¹⁴
Summary of Violations

No.	Incident	Violations Found
1	Adobe	GO 95, Rule 31.1 – Hazardous tree not identified and abated
		GO 95, Rule 31.1 – Records of 2015 CEMA inspection not retained
		GO 95, Rule 31.1 – Work order completed late
2	Atlas	GO 95, Rule 31.1 – Failure to identify and abate hazardous Black Oak tree at Atlas 1 site
		GO 95, Rule 31.1 – Failure to identify and perform correctional prune of hazardous Valley Oak codominant branch at Atlas 2 site
		GO 95, Rule 35 – Vegetation clearance not maintained at Atlas 1 site
		GO 95, Rule 35 – Vegetation clearance not maintained at Atlas 2 site
		GO 95, Rule 31.1 – Work order completed late
3	Cascade	GO 95, Rule 38 – Conductor clearance not maintained
4	Cherokee	No violations identified
5	La Porte	No violations identified
6	Norrbon	GO 95, Rule 31.1 – Hazardous tree not identified and abated
		GO 95, Rule 35 – Vegetation clearance not maintained
7	Nuns	GO 95, Rule 35 - Improper prioritization and delay in abating vegetation strain on secondary conductor
8	Oakmont/Pythian	GO 95, Rule 31.1 – Incomplete patrol prior to re-energizing circuit
		GO 95, Rule 31.1 – Failed to complete work order and reinforce a pole

¹⁴ SED Fire Report at 12-14.

No.	Incident	Violations Found
		GO 95, Rule 31.1 – Completed a work order late
9	Partrick	GO 95, Rule 31.1 – Hazardous tree not identified and abated
		GO 95, Rule 35 – Vegetation clearance not maintained
10	Pocket	GO 95, Rule 31.1 – Hazardous tree not identified and abated
		GO 95, Rule 35 – Vegetation clearance not maintained
11	Point	GO 95, Rule 19 – Evidence disposal
12	Potter/Redwood	Resolution E-4184 – Second fire located at 9100 Main St., Potter Valley not reported
		GO 95, Rule 31.1 – Repair records not maintained
		GO 95, Rule 31.1 – Records of 2016 CEMA inspection not maintained
13	Sulphur	GO 95, Rule 19 – Evidence disposal
		GO 95, Rule 31.1 – Records of 2016 CEMA inspection not maintained
14	Tubbs	No violations identified
15	Youngs	GO 95, Rule 31.1 – Hazardous tree not identified and abated
		GO 95, Rule 35 – Vegetation clearance not maintained
16	37	N/A, not a reportable incident

C. Other Potential Violations

In the course of its investigations, SED identified various matters of concern that we agree warrant further investigation and possible charges for violations of law. These matters include the following:

1. PG&E's vegetation management procedures and practices including training and qualifications of inspectors and also identification and trimming/removal of defective vegetation may have been inadequate and led to the vegetation-related violations identified in the SED investigation reports.

2. PG&E's procedures and practices regarding use of "recloser" devices in fire risk areas and during fire season may have been hazardous.
3. PG&E's lack of procedures or policies for proactive de-energization of power lines during times of high fire danger prevented it from using this tool to prevent fires.
4. SED found violations regarding work orders completed late, a work order not completed although the record indicated completion, missing inspection records, disposal of evidence, and conductor-to-conductor contact. These violations may indicate poor record-keeping and other practices that present a risk to public safety.

SED has identified these matters as ones that may have reduced safety, and has expressed concern that PG&E may have failed to comply with PU Code § 451. Section 451 requires that PG&E provide and maintain "adequate, efficient, just, and reasonable" service and facilities as is necessary for the "safety, health, comfort, and convenience" of its customers and the public.

We agree with SED that PG&E's practices regarding these issues should be further investigated. Ordinarily, the Commission would consider such concerns after completion of a report by Commission staff. In such cases, the staff report typically comes after an extensive investigation by staff into the underlying facts, and includes allegations by staff of a violation of law revealed by such facts. In this instance, however, SED's identification of these issues in the course of its investigation of the October 2017 Fire Siege convinces us that these issues should be addressed without further delay in this investigation. Therefore, we direct PG&E to respond to the requirement for a report as provided in Attachment B of this OII.

III. INITIATION OF INVESTIGATION

The Commission institutes this formal proceeding pursuant to Rule 5.1 of the Commission's Rules of Practice and Procedure ("Commission Rules"). PG&E is ordered to show cause why it should not be sanctioned for the violations found in the SED Fire Report. Further, PG&E is put on notice that we will consider the concerns raised in the SED Fire Report to determine if these issues represent violations of any provision(s) of

the California Public Utilities Code, Commission General Orders or decisions, or other applicable rules or requirements pertaining to PG&E's operations and maintenance of its electric facilities.

