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Assembly California Legislature



FRANK BIGELOW
ASSISTANT REPUBLICAN LEADER
ASSEMBLYMEMBER, FIFTH DISTRICT

STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0005
(916) 319-2005
FAX (916) 319-2105

DISTRICT OFFICES
33 BROADWAY, SUITE C
JACKSON, CA 95642
(209) 223-0505
730 NORTH I STREET, SUITE 102
MADERA, CA 93637
(559) 673-0501

2441 HEADINGTON ROAD
PLACERVILLE, CA 95667
(530) 295-5505

Assemblymember Richard Bloom, Chair
Budget Subcommittee No. 3 on Resources and Transportation
State Capitol, Room 2003
Sacramento, CA 95814

May 1, 2017

Dear Chairman Bloom:

I respectfully request the Budget Subcommittee No. 3 on Resources and Transportation hear the following proposal regarding the citation dollars paid by PG&E to the Department of Finance. I would like to submit for the Committee's consideration that the \$8.3 million awarded to the state from PG&E in relation to the damages caused by the Butte Fire, be directed to the affected counties of Amador and Calaveras.

In September of 2015 a terrifying blaze erupted in the city of Jackson near Butte Mountain Road in Amador County. The fire had a devastating toll on these counties, burning 70,868 acres and damaging or destroying a significant amount of property. More than 500 homes, 368 outbuildings and four commercial properties were destroyed as a result of this fire. Two Californians died and one was injured during the disaster.

It has been determined that the incident occurred when a gray pine tree made contact with a 12-kilovolt overhead electric conductor. PG&E was the owner of the device, and was cited by the California Public Utilities Commission for failing to maintain the conductor. The CPUC also found that PG&E failed to provide a timely report stating that their facilities may have been linked to the blaze.

Both Amador and Calaveras are rural, remote counties with small populations and budgets. The last Census recorded approximately 37,383 people living in Amador County and 45,085 in Calaveras County. Since these dollars were not available to aid the counties at the time of the disaster, I am requesting they be used now to help ease the financial burden the counties endured to quell the fire.

The funds derived from the penalties highlighted above would be used as matching funds by the County for recovery projects funded by FEMA and the California Office of Emergency Services which include disaster recovery, maintenance, public health and safety and community

support resources in the areas/neighborhoods directly impacted and adjacent to the Butte Fire. The goal of these funds is to encourage community resiliency and safety. Lastly, these dollars could be directed to fire prevention work, including the removal of trees destroyed by the Western Bark Beetle on public and private properties in Calaveras and Amador Counties. Tree mortality is a tremendous threat in these communities, and their removal is crucial in preventing future catastrophic forest fires.

Thank you for your time and attention to this important issue. Attached is a press release with the California Public Utilities Commission's official statement on the matter. Please feel free to contact me or my Chief of Staff, Katie Masingale, at (916) 319-2005 if you have any questions on this request.

Sincerely,

A handwritten signature in blue ink that reads "Frank Bigelow". The signature is written in a cursive, flowing style.

Assemblymember Frank Bigelow, 5th District

CC:

Jazmin Hicks, Assembly Budget Committee

Cyndi Hillery, Assembly Republican Caucus

John Kennedy, Assembly Republican Caucus

Assemblyman Phil Ting, Chair, Assembly Budget Committee,

Assemblyman Jay Obernolte, Vice Chair, Assembly Budget Committee

Assemblyman Vince Fong, Member Budget Sub. 3

Assemblywoman Christina Garcia, Member, Budget Sub. 3

Assemblyman Kevin Mullin, Member, Budget Sub. 3

Assemblyman Jim Patterson, Member, Budget Sub. 3

FOR IMMEDIATE RELEASE

PRESS RELEASE

Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov

CPUC ISSUES STAFF CITATIONS TOTALING \$8.3 MILLION TO PG&E FOR BUTTE FIRE

SAN FRANCISCO, April 25, 2017 - The California Public Utilities Commission (CPUC) today issued two staff Citations totaling \$8.3 million to Pacific Gas and Electric Company (PG&E) for several violations related to the Butte Fire.

On September 9, 2015, the Butte Fire ignited near Butte Mountain Road in the city of Jackson in Amador County. The wildfire burned 70,868 acres, destroyed 921 structures (549 homes, 368 outbuildings, and 4 commercial properties), damaged 44 structures, and resulted in two civilian fatalities and one injury.

The CPUC's Safety and Enforcement Division discovered the cited violations in its investigation of the Butte Fire. The CPUC's investigation found that a gray pine tree contacted a PG&E 12-kilovolt (kV) overhead electric conductor and caused an ignition that started the fire, and agrees with the California Department of Forestry and Fire Prevention's (CAL FIRE) assessment in this regard.

The CPUC issued an \$8 million Citation to PG&E for violation of the CPUC's General Order 95, Rule 31.1, for failing to maintain its 12 kV overhead conductors safely and properly. This violation began in January 2015, when PG&E and/or its contractors first failed to identify that the planned removal of two nearby trees would allow the subject gray pine tree to become hazardous and make contact with the PG&E 12 kV overhead conductor. Such contact occurred on September 9, 2015, and started the Butte Fire.

The second Citation was issued to PG&E for a total of \$300,000 for two violations. PG&E was cited \$250,000 for failure to timely report to the CPUC that PG&E's facilities may have been linked to the ignition of the Butte Fire. The CPUC investigation found that PG&E became aware of this possible link no later than September 11, 2015, but did not notify the CPUC until September 16, 2015, five days later. The CPUC requires such notification within two hours of discovery during normal working hours, or within four hours outside of normal working hours. PG&E also was cited \$50,000 for failing to maintain the minimum required clearance between the 12 kV conductor and the subject tree. The CPUC's General Order 95, Rule 35 requires that a minimum clearance of at least 18 inches be maintained at all times.

The CPUC has an open proceeding to develop and adopt maps that depict areas of the state where there is an elevated risk of powerline fires igniting and spreading rapidly. The intent is to use the adopted fire-threat maps to accurately designate high fire-threat areas and to assess the need for additional fire-safety regulations in such areas. The CPUC is utilizing the expertise of CAL FIRE, utility fire experts, and independent fire behavior and climatology experts, and expects that the fire-threat maps will be completed and additional fire-safety regulations considered by the end of 2017.

The CPUC also has new responsibilities under Senate Bill (SB) 1028, approved by the Governor on September 24, 2016. SB 1028 requires electricity providers in California to maintain their electrical lines in a manner that will minimize the risk of catastrophic wildfires, and requires each electricity provider to prepare annual wildfire mitigation plans. The CPUC is tasked with evaluating the wildfire mitigation plans of investor-owned utilities such as PG&E, and monitoring utility implementation of their plans. The CPUC currently is in the process of developing measures to implement SB 1028.

PG&E has 30 calendar days (until May 25, 2017) to pay or contest the Citations.

The Citations are available at <http://www.cpuc.ca.gov/General.aspx?id=1965>.

The CPUC's Safety and Enforcement Division has staff-level authority to issue Citations to investor-owned utilities for violation of CPUC safety codes and regulations. The financial penalty can range up to \$50,000 per day of violation up to a maximum of \$8 million per Citation.

Safety violations are identified through the CPUC's Safety and Enforcement Division's ongoing audits, inspections, and investigations, or may be reported to the CPUC by the utilities themselves. Further, the CPUC has a whistleblower program for anonymous and protected reporting of violations to 1-800-649-7570 or safetyhotline@cpuc.ca.gov. The CPUC also has an online whistleblower reporting form at <https://ia.cpuc.ca.gov/whblow/> where complaints can be submitted anonymously.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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