1	FRANK M. PITRE (SBN 100077)		
2	fpitre@cpmlegal.com		
3	ALISON E. CORDOVA (SBN 284942) acordova@cpmlegal.com		
_	JOHN P. THYKEN (SBN 286598)		
4	jthyken@cpmlegal.com COTCHETT, PITRE & McCARTHY, LLP		
5	San Francisco Airport Office Center		
6	840 Malcolm Road, Suite 200 Burlingame, CA 94010		
7	Telephone: (650) 697-6000 Facsimile: (650) 697-6	)577	
8	RICHARD L. HARRIMAN (SBN 66124)		
9	Harrimanlaw1@sbcglobal.net		Superior Court of California
	LAW OFFICES OF RICHARD L. HARRIMAN 1078 Via Verona Dr.		County of Butte
10	Chico, CA 95973		L 12/10/2018 L
11	Telephone: (530) 343-1386 Facsimile: (530) 343-1		E E
12	Counsel for Plaintiffs		D By Kimberly Fleber, Clerk Deputy
13	[Additional co-counsel listed on the signature page]		Electronically FILED
14	[		
15	SUPERIOR COURT OF THE S	TATE OF	CALIFORNIA
16	IN AND FOR THE COU	J <b>NTY OF</b> I	BUTTE
17	LILA WILLIAMS, an individual; and	Case No	18CV03993
18	LOUISE HOWELL, an individual;		
	DI. 14166.		AINT FOR DAMAGES AND RATORY RELIEF:
19	Plaintiffs,		
20	v.	1. 2.	NEGLIGENCE INVERSE CONDEMNATION
21	PACIFIC GAS & ELECTRIC COMPANY,	3.	PUBLIC NUISANCE PRIVATE NUISANCE
22	a California corporation;	5.	PREMISES LIABILITY
23	PG&E CORPORATION, a California corporation; and	6.	TRESPASS VIOLATION OF BURLIC
	DOES 1 through 20, inclusive;	7.	VIOLATION OF PUBLIC UTILITIES CODE § 2106
24	Defendants.	8.	VIOLATION OF HEALTH &
	TO THE WITHAUT	9.	SAFETY CODE § 13007 VIOLATION OF CAL. BUS. &
25			PROF. CODE § 17500
<ul><li>25</li><li>26</li></ul>		4.0	
		10.	INJUNCTION UNDER CAL. BUS. & PROF. CODE § 17535
26			INJUNCTION UNDER CAL.

LAW OFFICES COTCHETT, PITRE & McCarthy, LLP

COMPLAINT

### **TABLE OF CONTENTS**

- 1	1			
2			Page	
3	I.	INTRO	DDUCTION1	
4	II.	BACK	GROUND2	
5		A.	THE START2	
6		B.	THE PLIGHT OF PLAINTIFFS WILLIAMS & HOWELL	
7		C.	AWARENESS OF THE FORESEEABLE RISK AND CONSEQUENCE OF FAILING TO MANAGE THE WILDFIRE RISK4	
9	ш.	JURIS	DICTION AND VENUE6	ı
10	IV.	PART	IES6	
11		A.	PLAINTIFFS	
12		B.	DEFENDANTS6	
13		C.	DOE DEFENDANTS9	
14		D.	AGENCY & CONCERT OF ACTION9	
15	v.	STAT	EMENT OF FACTS10	)
16 17		A.	PG&E'S EQUIPMENT SPARKED THE MOST DESTRUCTIVE AND DEADLY FIRE IN CALIFORNIA HISTORY10	,
18 19		B.	PG&E CONSIDERED PREEMPTIVELY SHUTTING OFF POWER TO MANY NORTHERN CALIFORNIA AREAS DUE TO EXTREME FIRE DANGER	
20 21		C.	PG&E KNEW ITS INFRASTRUCTURE WAS AGING AND UNRELIABLE	
22			i. PG&E's Wires Were Found Highly Susceptible to Failure Due to Age 17	
23			ii. Many of PG&E's Wires Do Not Remotely De-Energize When Down	
24			and In a Hazardous State17	
25			iii. The CPUC Announced that Aging Power Poles Are Causing Significant Safety Hazards That Must Be Addressed	
26 27			iv. PG&E Was Not Tracking the Condition of Its Electrical Assets,  Despite Its Aging Infrastructure	
28				

LAW OFFICES COTCHETT, PITRE & MCCARTHY, LLP COMPLAINT

;