The SED Fire Report, including the individual fire incident investigation reports and relevant CAL FIRE reports, provides us with sufficient evidence and good cause to commence a formal investigation into PG&E's maintenance and operations of its electric facilities as they pertain to:

1. PG&E's vegetation management practices and policies, including training and qualifications of employees.
2. PG&E's procedures and use of "recloser" devices in fire risk areas and during fire season.
3. PG&E's plan or program for proactive de-energization of power lines during times of extreme fire danger.
4. PG&E's recordkeeping and other practices that may have led to the alleged violations described in the SED Fire Report.

If our investigation determines that violations have occurred in any of the above areas, we shall consider the proper penalties for such violations. These penalties may include fines, remedies and other corrective action.

IV. PRELIMINARY SCOPING MEMO

Rule 7.1(c) provides that an OII shall attach a preliminary scoping memo. The following discussion meets this requirement.

A. Issues

The scope of the issues to be determined in this proceeding are preliminarily determined to be:

1. Did PG&E violate General Order 95 and/or Resolution E-4148 as identified in the SED Fire Report?
2. Did PG&E violate any provisions of the Public Utilities Code, General Orders, Commission decision, or any other applicable regulations with respect to its maintenance and operation of its electric facilities as identified in this investigation?
3. What penalties, in the form of fines, remedies and other corrective actions, should be imposed for any proven

violation(s) found above pursuant to PU Code §§ 701, 2107 and 2108?

B. Category of Proceeding and Need for Hearing

Commission Rule 7.1 (c) specifies that an “order instituting investigation shall determine the category of the proceeding [and] preliminarily determine the need for hearing.” This investigation is categorized as adjudicatory as defined in Rule 1.3 (a). We expect disputed issues of material fact and therefore preliminarily determine that evidentiary hearings will be necessary.

C. Schedule

Pursuant to Commission Rule 7.6, appeals of the categorization of this investigation, if any, are to be filed within 10 days of the date this OII is issued.

Within 30 days of the mailing date of this Order, Respondent shall file and serve a response to this OII.

Responses on this preliminary scoping memo may also be filed and served within 30 days of the date this OII is issued. Pursuant to Commission Rule 5.2, responses shall state “any objections to the preliminary scoping memo regarding the need for hearing, issues to be considered, or schedule.” Replies to responses may be filed and served within 10 days of the due date for responses.

Pursuant to Commission Rule 7.2, the Assigned Commissioner shall set a prehearing conference for 45 to 60 days after the initiation of this proceeding or as soon as practicable after the Commission makes the assignment. The Assigned Commissioner will also issue a scoping memo setting forth the scope of the proceeding and establishing a procedural schedule.

Appeal of Categorization	10 days after issuance of this OII
PG&E response to OII	30 days after issuance of this OII
Responses on scope and issues in Preliminary Scoping Memo due	30 days after issuance of this OII
Replies to Comments on issues in Preliminary Scoping Memo due	10 days after Responses on scope and issues in the Preliminary Scoping Memo are due
Prehearing Conference	To be scheduled by the assigned Commissioner
PG&E Reports in Response to Questions in Attachment B	August 5, 2019
Commission Decision issued	To be determined in the final Scoping Memo

V. PG&E REPORT REQUIRED

The SED Fire Report provides us with reason to consider the concerns raised regarding PG&E's policies and procedures regarding vegetation management, PG&E's use of reclosers, proactive de-energization of power lines and other matters. To help assess whether these concerns warrant further charges of violations of law, we direct PG&E to provide a report by August 5, 2019, responding to requirements presented in Attachment B of this OII. SED shall review PG&E's Report and reply by September 27, 2019. Based on the PG&E Report and SED's reply, we shall determine whether any or all of these matters will be included in this investigation.

VI. IMMEDIATE CORRECTIVE ACTIONS

In addition to the information to be provided in the PG&E Report in response to Section V above, PG&E shall take the following immediate actions and provide the following information within 30 days of the issuance of this 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's 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.

Copies of all documents required above shall be provided to the Director of Safety and Enforcement Division.

