

Decision 20-05-025 May 7, 2020

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

Order Instituting Investigation on the Commission's Own Motion to Determine Whether Pacific Gas and Electric Company and PG&E Corporation's Organizational Culture and Governance Prioritize Safety.

Investigation 15-08-019

**ORDER EXTENDING STATUTORY DEADLINE**

**Summary**

This decision extends the statutory deadline in this proceeding to November 8, 2020.

**1. Background**

Public Utilities Code (Pub. Util. Code) Section 1701.5(a)<sup>1</sup> provides that ratesetting cases shall be resolved within 18 months of the date the scoping memo is issued, unless the California Public Utilities Commission (Commission) establishes an alternative timeline in the Scoping Memo or issues an order extending that deadline. In this proceeding, the statutory deadline for resolving this investigation was May 8, 2019, per scoping memo issued on May 8, 2017. The Commission with Decision (D.) 19-04-043 issued on April 25, 2019, extended the statutory deadline to May 8, 2020.

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<sup>1</sup> This proceeding was filed prior to changes made to Pub. Util. Code § 1701.5(a). These changes only apply to cases filed after December 31, 2016.

On August 27, 2015, the Commission opened this Order Instituting Investigation (OII) to determine whether Pacific Gas and Electric Company (PG&E) and PG&E Corporation's (PG&E Corp.), organizational culture and governance prioritize safety. The Commission also directed the Safety and Enforcement Division, to act in its advisory capacity to investigate PG&E's safety culture and to retain the services of an expert consultant(s) to assist in this investigation and reporting.

On May 8, 2017, the assigned Commissioner issued the Scoping Memo and Ruling setting the category, scope, schedule of the proceeding, and attaching a copy of the report named "*Assessment Of Pacific Gas And Electric Corporation And Pacific Gas And Electric 's Safety Culture Prepared For California Public Utilities Commission (April 21, 2017) by NorthStar Consulting Group*" (hereafter NorthStar Report).

A Prehearing Conference was held on August 1, 2017 and a Workshop was held on September 12, 2017, to provide parties with an overview of the NorthStar Report and to allow for questions about the report. On April 11, 2018, an Evidentiary Hearing was held. Briefs were filed on May 9, 2018 and reply briefs were filed on May 21 and 23, 2018.

On November 29, 2018, the Commission adopted D.18-11-050 in which the recommendations of the NorthStar Report were adopted and in which PG&E was ordered to implement the recommendations of the NorthStar Report as adopted in the decision. A second Scoping Memo and Ruling was issued on December 21, 2018, to set the scope and the schedule for the next phase of this proceeding. Parties filed comments on February 13, 2019 and reply comments on February 22 and 28, 2019.

On June 13, 2019 the Commission adopted D.19-06-008 directing PG&E and PG&E Corp. to provide information about the safety experience and qualifications of independent directors on the board(s) of PG&E and PG&E Corp. and establishing a Commission Advisory Panel on Corporate Governance.

PG&E's bankruptcy proceedings have resulted in a delay in this proceeding, as a number of the issues overlap. Accordingly, this proceeding has been essentially on hold until the PG&E bankruptcy proceedings are resolved, which is anticipated to occur soon. Once those proceedings are resolved, this proceeding will be able to continue.

Therefore, an extension of the statutory deadline until November 8, 2020, is appropriate to allow sufficient time for review and consideration of parties' comments on the various possible approaches to address the underlying issue of PG&E's safety culture, plus any additional procedural steps, taking into consideration the outcome of PG&E's bankruptcy proceedings.

## **2. Waiver of Comment Period**

Under Rule 14.6(c)(4) of the Commission's Rules of Practice and Procedure, the Commission may reduce or waive the period for public review and comment of proposed decisions extending the deadline for resolving ratesetting proceedings. Accordingly, the otherwise applicable period for public review and comment is being waived.

## **3. Assignment of Proceeding**

Marybel Batjer is the assigned Commissioner and Peter V. Allen is the assigned Administrative Law Judge in this proceeding.

## **Findings of Fact**

1. This order instituting investigation was opened by the Commission on August 27, 2015.

2. The first Scoping Memo and Ruling was issued on May 8, 2017 and the second Scoping Memo and Ruling was issued on December 21, 2018.
3. A Prehearing Conference was held on August 1, 2017 and a Workshop was held on September 12, 2017.
4. An Evidentiary Hearing was held on April 11, 2018.
5. Parties filed several briefs and reply briefs in May 2018.
6. On November 29, 2018, the Commission adopted D. 18-11-050.
7. The statutory deadline for resolving the issues identified in the scoping memo is May 8, 2020.
8. An extension of the statutory deadline to November 8, 2020, is necessary to address open issues in this proceeding, taking into consideration PG&E's bankruptcy proceedings.

### **Conclusion of Law**

Pursuant to the authority granted to the Commission under Pub. Util. Code § 1701.5(a), the statutory deadline should be extended to November 8, 2020.

**IT IS ORDERED** that the statutory deadline in this proceeding is extended until November 8, 2020.

This order is effective today.

Dated May 7, 2020, at San Francisco, California.

MARYBEL BATJER  
President  
LIANE M. RANDOLPH  
MARTHA GUZMAN ACEVES  
CLIFFORD RECHTSCHAFFEN  
GENEVIEVE SHIROMA  
Commissioners