1			Knew that Its Down-Guy Design Was Flawed and Could Ground Currents That Create Arcing and Spark Vegetation 20
2 3	D.		LESSLY ADOPTED IS VMII PROGRAM WHERE IT PAID ORS TO CUT FEWER TREES21
4	r		ED TO FULLY EMPLOY LIDAR TO IDENTIFY HAZARD
5	E.		22
6	F.	PG&E KNEW	/ ITS ELECTRICAL EQUIPMENT WAS UNSAFE23
7	G.	PG&E'S "RU	N TO FAILURE" APPROACH TO MAINTENANCE24
8	H.	PG&E'S LON	NG HISTORY OF SAFETY VIOLATIONS25
9		1.	The 1981 San Francisco Gas Explosion
10		2.	The 1991 Santa Rosa Gas Explosion
11		3.	The 1994 Trauner Fire
12		4.	The 1996 Mission Substation Electrical Fire
13		5.	The 1999 Pendola Fire
14   15		6.	The 2003 Mission District Substation Fire
16		7.	The 2004 Sims Fire
17		8.	The 2004 Freds Fire
18		9.	The 2004 Power Fire
19		10.	The 2005 San Francisco Electrical Explosion
20		11.	The 2008 Rancho Cordova Explosion
21		12.	The 2008 Whiskey Fire
22		13.	The 2009 San Francisco Electrical Explosion
23		14.	The 2010 San Bruno Explosion
24		15.	The 2011 Cupertino Explosion
25		16.	The 2014 Carmel Explosion
26		17.	The 2015 San Francisco Transformer Explosion
27		18.	The 2015 Butte Fire
28			

LAW OFFICES COTCHETT, PITRE & MCCARTHY, LLP COMPLAINT

ii

1		19. The 2017 North Bay Fires
2		I. THE CORPORATE CULTURE AT PG&E THAT PUTS PROFITS BEFORE
3		SAFETY 33
4		i. PG&E Has Repeatedly And Continuously Diverted Safety Funds 34
5		ii. PG&E Continually And Habitually Flaunts CPUC Regulations And Investigations
6		
7		J. PG&E IS REQUIRED TO SAFELY DESIGN, OPERATE, AND MAINTAIN ITS ELECTRICAL SYSTEMS AND THE SURROUNDING VEGETATION. 37
8	VI.	PLAINTIFFS' LOSSES39
9	VII.	CAUSES OF ACTION41
10		FIRST CAUSE OF ACTION41
11		NEGLIGENCE (Against All Defendants)
12		SECOND CAUSE OF ACTION44
13		INVERSE CONDEMNATION
14		(Against All Defendants)
15		THIRD CAUSE OF ACTION
16		(Against All Defendants)
17		FOURTH CAUSE OF ACTION47
18		PRIVATE NUISANCE (Against All Defendants)
19		FIFTH CAUSE OF ACTION48
20		PREMISES LIABILITY
21		(Against All Defendants)
22		SIXTH CAUSE OF ACTION
23		(Against All Defendants)
24		SEVENTH CAUSE OF ACTION50
25		VIOLATION OF PUBLIC UTILITIES CODE § 2106 (Against All Defendants)
26		(1. Paringe 1. In Determine)
		EIGHTH CAUSE OF ACTION
27		VIOLATION OF HEALTH & SAFETY CODE § 13007 (Against All Defendants)
28   s		APLAINT iii
ن ا		an autanta III

LAW OFFICES COTCHETT, PITRE & MCCARTHY, LLP

NINTH CAUSE OF ACTION......52 VIOLATION OF CAL. BUS. & PROF. CODE § 17500 (Against All Defendants) TENTH CAUSE OF ACTION ......58 INJUNCTION UNDER CAL. BUS. & PROF. CODE § 17535 (Against All Defendants) PRAYER FOR RELIEF .....59 VIII. IX. JURY DEMAND......62 COMPLAINT

**LAW OFFICES** COTCHETT, PITRE & McCarthy, LLP

iv

PLAINTIFFS bring this action for damages against Defendants PG&E CORPORATION, PACIFIC GAS & ELECTRIC COMPANY, and DOES 1 through 20 (collectively, "DEFENDANTS") as follows:

#### I. <u>INTRODUCTION</u>

- 1. This case arises from PG&E CORPORATION and/or PACIFIC GAS & ELECTRIC COMPANY's (collectively, "PG&E") repeated and willful disregard for public safety in failing to manage the risks associated with the operation of their facilities and equipment
- 2. PG&E's abdication of responsibility for assessing the effectiveness of their risk management practices to prevent catastrophic wildfires is exacerbated by the fact that those charged with managing wildfire risks choose to ignore the lessons learned from the Butte and North Bay Wildfires. These events exposed serious problems with the efficacy of the practices PG&E relies upon to prevent wildfires. As described by one senior officer of PG&E charged with assessing PG&E's overall Risk Management Program prior to the San Bruno explosion in 2010, "PG&E lacks a well defined documented risk policy/standard at the enterprise level. One that explains PG&E's overall risk assessment methodology; defines the lines of business roles and responsibility; specifies the requirements for performing and documenting risks; links risk assessments to controls, self-assessment, reviews and audits; and specifies the requirements for metrics to track the risks."
- 3. Given the calamities experienced by the victims of the Butte Fire in Calaveras County in 2015, the North Bay Fires in 2017 and the recent Camp Fire, it is clear that PG&E's dysfunctional risk assessment methodologies have not improved. PG&E has spent millions of dollars on media advertising, instead of investing to upgrade infrastructure and revamp their vegetation management practices, demonstrating that PG&E places its reputation above public safety. PG&E refuses to authorize audits of its wildfire risk management practices by independent consultants to provide objective assessments of whether their policies are effective. Rather, PG&E conducts self-audits of its practices which fail to accurately evaluate the safety risks posed to the public. As a result, PG&E promotes a false and misleading picture of their ability to safely supply its customer base, and the public, with a safe supply of electricity.