In addition to the above, PG&E is directed to file an application within 30 days of the issuance of this 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. The asset management system/database would include at least the following detailed information – GIS coordinates, attachments, operations and maintenance records and GO 95 requirements. The asset management database will also include any pictures received through the mobile app so that the photos of potential problems are accessible to the general public. PG&E shall also provide the following information for each photo received through the mobile app: 1) whether the photo identifies a problem; 2) whether the problem presents a safety concern or is a violation of safety regulations; 3) PG&E actions to remedy the matter; and 4) when the remedial action was or will be taken. This information shall be posted into the asset management database within 30 days of receipt of the photo through the mobile app. Development and continued operation of the asset management database and mobile app would be at shareholder expense.

VII. PUBLIC RELEASE OF THE SED FIRE REPORT AND SUPPORTING DOCUMENTS

Fundamentally, the public has the constitutional right to scrutinize Commission business,¹⁵ which is undertaken on behalf of the public. In that vein, the Commission has the discretion to disclose investigation records under PU Code § 583. In this instance, the SED Fire Report is supported by both documents provided by PG&E and information provided by CAL FIRE. However, the public interest in transparency outweighs PG&E's interest in maintaining the confidentiality of the information it has provided in the course of SED's investigation, unless PG&E can demonstrate a valid legal basis for maintaining confidentiality of such records.

The Commission expects to release the SED Fire Report and all supporting attachments. Prior to making the SED Fire Report and supporting attachments public, PG&E shall have an opportunity to propose redactions. PG&E's proposed redactions, supporting objections and declarations shall be due 10 days after the date this OII is issued. SED shall have 5 days to respond to PG&E's proposed redactions, supporting objections and declarations. The assigned Administrative Law Judge shall, by ruling, determine what information shall remain redacted.

VIII. PARTIES AND SERVICE LIST

PG&E is named as a Respondent to this investigation. SED is named as a party to this proceeding. The initial service list for this proceeding is set forth in an Ordering Paragraph and includes PG&E and SED. The official list may be updated with additional parties.

IX. PUBLIC ADVISOR

Any person or entity interested in participating in this investigation who is unfamiliar with the Commission's procedures should contact the Commission's Public Advisor's Office in San Francisco at (866) 849-8390, or email public.advisor@cpuc.ca.gov. The TTY number is (866) 836-7825. Written

¹⁵ See Cal. Const., Art. 1, Section 3(b)(1).

communication may be sent to the Public Advisor, California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, CA 94102.

X. INTERVENOR COMPENSATION

A party that expects to request intervenor compensation for its participation in this rulemaking shall file its notice of intent to claim intervenor compensation in accordance with Commission Rule 17.1.

XI. EX PARTE COMMUNICATIONS PROHIBITED

Article 8 of the Commission's Rules of Practice and Procedure applies to all communications with decision makers and advisors regarding the issues in this proceeding. This proceeding is categorized as adjudicatory and Rule 8.3(b) prohibits all *ex parte* communications.

Therefore, **IT IS ORDERED** that:

1. An investigation is instituted on the Commission's own motion to evaluate the reports of the Safety and Enforcement Division and the California Department of Forestry and Fire Prevention and to determine whether Pacific Gas and Electric Company (PG&E) violated any provision of the California Public Utilities Code, Commission General Orders or decisions, or other applicable standards, laws, rules or regulations in connection with PG&E's operation and maintenance of its electric facilities.
2. Pacific Gas and Electric Company is ordered to show cause why it should not be sanctioned, for failing to comply with General Order 95 and Resolution E-4184 in connection with the following fires from the October 2017 Fire Siege: Adobe, Atlas, Cascade, Cherokee, LaPorte, Norrbom, Nuns, Oakmont/Pythian, Partrick, Pocket, Point, Potter/Redwood, Sulphur, Tubbs, and Youngs.
3. Pacific Gas and Electric Company is named as Respondent to this investigation and shall be subject to Commission orders in this matter.
4. The Safety and Enforcement Division is a party to this investigation.
5. Pacific Gas and Electric Company shall file and serve a response to this investigation and the order to show cause within 30 days of the mailing date of this Order.

6. A copy of the Safety and Enforcement Division's report entitled: *Report on October 2017 Fire Siege*, and all supporting attachments, including relevant investigation reports by the California Department of Forestry and Fire Prevention, is attached as Attachment A of this OII.

7. The preliminary scope of issues for this Investigation is as stated in this Order.

8. Pacific Gas and Electric Company is hereby given notice that fines or other remedies, including measures designed to prevent future violations, may be imposed in this matter pursuant to Public Utilities Code sections 701, 2107 and 2108.

