

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**  
**Agenda ID: 18327**  
**ENERGY DIVISION** **RESOLUTION G-3564**  
**May 28, 2020**

**R E S O L U T I O N**

Resolution G-3564. Pacific Gas and Electric Company seeks to revise Gas and Electric Rule 9 to remove the utility's Bill Relief Program for customers impacted by the 2010 San Bruno gas pipeline incident.

**PROPOSED OUTCOME:**

- Pacific Gas and Electric Company's (PG&E) request to revise Rule 9 in its gas and electric tariffs is denied. The utility is ordered to reinstate the San Bruno Bill Relief Program for remaining eligible customers up to a 5-year term and to make conforming tariff changes. Refunds of prior collected amounts are ordered.

**SAFETY CONSIDERATIONS:**

- There are no safety considerations associated with this resolution.

**ESTIMATED COST:**

- There are no costs associated with this resolution.

By Advice Letter PG&E AL 4082-G/5510-E, filed on March 28, 2019.

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**SUMMARY**

PG&E's request in Advice Letter (AL) 4082-G/5510-E to remove the shareholder-funded San Bruno Bill Relief Program (BRP) from Rule 9 in its gas and electric tariffs is denied. The BRP was instituted following the 2010 San Bruno pipeline explosion. The utility did not renew the program after January 2019 although 2 customers remained eligible for the program. Because PG&E did not sufficiently justify terminating the program while 2 customers remain eligible, the utility is ordered to reinstate the BRP for a 5-year term unless the remaining eligible customers cease to qualify for the program within that timeframe.

PG&E shall file a supplemental AL to make conforming changes to its gas and electric tariffs no later than 20 days from today. The utility is also directed, at shareholder expense, to refund to eligible customers the amount the utility collected from such customers in their PG&E bills during the period in which the BRP expired until it is resumed. PG&E is ordered to issue these refunds, which shall be funded by utility shareholders, within 30 days following the reinstatement of the BRP. The AL was protested by a former resident of San Bruno who recommended that the program continue.

## **BACKGROUND**

On September 9, 2010, a segment of a PG&E gas transmission pipeline located in the community of San Bruno ruptured and exploded. The incident killed eight residents and injured many others. At least 37 homes were destroyed and a number damaged, leaving occupants displaced.

Following the San Bruno incident, PG&E submitted AL 3155-G/3739-E and Supplemental AL 3155-G-A/3739-E-A requesting approval to revise Rule 9 in its gas and electric tariffs to establish the BRP for its customers that were directly impacted by the incident.<sup>1</sup> The BRP was approved in Resolution G-3450. Under the program, eligible customers would not be presented with a PG&E bill for their energy usage with the costs absorbed by utility shareholders. Initially, the program was to remain in effect for customers unable to return to their service address until January 2012. However, PG&E extended the BRP annually via ALs until January 2019, when it expired.<sup>2</sup> Resolution G-3450 also directed PG&E to submit a report to the Commission following the BRP termination on the results of the program.<sup>3</sup>

In AL 4082-G/5510-E, PG&E is seeking to revise Gas and Electric Rule 9 to remove language associated with the BRP to conform to the program's expiration

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<sup>1</sup> PG&E Rule 9 in its gas and electric tariffs corresponds to the rendering and payment of bills.

<sup>2</sup> PG&E AL 3929-G/5220-E was the last AL the utility filed to extend the program which was through the January 2019 billing cycle.

<sup>3</sup> PG&E submitted the report on March 29, 2019.

in January 2019. In the AL, PG&E stated that they notified the two remaining customers in the program that normal billing was to resume with the February 2019 billing cycle.<sup>4</sup>

## **NOTICE**

Notice of PG&E AL 4082-G/5510-E was made by publication in the Commission's Daily Calendar. PG&E states that a copy of the Advice Letter was mailed and distributed in accordance with Section 4 of General Order 96-B.

## **PROTESTS**

On April 17, 2019, Leslie Carney, proclaiming to be a former resident of Glenview Drive in San Bruno, filed a protest.<sup>5</sup> The protestant implored the Commission to continue the BRP as a sanction against the utility for contributing to the explosion as well as its actions in the aftermath.

PG&E did not submit a reply to the protest.

## **DISCUSSION**

Since 2011, PG&E routinely extended the BRP each year by an AL filing. Then, in 2019, the utility let the program lapse without an explanation in the AL even though customers were still eligible to receive the bill relief.<sup>6</sup> PG&E later

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<sup>4</sup> In response to Energy Division data requests concerning the eligibility of the two customers, PG&E stated that owner of the property of one customer is the City of San Bruno and that the other customer may have been eligible to receive a bill credit and that the customer has expressed a desire to have no future contact with PG&E making it difficult to confirm if the customer would have met the eligibility criteria. (October 22, 2019 and December 2, 2019 PG&E data request responses).

<sup>5</sup> The September 9, 2010 San Bruno pipeline explosion occurred in proximity to Glenview Drive.