### II. BACKGROUND

4.

#### A. THE START

5. On the morning of November 8, 2018, a fire began in Butte County which would eventually ravage the town of Paradise and several other communities (hereinafter "Camp Fire"). The first reported sighting of a fire that morning was near Pulga Road and Camp Creek Road, northeast of the Town of Paradise. The discovery of the fire coincided with a reported malfunction in one of PG&E's transmission lines just minutes earlier, the Caribou-Palermo 115kV Transmission Line, which is more than fifty (50) years old. Approximately thirty minutes after the first malfunction, a second power outage was reported by PG&E in its power lines near Concow, just east of Paradise.

This callous and despicable disregard for the safety of California communities is

underscored by PG&E's diversion of necessary safety related expenditures into funding corporate

bonuses, boosting shareholder profits, and/or fueling advertising campaigns -- while ignoring the

serious and irreparable nature of the public safety threat posed by its aging infrastructure and

ineffective vegetation management practices. As a result, the people of the State of California

have paid for corporate greed with the lives of their loved ones, their homes, and their most

cherished belongings. This action seeks not only the recovery of damages on behalf of Plaintiffs

herein, but also seeks to: (1) stop PG&E officers and directors from spending the company's

monopolistic profits and ratepayer assessments on advertising to promote a false and misleading

picture of safety surrounding their operations; and (2) recoup all monies spent by PG&E for

advertising to promote their false image of safety since September 9, 2010.

- 6. Fanned by high winds, the fire spread at an estimated rate of a football field every second. By around 8 a.m., the fire had reached Paradise, a scenic forest community nestled in the Sierra foothills with a population of 26,000, many of them seniors, retirees, and families seeking to escape the high cost of living found in other California cities.
- 7. Many residents had little, to no, warning of the approaching blaze and were forced into bottlenecks of traffic in a desperate attempt to escape on the few small roads out of town. Vehicles waited in bumper-to-bumper traffic hoping to outpace the flames as the enveloping

## 15

16

13

14

17 18

19

20

22

21

23

2425

2627

smoke turned the mid-day sky to night. By the end of the day, the Camp Fire had destroyed nearly all of Paradise and surrounding communities, and inflicted horrific death and destruction.



Devastation of the Camp Fire1

#### B. THE PLIGHT OF PLAINTIFFS WILLIAMS & HOWELL

- 8. Plaintiffs, 93-year-old **LILA WILLIAMS** and her daughter, 67-year-old **LOUISE HOWELL**, were two of those desperately trying to escape the inferno which enveloped.
- 9. **LOUISE** barely escaped her Concow property as the fire closed in around her. With her dog and cat nowhere in sight, she had no choice but to leave without them. **LOUISE** then found herself stuck in a row of cars unable to cross Concow Creek on the one road out of town. The fire began melting the stopped cars, forcing **LOUISE** and others trapped by the flames to leave their vehicles and seek shelter in Lake Concow. After fire crews were able to clear debris from the road, **LOUISE** joined a convoy of cars following behind a fire truck, passing through flaming forests as the fire truck batted away burning tree limbs. Throughout this ordeal, **LOUISE** was unable to reach her 93-year-old mother in Magalia and was tormented by the fear that her mother could not get out in time.

COMPLAINT

<sup>&</sup>lt;sup>1</sup> https://www.firehouse.com/operations-training/wildland/news/21031685/at-least-five-people-dead-camp-wildfire-paradise-chico-ca-firefighters

10. **LILA** was returning from a doctor's appointment with her granddaughter on the morning of November 8 when embers from the Camp Fire began falling on their car. Fearful that she would not have enough gas to escape the fire, she stopped at a gas station, but left without refueling due to the long lines of vehicles. She tried another gas station, only to have the power shut off just as she reached the pump. Fortunately, **LILA** was finally able to abandon her vehicle at her granddaughter's home in Magalia and evacuate in her granddaughter's truck. They then joined the clogged roads heading towards to Chico. Terrified of being overrun by the flames in the slow-moving traffic, **LILA** made the harrowing decision of turning around and heading deeper into the mountains in an attempt to escape. **LILA** and her family managed to survive, but their homes, property, and community were destroyed.