9. This proceeding is classified as adjudicatory, as that term is defined in Commission Rule 1.3(a). Under Commission Rule 7.6, this Order is appealable only as to category no later than 10 days after the date of this Order.

10. Parties shall file responses on the scope and issues identified in the preliminary scoping memo within 30 days of the date this Order is issued.

11. Parties may file replies to responses on the scope and issues identified in the preliminary scoping memo within 10 days of the date the responses are due.

12. Effective immediately, Pacific Gas and Electric Company shall take the necessary corrective actions identified in Section VI of this Order. Any information directed to be provided shall be due 30 days after the issuance of this Order.

13. Pacific Gas and Electric Company shall file an application within 30 days after the issuance of this Order to develop an open source, publicly available asset management/database and mobile app as described in this order. The costs to develop and operate the mobile app and asset management system/database will be at shareholder expense.

14. The assigned Commissioner or Administrative Law Judge may adjust the schedule identified herein.

15. Pacific Gas and Electric Company (PG&E) shall respond to the questions contained in Attachment B of this OII by August 5, 2019.

16. A moratorium on discovery conducted by Pacific Gas and Electric Company on the Commission and its staff shall be in place until otherwise directed by a subsequent Ruling.

17. There shall be no moratorium on discovery conducted by the Commission and its staff on Pacific Gas and Electric Company at any time in this proceeding unless otherwise directed by a subsequent Ruling.

18. A party that expects to request intervenor compensation for its participation in this investigation shall file its notice of intent to claim intervenor compensation in accordance with Commission Rule 17.1.

19. *Ex parte* communications are prohibited as set forth in Commission Rule 8.2(b).

20. The Executive Director shall cause a copy of this Order to be served by certified mail on Respondent Pacific Gas and Electric Company and a hard copy to each person listed below:

William D. Johnson
CEO
Pacific Gas & Electric Company
77 Beale Street, Mail Code B32
San Francisco, CA 94105
William.Johnson@pge-corp.com

Janet C. Loduca
Senior Vice President and Interim General
Counsel
Pacific Gas & Electric Company
77 Beale Street, Mail Code B32
San Francisco, CA 94105
Janet.Loduca@pge.com

Michael Lewis
Senior Vice President
Electric Operations
Pacific Gas & Electric Company
77 Beale Street, Mail Code B32
San Francisco, CA 94105
Michael.Lewis2@pge.com

Meredith Allen
Director of Regulatory Affairs
Pacific Gas & Electric Company
77 Beale Street, Mail Code B10C
San Francisco, CA 94177
MEAe@pge.com

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

Nicholas Sher, Attorney
Safety and Enforcement Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

This Order is effective today June 27, 2019 at San Francisco, California.

MICHAEL PICKER
President
LIANE M. RANDOLPH
MARTHA GUZMAN ACEVES
CLIFFORD RECHTSCHAFFEN
GENEVIEVE SHIROMA
Commissioners

ATTACHMENT A

**Pursuant to Section VII of this OII,
Attachment A documents will be made public on July 15, 2019.**

ATTACHMENT B

Requirements for PG&E Report on Systemic Issues

I. Scope of Required PG&E Report

PG&E must report on its policies, procedures, and practices regarding each of the following topics:

- A. Vegetation management procedures and practices
 - 1. Training and qualifications of inspectors, including employees of PG&E and employees of PG&E's contractors/subcontractors.
 - 2. Identification and trimming/removal of defective vegetation
 - a. Identification and abatement of dying, diseased, or weakened trees and other vegetation that is or may become in violation of GO 95 requirements
 - b. Related recordkeeping regarding identification and abatement of such vegetation
- B. Use of recloser devices in high fire risk areas, including the High Fire Threat District as defined in Decision 17-12-014, and during fire season
- C. Proactive de-energization of power lines during times of high fire danger
- D. Recordkeeping or other practices related to:
 - 1. Work orders completed late
 - 2. Incorrect work order records, e.g., date of completion
 - 3. Missing inspection records
- E. Handling and retention of evidence
- F. Monitoring and other practices to prevent conductor-to-conductor contact

For each topic, PG&E's Report must provide the information specified in Section II below for each topic. In addition, the Report must provide the topic-specific information specified in Section III below, including Section III.G regarding other risks to public safety.

II. Information to be provided for each topic identified in Section I

- A. Describe PG&E's program and policies, procedures, and practices as of January 1, 2013
- B. Describe actions taken in response to the Governor's January 17, 2014 State of Emergency proclamation, a February 8, 2014 letter from SED, and the Commission's June 12, 2014 Resolution ESRB-4.