<sup>6</sup> PG&E noted in AL3929-G/5220-E, which continued the program until 2019 after which time it lapsed, that the reason the BRP was extended was because it anticipated that 2 customers may still be displaced and to mitigate the harm caused by the San Bruno accident and to help return the community to normalcy. (PG&E AL 3929-G/5220-E at p.2)

indicated that uncertainty about the eligibility of the remaining customers was a factor in its decision.<sup>7</sup> The protestant, a former resident of San Bruno, made a compelling argument to continue the BRP based on the severity of the pipeline incident and its resulting impact on the well-being of that community. Given that two customers appear to remain eligible, we will not approve AL 4082-G/5510-E and authorize removing the program from PG&E's gas and electric tariffs.

Accordingly, under the authority of PU Code section 701<sup>8</sup>, PG&E shall reinstate the BRP for a 5-year term with the following exception. PG&E may terminate the program earlier if the remaining eligible customers cease to qualify for the bill relief within the 5-year timeframe. In the event it is unclear whether a customer qualifies for the program, PG&E shall treat such a customer as program-eligible. This extension of the BRP is consistent with the goal of PU Code section 963(b)(3)<sup>9</sup> as it reinforces the critical importance of maintaining a safe gas system.

To reinstate the BRP, PG&E shall file a Supplemental AL to AL 4082-G/5510-E replacing the original AL in its entirety and to make the necessary tariff changes specifying that the program will remain in effect until the May 2025 billing cycle unless no eligible customers exist prior to that deadline. The Supplemental AL shall be filed no later than 20 days from today.

Once the BRP ends, PG&E shall file a Tier 1 AL as soon practicable to remove the program from its gas and electric tariffs.

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In its December 2, 2019 Data Request Response to Energy Division, PG&E did note that one customer may be eligible for the program, but the customer is not the "customer of record" at the new service location

<sup>7</sup> PG&E Data request response issued October 22, 2019 and December 2, 2019.

<sup>8</sup> PU Code section 701 states: "The commission may supervise and regulate every public utility in the State and may do all things, whether specifically designated in this part or in addition thereto, which are necessary and convenient in the exercise of such power and jurisdiction."

<sup>9</sup> PU Code section 963(b)(3) states: "*It is the policy of the state that the commission and each gas corporation place safety of the public and gas corporation employees as the top priority. The commission shall take all reasonable and appropriate actions necessary to carry out the safety priority policy of this paragraph consistent with the principle of just and reasonable cost-based rates.*" (emphasis added)

Furthermore, PG&E is also directed to refund to eligible customers the amount the utility collected from such customers in their PG&E bills during the period in which the BRP expired until it is resumed. PG&E shall issue these refunds, which shall be funded by utility shareholders, within 30 days following the reinstatement of the BRP.

Additionally, PG&E shall submit a supplemental BRP report to the Energy Division 30 days after the program has ended. The supplemental report shall contain the information required in Resolution G-3450.

### **COMMENTS**

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review. Please note that comments are due 20 days from the mailing date of this resolution. Section 311(g)(2) provides that this 30-day review period and 20-day comment period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day review and 20-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments, and will be placed on the Commission's agenda no earlier than 30 days from today.

### **FINDINGS**

1. PG&E routinely extended the BRP through annual ALs since 2011.
2. PG&E allowed the BRP to lapse in 2019 without explanation although some customers remained eligible for the program.
3. It is reasonable to reinstate the BPR while customers remain eligible and order refunds to these eligible customers for the time period the program lapsed.
4. Extending the BRP will reinforce the importance of maintaining a safe gas system.

**THEREFORE IT IS ORDERED THAT:**

1. Pacific Gas and Electric Company's (PG&E) request in AL 4082-G/5510-E is denied.
2. PG&E shall file a supplemental AL to AL 4082-G/5510-E, replacing the original AL in its entirety, to reinstate the San Bruno Bill Relief Program which was adopted in Resolution G-3450 until the May 2025 billing cycle unless no customers remain eligible for the program prior to that deadline at which point the program shall terminate. PG&E shall file the Supplemental AL with the conforming tariff revisions no later than 20 days from today.
3. PG&E shall file a Tier 1 AL to remove the San Bruno Relief Program from its gas and electric tariffs once the program ends pursuant to Ordering Paragraph 2 as soon as it is practicable to do so.
4. PG&E shall refund to eligible customers the amount the utility collected from such customers in their PG&E bills during the period in which the BRP expired until it is resumed. PG&E shall issue these refunds, which shall be funded by PG&E shareholders, within 30 days following the reinstatement of the BRP.
5. PG&E shall file a supplemental report to the Energy Division describing the results of the San Bruno Bill Relief Program and information specified in Resolution G-3450 no later than 60 days after the program ends.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on May 28, 2020; the following Commissioners voting favorably thereon:

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ALICE STEBBINS  
Executive Director