## C. AWARENESS OF THE FORESEEABLE RISK AND CONSEQUENCE OF FAILING TO MANAGE THE WILDFIRE RISK

- 11. In the days leading up to the Camp Fire, weather forecasts predicted high winds and low humidity which, coupled with dry vegetation, presented an extreme risk of fire danger. This prompted the National Weather Service to issue a Red Flag Warning for Butte County. Aware of these risks, **PG&E** began notifying customers on November 6 that it may be proactively shutting off power in certain affected Northern California counties in order to reduce the foreseeable and probable risk of their equipment igniting a wildfire. Despite these warnings, **PG&E** ultimately decided not to shut off power on November 8.
- 12. Prior to this event, **PG&E** was well aware of the catastrophic consequences of failing to de-energize powerlines during conditions of high fire danger and red-flag warnings. Little more than a year has passed since the North Bay Counties mourned the losses of the North Bay Fires, which took 44 lives, and only three years have gone by since the Butte Fire destroyed over 70,000 acres in Calaveras County. **PG&E** was even aware of the risk high winds posed to the specific transmission lines near Pulga as five steel support towers were toppled during a 2012 storm. But in the face of this predictable risk, **PG&E** decided not to take the simple and easy fail safe step of flipping the switch and shutting off power to the circuits in areas of extreme wildfire danger so that its overhead electrical equipment, which has proven to be a likely source of wildfires

5

3

6 7

8 9

10 11

12

13 14

15

16

17 18

19

20 21

22

23 24

25

26

27

and potentially the most prevalent cause of fires in California, would not serve as the spark to yet another deadly and destructive wildfire.

- The Camp Fire was an inevitable byproduct of PG&E's willful and conscious 13. disregard of public safety. PG&E, although mandated to do so, failed to identify, inspect, manage, and/or control vegetation growth near its power lines and/or other electrical equipment. This created a clear and present danger of trees and/or other vegetation coming into contact with PG&E's power lines and/or other electrical equipment and causing electrical problems. Further, PG&E failed to construct, manage, track, monitor, maintain, replace, repair, and/or improve its transmission and distribution lines, appurtenant equipment, poles, transformers, conductors, insulators, "jumper" cables, reclosers, and/or other electrical equipment, despite being aware that its infrastructure was unsafe, aging, and/or vulnerable to environmental conditions. PG&E's risk mitigation systems were knowingly ineffective in assessing deficiencies in its wildfire safety programs, vegetation management programs, maintenance and inspection programs. Moreover, PG&E's officers, employees, and/or agents abdicated their responsibility of oversight, auditing and/or evaluation of mitigation measures used to prevent against the risk of wildfires caused by operation of its equipment.
- PG&E's officers, employees, and/or agents continually and repeatedly add insult 14. to injury by using misleading and/or untrue advertising related to PG&E's mitigation measures, including maintenance and inspection of electrical equipment and facilities, as well as vegetation management, used to prevent the risk of wildfires caused by the operation of its equipment, which foreseeably and unreasonably misled PLAINTIFFS and the residents of Paradise and California, generally, related to the risk of catastrophic wildfires caused by PG&E's equipment. Not to mention, PG&E's misleading and untrue media posts during the Camp Fire, which indicated that while a wildfire was probable, it had not occurred yet. This was over an hour after the fire had started, homes had been destroyed, and people were fleeing for their lives. This misleading media contributed to and/or caused a false sense of security for PLAINTIFFS and/or residents of Paradise, generally, who were deprived of adequate and/or proper advance warning, then left with

#### III. JURISDICTION AND VENUE

- 15. This Court has subject matter jurisdiction over this matter pursuant to Code of Civil 395(a) because, at all times relevant, Defendants and each of them have resided in, been incorporated in, or done significant business in the State of California so as to render the exercise of jurisdiction over Defendants and each of them, by California Courts consistent with traditional notions of fair play and substantial justice. The amount in controversy exceeds the jurisdictional minimum of this Court.
- 16. Venue is proper in this County because substantially all of the events, acts, omissions, and/or transactions complained of herein occurred in/or originated from Butte County, State of California.

#### IV. PARTIES

#### A. PLAINTIFFS

17. Plaintiffs LILA WILLIAMS and LOUISE HOWELL (collectively, "PLAINTIFFS") are a mother and daughter who lost personal property and their respective homes on land they owned at 6758 Ishi Drive in Magalia, California and 3488 Hoffman Road in Concow, California. All of the damages alleged herein occurred in and around Butte County and arose from the Camp Fire, as set forth in more detail below.