- C. Describe changes in PG&E's program, including revisions to policies, practices, and procedures between January 2013 and October 2017.
- D. Describe changes in PG&E's program, including revisions to policies, practices, and practices between October 2017 and May 31, 2019.
- E. Describe PG&E's plans for the next 12 months, including those included in PG&E's 2019 Wildfire Mitigation Plan and most recent/pending General Rate Case(s) or other regulatory submissions.
- F. Describe any employee bonus metrics in any incentive plan, e.g., Short-term Incentive Plans and Long-Term Incentive Plans, related to the topic, by year, between 2013 and 2019, and the number of persons in each work category for whom such metrics applied/apply.
- G. Describe PG&E's efforts to comply with the Public Utilities Code, Commission General Orders, and other statutory and regulatory requirements related to the topic.

III. Specific information to be provided related to individual topics

- A. Vegetation management policies, procedures, and practices
 1. Provide the document entitled "Summary and Analysis of Vegetation Related Fire Incidents on PG&E Electric Powerlines 2007-2012" that was authored by Charles Filmer and dated February 7, 2013, and provide also any documents that describe updates to the information, analysis or recommendations in this document.
 2. Describe any changes in PG&E's policies, procedures, and practices regarding the required frequency of inspections of vegetation, including both routine inspections and inspections booked to the Catastrophic Event Memorandum Account, at any time between January 1, 2013 and May 31, 2019. Provide the PG&E vegetation management procedures and manuals in use at any time between January 1, 2013 and May 31, 2019, that were modified during this time period.
 3. Identify each geographic area that PG&E has recognized as requiring enhanced vegetation management (i.e., other than routine vegetation management) due to local conditions, at any time between January 1, 2013 and May 31, 2019, and provide documentation of the enhanced vegetation management practices, including the time period and geographic scope.
 4. Identify and provide all PG&E policies, procedures, and practices in effect at any time between January 1, 2013 and May 31, 2019 regarding the interval between the time at which a vegetation violation

of law or PG&E procedures becomes known to PG&E and the time by which it must be corrected or otherwise abated.

5. Identify all instances between January 1, 2013 and May 31, 2019 in which a known vegetation-related violation of law or PG&E procedures was not corrected or otherwise abated within the interval specified by PG&E procedures.
6. Identify and provide all PG&E manuals, standards, and requirements used at any time during the period from January 1, 2013 and May 31, 2019, for training and qualifying PG&E employees, contractors and agents to conduct vegetation management.
7. Describe any vegetation management training that PG&E provided between January 1, 2013 and May 31, 2019, including the frequency and length of the training, the material used in the training, the qualifications of the trainers, and the job titles of those trained.
8. Identify the names and provide certifications (e.g., Certified Arborist, Degree in Forest Management or relevant field, etc.) and the number of years of experience in vegetation management for each vegetation management inspector used by PG&E at any time between January 1, 2013 and May 31, 2019.

B. Use of recloser devices in fire risk areas and during fire season

1. Provide a map or maps showing all PG&E circuits with line reclosers and the locations of the line reclosers as of October 2017.
2. Provide a map or maps showing all PG&E circuits with line reclosers and the locations of the line reclosers as of May 31, 2019.
3. Provide all PG&E memos, communications, and directives, written between January 1, 2013 and May 31, 2019, identifying and/or describing the decision process for disabling reclosing functionality for protection devices, including assessment of reliability benefits or any potential negative consequences, e.g., re-energization that could lead to a fire. Provide any protocols or procedures that PG&E has utilized to identify scenarios and criteria when reclosing functionality would or would not be disabled.
4. Provide all filings, submittals, and testimony submitted to the CPUC between January 1, 2013 and May 31, 2019, identifying and describing the decision process for disabling reclosing functionality, including reliability benefits and any potential negative consequences, e.g., re-energization that could lead to a fire.
5. Provide all standards, directives, and guidelines in use at any time between January 1, 2013 and May 31, 2019, to determine the

conditions under which reclosing functionality should or must be disabled.

6. At any time between January 1, 2013 and May 31, 2019, did PG&E choose to disable reclosing? If so, identify the date(s), the reclosing devices for which PG&E chose to disable the reclosing functionality, and the local area or areas in which they were located, and provide the reasons for choosing to disable reclosing functionality for each device.
7. Identify each reclosing device that automatically operated upon a fault, momentary or sustained, at any time between October 8 through November 20, 2017, in the area affected by the October 2017 Fire Siege, and its location and circuit.
8. How has PG&E changed its practice, procedures, and equipment, with respect to reclosing devices after the October 2017 fires? Provide the reasons why PG&E did so and PG&E's assessment of the effect on safety.

