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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to
Examine Electric Utility De-
energization of Power Lines in
Dangerous Conditions.

Rulemaking 18-12-005

**ASSIGNED COMMISSIONER AND ASSIGNED ADMINISTRATIVE LAW
JUDGE'S RULING DIRECTING PACIFIC GAS AND ELECTRIC COMPANY
TO SHOW CAUSE WHY IT SHOULD NOT BE SANCTIONED
BY THE COMMISSION FOR VIOLATION OF PUBLIC UTILITIES CODE
SECTIONS 451 COMMISSION DECISION 19-05-042
AND RESOLUTION ESRB-8**

Summary

This Ruling directs Pacific Gas and Electric Company (PG&E) to show cause why it should not be sanctioned by the Commission for violation of Public Utilities (Pub. Util.) Code § 451, Commission Decision 19-05-042 and Resolution ESRB-8 by failing to properly communicate with its customers, coordinate with local governments, and communicate with Critical Facilities and Public Safety Partners, as defined, during the Public Safety Power Shutoff (PSPS) events during October 9 - 12, 2019 and October 23 - November 1, 2019, resulting in a risk to public safety.

1. Background

On October 9, 2019, PG&E shut off the power across 35 counties, which impacted approximately 729,000 customer accounts. The shutoff lasted until

October 12, 2019, and the average duration was 45 hours.¹ On October 14, 2019, Commission President Marybel Batjer sent a letter to PG&E regarding this PSPS event. The letter advised PG&E of numerous concerns with what had been the largest PSPS event in the history of California, ordered PG&E to attend an October 18, 2019 emergency Commission Meeting (Emergency Meeting) on the topic and imposed new, and renewed, requirements on PG&E.² As President Batjer noted at the Emergency Meeting, “The threat of a poorly-executed wide-scale PSPS event compromises delivery of electricity to the public, including home, hospitals and public facilities. Until PG&E’s conduct is reviewed and corrective actions are identified and implemented, there remains a substantial risk that the public health and safety of Californians will be severely impaired with potentially catastrophic results.”³

At the Emergency Meeting, PG&E executives admitted to significant shortcomings in the company’s execution of the October 9-12, 2019 PSPS event. In its October 25, 2019 compliance report on the October 9-12 PSPS event (October 25 Report),⁴ PG&E identified multiple areas where it failed to meet the requirements of ESRB-8 and D.19-05-042 including:

¹ Preliminary estimates based on information provided during the PSPS event to the Safety and Enforcement Division.

²

https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/News_Room/NewsUpdates/2019/PGE%20Letter%20-%20PSPS%2010-14-19.pdf

³ Reporter’s Transcript (RT), Emergency PSPS Meeting, at 4:22-5:3.

⁴ The October 25 Report can be found at https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/News_Room/NewsUpdates/2019/PGE%20Public%20Safety%20Power%20Shutoff%20Oct.%209-12%20Report.pdf

1. PG&E's website was unavailable during most of the time of the PSPS event. This meant that customers and government agencies were unable to obtain information on the outage or other important data.
2. PG&E did not notify approximately 23,000 customers of the 729,000 customers, including approximately 500 medical baseline customers, of the PSPS event.
3. PG&E did not properly coordinate with local governments and tribal communities prior to and during the PSPS event.
4. PG&E did not plan how its PSPS event would impact key infrastructure throughout its service territory to identify where backup power would be necessary.

Between October 23 and November 1, 2019, PG&E initiated three back-to-back PSPS events which, at one point, impacted 38 counties and approximately 975,000 customer accounts. Many of the customers who were shut off remained without power for nearly a week. This even larger PSPS event, combined with the longer duration of power shutoffs experienced by customers, presented a risk to public safety and resulted in significant disruption to the public.

2. Order to Show Cause

On April 19, 2012, the Commission issued Decision (D.) 12-04-024, which granted a petition to modify D.09-09-030 and ordered SDG&E to (1) take all appropriate and feasible steps to provide notice and mitigation to its customers whenever the utility shuts off power pursuant to §§ 451 and 399.2(a), and (2) report any de-energization events to the SED within 12 hours after a shut off.⁵ Decision 12-04-024 also confirmed that while "SDG&E will be in the best position to determine when power should be shut off[,]" power should be shut off "only

⁵ D.12-04-024 at COL 1, 2.