#### B. <u>DEFENDANTS</u>

18. At all times herein mentioned Defendants PG&E CORPORATION and PACIFIC GAS & ELECTRIC COMPANY (collectively, "PG&E") were corporations authorized to do business and doing business, in the State of California, with their principal place of business in the County of San Francisco, California. Defendant PG&E CORPORATION is an energy-based holding company headquartered in San Francisco. It is the parent company of Defendant PACIFIC GAS AND ELECTRIC COMPANY. PG&E CORPORATION and PACIFIC GAS AND ELECTRIC COMPANY provide customers with public utility services,

and services relating to the generation of energy, transmission of electricity and natural gas, generation of electricity, and the distribution of energy.

- 19. PLAINTIFFS allege that PG&E CORPORATION and PACIFIC GAS & ELECTRIC COMPANY are jointly and severally liable for each other's wrongful acts and/or omissions as hereafter alleged, in that:
  - a. PG&E CORPORATION and PACIFIC GAS & ELECTRIC COMPANY operate as a single business enterprise operating out of the same building located at 77 Beale St, San Francisco, California for the purpose of effectuating and carrying out PG&E CORPORATION's business and operations and/or for the benefit of PG&E CORPORATION;
  - PACIFIC GAS & ELECTRIC COMPANY and PG&E CORPORATION do not operate as completely separate entities, but rather, integrate their resources to achieve a common business purpose;
  - c. PACIFIC GAS & ELECTRIC COMPANY is so organized and controlled, and its decisions, affairs and business so conducted as to make it a mere instrumentality, agent, conduit and/or adjunct of PG&E CORPORATION;
  - d. PACIFIC GAS & ELECTRIC COMPANY's income contribution results from its function, integration, centralization of management and economies of scale with PG&E CORPORATION;
  - e. PACIFIC GAS & ELECTRIC COMPANY's and PG&E CORPORATION's officers and management are intertwined and do not act completely independent of one another;
  - f. PACIFIC GAS & ELECTRIC COMPANY's and PG&E CORPORATION's officers and managers act in the interest of PG&E CORPORATION as a single enterprise;
  - g. PG&E CORPORATION has control and authority to choose and appoint PACIFIC GAS & ELECTRIC COMPANY's board members as well as its other top officers and managers;

24

25

26

- h. Despite both being Electric Companies and Public Utilities, PACIFIC GAS & ELECTRIC COMPANY and PG&E CORPORATION do not compete with one another, but have been structured, organized, and businesses effectuated so as to create a synergistic, integrated single enterprise where various components operate in concert one with another;
- PG&E CORPORATION maintains unified administrative control over PACIFIC GAS & ELECTRIC COMPANY;
- j. PACIFIC GAS & ELECTRIC COMPANY and PG&E CORPORATION are insured by the same carriers and provide uniform or similar pension, health, life and disability insurance plans for employees;
- k. PACIFIC GAS & ELECTRIC COMPANY and PG&E CORPORATION have unified 401(k) Plans, pensions and investment plans, bonus programs, vacation policies and paid time off from work schedules and policies;
- PACIFIC GAS & ELECTRIC COMPANY and PG&E CORPORATION invest these funds from their programs and plans by a consolidated and/or coordinated Benefits Committee controlled by PG&E CORPORATION and administered by common trustees and administrators;
- m. PACIFIC GAS & ELECTRIC COMPANY and PG&E CORPORATION have unified personnel policies and practices and/or a consolidated personnel organization or structure;
- n. PACIFIC GAS & ELECTRIC COMPANY and PG&E CORPORATION have unified accounting policies and practices dictated by PG&E CORPORATION and/or common or integrated accounting organizations or personnel;
- o. PACIFIC GAS & ELECTRIC COMPANY and PG&E CORPORATION are represented by common legal counsel;
- p. PG&E CORPORATION's officers, directors, and other management make policies and decisions to be effectuated by PACIFIC GAS & ELECTRIC COMPANY and/or

28 ||

otherwise play roles in providing directions and making decisions for PACIFIC GAS & ELECTRIC COMPANY;

- q. PG&E CORPORATION's officers, directors, and other management direct certain financial decisions for PACIFIC GAS & ELECTRIC COMPANY including the amount and nature of capital outlays;
- r. PG&E CORPORATION's written guidelines, policies, and procedures control PACIFIC GAS & ELECTRIC COMPANY, its employees, policies, and practices;
- s. PG&E CORPORATION files consolidated earnings statements factoring all revenue and losses from PACIFIC GAS & ELECTRIC COMPANY as well as consolidated tax returns, including those seeking tax relief; and/or, without limitation; and
- t. PG&E CORPORATION generally directs and controls PACIFIC GAS & ELECTRIC COMPANY's relationship with, requests to, and responses to inquiries from, the Public Utilities Commission and uses such direction and control for the benefit of PG&E CORPORATION.