C. Procedures or policies for proactive de-energization of power lines

1. Describe PG&E activities to consider de-energization as a tool to reduce fire risk between January 2013 and May 31, 2019. Include any analyses or consideration given to SDG&E's de-energization program, and to SCE's de-energization program. Identify and provide contemporaneous documentation that explains PG&E's efforts, conclusions, and actions regarding a de-energization program.
2. Describe the status of PG&E's development of a de-energization program in October 2017.
3. Describe whether PG&E considered de-energization at the time leading up to and including the October 2017 fire siege. If so, explain the steps taken, factors considered, decisions made, and outcomes.
4. Describe whether, at any time between October 1, 2017 and ignition of the October 2017 wildfires, PG&E consulted or communicated with any meteorologist or other experts (including PG&E employees or other experts, CAL FIRE or other firefighting entities) regarding the possibility of de-energizing any facilities. If yes, provide for each consultation or communication:

- a) **The date(s).**
 - b) **The name(s) of all persons involved, and their employer.**
 - c) **All documents or other records relating to the consultation or communication. If a verbal communication, summarize the communication.**
 - d) **Any decision reached.**
5. When did PG&E first implement an operable de-energization plan?
 6. Provide a copy of PG&E's de-energization Public Safety Power Shut-off (PSPS) program as it was first implemented and documentation of any changes that have occurred between then and May 31, 2019.
 7. Explain why PG&E did not implement a de-energization plan earlier.
 8. Provide documentation of any data, analyses, studies, reports, or communications between January 1, 2013 and May 31, 2019 regarding whether PG&E should have developed a de-energization program earlier than it did.

D. Recordkeeping practices

1. Provide, by Division and year, between January 1, 2013 and May 31, 2019, the number of work orders completed late.
2. Provide, by Division and year, between January 1, 2013 and May 31, 2019, the number of errors and the nature of the errors found in work order records, e.g., incorrect date of completion, wrong categorization, etc.
3. Provide, by Division and year, between January 1, 2013 and May 31, 2019, the number of errors and the nature of the errors found in patrol, detailed, and enhanced inspection records.

E. Handling and retention of evidence

1. Provide, by year, between January 1, 2013 and May 31, 2019, data and a description of each known instance in which PG&E did not comply with Commission requirements regarding handling and retention of evidence.

F. Monitoring and prevention of conductor-to-conductor contact

1. Provide, by Division and year, between January 1, 2013 and May 31, 2019, a list and a description of each known instance of contact between energized electric supply conductors of the same circuit.

G. Other risks to public safety

1. Describe any internal analyses or external expert advice or opinion between January 1, 2013 and May 31, 2019, regarding the effect of drought and/or climate change on wildfire risks and hazards within PG&E's service territory. Provide all reports or other documentation, including any qualitative or quantitative analyses that PG&E produced or received on this topic.
2. Provide any internal analysis or external expert advice or opinion between January 1, 2013 and May 31, 2019, regarding the potential hazards associated with:
 - e) **Strong and/or hot, dry, easterly winds during fire season.**
 - f) **Drought conditions for months before fire season.**
 - g) **Fire hazards and dry flammable vegetation in proximity to population.**
 - h) **Canyons and other areas that can act as wind tunnels.**
3. Provide all PG&E documents between January 1, 2013 and May 31, 2019, that analyze or identify local areas' susceptibility to wildfire danger. Explain whether and how PG&E has considered fire dangers associated with each of the following:

- i) Local areas susceptible to strong wind and gusting during wildfire season, including but not limited to Diablo winds.**
 - j) PG&E electrical lines or other facilities that are located in close proximity to population and, in particular, facilities that are located in a direction from population that increases risk to the public due to known weather patterns.**
 - k) Dryness of a local area and its vegetation expected during wildfire season.**
 - l) Canyons in a local area, including ones that may direct and intensify wind.**
 - m) Age and condition of electrical equipment in the local area.**
 - n) Whether rainfall caused significant area growth or underbrush that would become dry during wildfire season.**
4. For the location of the origin of each wildfire investigated by SED, provide all documents and communications that address whether the location is in a local area recognized by PG&E as susceptible to wildfires.
5. Describe and provide all documents and communications regarding any changes to PG&E's policies and practices with respect to local area vulnerability to wildfires since January 1, 2013 to May 31, 2019.