Footnote continued on next page.

as a last resort[,]” and “there is a strong presumption that power should remain on.”⁶

On July 18, 2018, in the wake of the devastating 2017 fires, the Commission issued Resolution ESRB-8, which extended D.12-04-024’s reasonableness, public notification, mitigation and reporting requirements to all electric investor-owned utilities (IOUs) to ensure that public and local officials are prepared for power shut off and aware of the electric IOUs’ de-energization policies.⁷ Resolution ESRB-8 also strengthened reporting requirements and the public outreach, notification, and mitigation guidelines of D.12-04-024.

On June 4, 2019, the Commission issued D.19-05-042, which adopted de-energization (also known as Public Safety Power Shut-off) communication and notification guidelines for the electric utilities.⁸ One of the “overarching” guidelines is that: “[t]he electric investor-owned utilities must deploy de-energization as a measure of last resort and must justify why de-energization was deployed over other possible measures or actions.”⁹ The guidance adopted in D.19-05-042 includes definitions of terms, such as Critical Facilities and Public Safety Partners, to ensure that communication and notification responsibilities are clear.

The impact of PG&E’s failure to effectively communicate with its customers and to properly coordinate with local governments demonstrate that its actions to implement the power shutoffs were ill-conceived, poorly planned, uncoordinated (both internally and externally) and ineffectively communicated.

⁶ D.12-04-024 at 29-30.

⁷ ESRB-8 at 5-7.

⁸ The adopted PSPS Guidelines are Attachment A of the decision.

⁹ D.19-05-042, Appx. A at A1.

These actions are not only in contravention with the requirements of D.19-05-042 and ESRB-8, but would also constitute a violation of Pub. Util. Code § 451, which requires that every public utility “furnish, maintain, such adequate, efficient, just and reasonable service ... as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public.” The safety of the public is an obligation not only when providing electric service, but also a necessary consideration in a PSPS event. Accordingly, this Order to Show Cause (OSC) orders PG&E to appear and explain why it should not be sanctioned for violations of D.19-05-042, Resolution ESRB-8 and Pub. Util. Code Section 451.

Pursuant to Pub. Util. Code §§ 2107 and 2108, the Commission may impose penalties for each offense, if found to be supported by evidence, of not less than \$500 nor more than \$100,000 for each offense.

3. Scope and Schedule

Evidence in this OSC includes the following:

- President Batjer’s October 14, 2019 letter to PG&E and PG&E’s weekly responses;
- The transcript of the Commission’s October 18, 2019 Emergency Meeting and PG&E’s presentation; and
- PG&E’s ESRB-8 Report regarding the PSPS events for October 2019 and any stakeholder responses.¹⁰

In addition, we wish to ensure there is a complete record on which to prepare a final decision for Commission action. Therefore, the OSC schedule will provide for additional testimony, comments and/or recommendations from the impacted parties, including community organizations, local governments, and tribal communities. The parties will also be provided an opportunity to provide

¹⁰ All of these documents are found at <https://www.cpuc.ca.gov/deenergization/>

recommendation for monetary fine and any corrective actions, as appropriate. A prehearing conference will be held to establish the schedule for this OSC.

The prehearing conference shall be held on Wednesday, December 4, 2019 at 3:30 p.m. at the Commission Auditorium at 505 Van Ness Avenue, San Francisco.

IT IS RULED THAT Pacific Gas and Electric Company shall show cause why it should not be sanctioned by the Commission for its failure to properly communicate with its customers and coordinate with local governments during the Public Safety Power Shutoff events during October 9-12, 2019 and October 23-November 1, 2019 in violation of Public Utilities Code Section 451, Decision 19-05-042 and Resolution ESRB-8. This Order to Show Cause notices a prehearing conference on Wednesday, December 4, 2019 at 3:30 p.m. at the Commission Auditorium, 505 Van Ness Avenue, San Francisco, CA 94102.

Dated November 12, 2019, at San Francisco, California.

/S/ MARYBEL BATJER

Marybel Batjer
Assigned Commissioner

/S/ MELISSA K. SEMCER

Melissa K. Semcer
Administrative Law Judge