#### C. DOE DEFENDANTS

20. The true names and capacities, whether individual, corporate, associate, or otherwise of the Defendants **DOES 1 through 20**, inclusive, are unknown to **PLAINTIFFS** who therefore sue said Defendants by such fictitious names pursuant to Code of Civil Procedure section 474. **PLAINTIFFS** further allege that each of said fictitious Defendants is in some manner responsible for the acts and occurrences hereinafter set forth. **PLAINTIFFS** will amend this Complaint to show their true names and capacities when the same are ascertained, as well as the manner in which each fictitious Defendant is responsible.

#### D. AGENCY & CONCERT OF ACTION

21. At all times herein mentioned herein, **DEFENDANTS**, and/or each of them, hereinabove, were the agents, servants, employees, partners, aiders and abettors, co-conspirators, and/or joint venturers of each of the other **DEFENDANTS** named herein and were at all times operating and acting within the purpose and scope of said agency, service, employment,

partnership, enterprise, conspiracy, and/or joint venture, and each **DEFENDANT** has ratified and approved the acts of each of the remaining **DEFENDANTS**. Each of the **DEFENDANTS** aided and abetted, encouraged, and rendered substantial assistance to the other **DEFENDANTS** in breaching their obligations to **PLAINTIFFS** as alleged herein. In taking action to aid and abet and substantially assist the commission of these wrongful acts and other wrongdoings complained of, as alleged herein, each of the **DEFENDANTS** acted with an awareness of his/her/its primary wrongdoing and realized that his/her/its conduct would substantially assist the accomplishment of the wrongful conduct, wrongful goals, and wrongdoing.

#### V. STATEMENT OF FACTS

## A. PG&E'S EQUIPMENT SPARKED THE MOST DESTRUCTIVE AND DEADLY FIRE IN CALIFORNIA HISTORY

22. On November 7, 2018, **PG&E** emailed a customer who owns property near the location where the Camp Fire is suspected of originating. The **PG&E** e-mail notified the customer that crews would need to access the **PG&E** equipment on her land because **PG&E** was "having problems with sparks."<sup>2</sup>

- 23. The following morning at 6:15 a.m., **PG&E** reported a power outage on its "Caribou-Palermo 115kV Transmission line" in the same area. Just eighteen minutes later, at 6:33 a.m., the Camp Fire was first reported.
- 24. Later that day, **PG&E** conducted an aerial patrol of the area and observed damage to the transmission tower on the same Caribou-Palermo 115kV Transmission line, approximately one mile north-east of the town of Pulga, "in the area of the Camp Fire." Five of the transmission towers in this exact area suffered damage by winds in a 2012 storm and required replacement. The project took years longer than planned and was not completed until 2016. It is not presently known whether the tower damaged on November 8, 2018 was one of those replaced just two years earlier or if it experienced the same failure mechanism as the towers damaged in the 2012 storm.

https://sacramento.cbslocal.com/2018/11/12/pge-sparks-power-lines-camp-fire/

³ Id.

<sup>&</sup>lt;sup>4</sup> https://www.mercurynews.com/2018/11/19/pge-transmission-line-eyed-in-camp-fire-had-collapsed-during-2012-storm/

25.

high tension power lines" near the Feather River and Poe Dam. Firefighters arrived at the scene around 6:43 a.m. and confirmed that the fire was in fact located "underneath the transmission lines."

Dispatch reports initially described the Camp Fire as a vegetation fire "under the



The Black Arrow Follows the Path of PG&E Transmission Lines with the Black Circle Depicting the Suspected Area of Origin of the Camp Fire <sup>5</sup>

26. The first firefighter on the scene immediately realized the danger presented by the fire. He reported to dispatch that "this has got the potential for a major incident" and requested an additional 15 engines, four bulldozers, two water tenders, four strike teams and hand crews. He further recommended the evacuation of the nearby town of Pulga and requested air support. Shortly after arriving at the scene, another firefighter estimated the growing fire to be about 10 acres with a "really good wind on it."

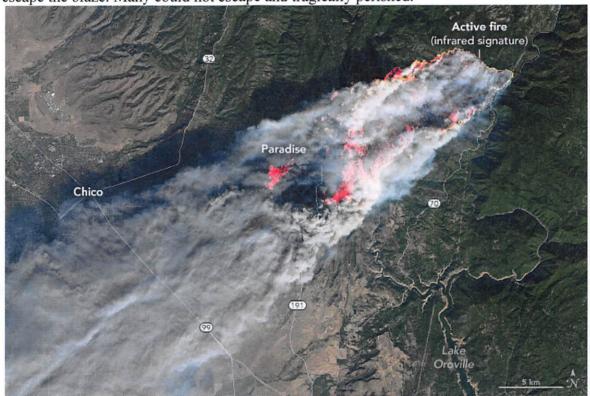
<sup>&</sup>lt;sup>5</sup> https://www.kqed.org/news/11705306/pge-transmission-line-may-be-tied-to-disastrous-butte-county-fire

<sup>&</sup>lt;sup>6</sup> Id. <sup>7</sup> Id.

COMPLAINT

27. At 6:45 AM on November 8, 2018, while the fire near Pulga was already burning, **PG&E** reported a separate malfunction with a 12kV Big Bend 1101 distribution line in the nearby community of Concow. Cal Fire has reported that the Concow location is a potential "second origin" for the Camp Fire.<sup>8</sup>

28. Aided by high winds, the fire spread quickly and soon endangered populated areas. By the night of November 8, an estimated 80 to 90 percent of the nearby town of Paradise was destroyed. Residents of the town had only a matter of moments to gather their families and attempt to escape the blaze. Many could not escape and tragically perished.



Satellite View of Camp Fire, November 8, 2018<sup>10</sup>

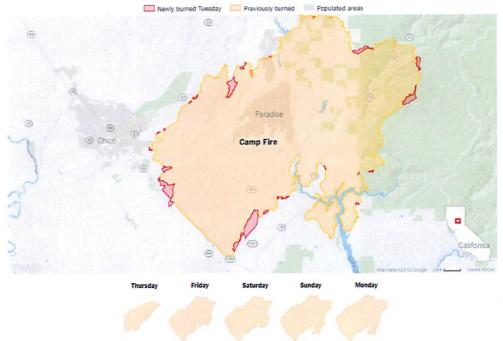
29. The Camp Fire was not 100% contained until November 25 and not until it consumed more than 153,000 acres, and destroyed nearly 14,000 homes and more than 4,800

<sup>8</sup> https://www.kqed.org/news/11707191/second-pge-outage-reported-around-ignition-of-deadly-camp-fire

https://weather.com/news/news/2018-11-09-northern-california-wildfire-camp-fire-paradise
 https://earthobservatory.nasa.gov/images/144225/camp-fire-rages-in-california

say/

additional structures.<sup>11</sup> The official search for those that died in the blaze was concluded on November 29, with 88 confirmed dead and nearly 200 still listed as missing.<sup>12</sup>



Spread of the Camp Fire November 8th - 12th 13

# B. PG&E CONSIDERED PREEMPTIVELY SHUTTING OFF POWER TO MANY NORTHERN CALIFORNIA AREAS DUE TO EXTREME FIRE DANGER

- 30. **PG&E** was aware in advance of the Camp Fire of the extreme fire danger presented by weather conditions on November 8. Two days earlier, on November 6, **PG&E** activated its Emergency Operations Center (EOC) "due to forecasted weather conditions with increasing fire risk." <sup>14</sup>
- 31. **PG&E** then began notifying customers that it might be shutting down power in certain Northern California counties on November 8 due to forecasted high winds and low humidity.

<sup>11</sup> https://www.mercurynews.com/2018/11/25/deadly-camp-fire-now-100-percent-contained-fire-officials-

<sup>&</sup>lt;sup>12</sup> https://www.nytimes.com/2018/11/29/us/victims-california-fires-missing.html

https://www.nytimes.com/interactive/2018/11/11/us/california-fires-tracker.html
 PG&E's November 27, 2018 Resolution ESRB-8 Compliance Report to CPUC.

PG&E ∅ @PGE4Me	, ,
POTENTIAL OUTAGE PREPARATION: PG&E ur to prepare for possible proactive power shutoff (1' extended outages in portions of the following coul Napa, Sonoma, Butte, Plumas, Yuba, Sierra, Place Learn more and prepare: bit.ly/2RDWQRJ	1/8) and nties: Lake,
O 23 6:46 PM - Nov 6, 2018	Θ
	>

- 32. PG&E followed up with 17 additional warnings over the next two days advising that it was going to shut off power on the morning of November 8. PG&E's warnings referenced forecasts of sustained winds of 20 to 30 miles per hour, with gusts of 40 to 50 mph overnight Wednesday into Thursday and lasting until late afternoon. 15
- At 7:56 a.m. on the morning of November 8 over an hour after the Camp Fire had 33. already started - PG&E was still reporting that it may be shutting off power due to the "potential extreme fire danger":

ADVISORY FOR THURSDAY (11/8): Due to evolving weather & potential extreme fire danger, PG&E may proactively shutoff power for safety to some customers in parts of (counties): Lake, Napa, Butte, Plumas, Yuba, Sierra, Placer and Nevada. Learn more: https://t.co/OkH27t2G52 - PG&E (@PGE4Me) November 8, 2018

#### PG&E's November 8 Tweet16

34. Despite these warnings, its own assessment of the potential for extreme fire danger, and the fact that the Camp Fire was actively burning, PG&E callously sent a tweet - more than six hours after the Camp Fire started burning – defending its decision not to shut down power in Butte County that morning.

23 111 24 111

111 25

26

27

28

15 https://www.mercurynews.com/2018/11/09/pge-power-lines-may-have-sparked-deadly-buttecounty-wildfire-according-to-radio-transmissions/ 16 Id.



- 35. **PG&E's** purported justification for not preemptively shutting off power was that weather conditions did not warrant the power shutoff; however, this ran contrary to **PG&E's** own stated criteria for conducting preemptive power shutoffs.
- 36. **PG&E** represented to the public that they did an evaluation and developed factors to assess when a shutdown of power was warranted. They call this preemptive shutdown a "Public Safety Power Shutoff" or "PSPS." According to **PG&E**, <u>no single factor is determinative</u> in **PG&E's** decision to initiate a PSPS. On the morning the Camp Fire ignited, every one of **PG&E's** factors supported the cutting of power.

PG&E'S DE-ENERGIZATION PROTOCOL			
Factors	Actual Conditions		
"Extreme" fire danger threat level, as classified by the National Fire Danger Rating System	11/7/18: National Weather Service issued a strong wind advisory, which will "create critical fire weather danger"		
A Red Flag Warning declared by the National Weather Service	National Weather Service issued a Red Flag Warning on 11/7/18		
Low humidity levels, generally 20 percent and below	• On 11/8/18 relative humidity ranged from a low of 11 to a high of 23, for an average of 16 percent.		

Sustained winds above approx. 25 mph and wind gusts in excess of approx. 45 mph	<ul> <li>Sustained winds of 32 mph and gusts up to 52 mph at 4AM on the morning of the fire<sup>17</sup></li> </ul>
Site-specific conditions such as temperature, terrain and local climate	Temperature 48°F at 6:00am; Hilly terrain; Hot summer Mediterranean climate
Critically dry vegetation that could serve as fuel for a wildfire	Extended dry fall weather and periods of dry north winds causing low moisture content in live and dry fuels
On-the-ground, real-time observations from PG&E field crew	Unknown

- 37. **PG&E** claims that its PSPS plan only applies to power lines that are 70kV or lower, meaning that higher voltage lines are not preemptively de-energized. This is different from other power utilities, such as San Diego Gas & Electric, which include long-distance transmission lines in its de-energization protocol. Had **PG&E** included the 115kV transmission line that malfunctioned near Pulga in its de-energization protocol and implemented the preemptive shutdown as indicated by its PSPS criteria, then the ignition of the Camp Fire would have been prevented.
- 38. In contrast to the 115kV transmission line, **PG&E** admits that the 12kV line near Concow the location of the potential "second origin" for the Camp Fire was one of the circuits which "would have been de-energized" in the event of a **PG&E** preemptive power shutoff. <sup>19</sup> This line would never have malfunctioned potentially igniting or exacerbating the spread of the Camp Fire had **PG&E** heeded its own warnings and protocols, and preemptively de-energized this line.

### C. PG&E KNEW ITS INFRASTRUCTURE WAS AGING AND UNRELIABLE

39. On May 6, 2013, a report was sent to the Safety and Enforcement Division of the CPUC from the **Liberty Consulting Group** who had been retained to conduct an independent review of capital and operations and maintenance expenditures proposed by **PG&E** (hereinafter

<sup>&</sup>lt;sup>17</sup> https://www.mercurynews.com/2018/11/17/why-didnt-pge-shut-down-power-in-advance-of-deadly-camp-fire-heres-the-data/

<sup>&</sup>lt;sup>18</sup> https://www.bloomberg.com/news/articles/2018-11-28/pg-e-chose-not-to-cut-power-as-winds-raged-before-deadliest-fire

<sup>&</sup>lt;sup>19</sup> Id.

the "2013 Liberty Report").<sup>20</sup> The **2013 Liberty Report** concluded that: "several aspects of the **PG&E** distribution system present significant safety issues." It also found: (a) "addressing risks associated with electrical distribution components has been overshadowed by electric transmission and gas facilities;" and (b) "addressing aging infrastructure and adding SCADA to the system comprise the major focuses of safety initiatives for the distribution system".

#### i. PG&E's Wires Were Found Highly Susceptible to Failure Due to Age

40. One of the first key findings of the 2013 Liberty Report was that PG&E had a "large amount of small size obsolete conductor remaining on PG&E's system." PG&E has 113,000 miles of conductors (a.k.a. wires), and according to the report, over 60 percent of those conductors are highly susceptible to failure. The conductors are very small, and generally more susceptible to breaking than standard size conductors. As the conductor ages, it becomes even more susceptible to breaking. Weather conditions, such as winds and lightning strikes, will also wear a small conductor more than larger ones. For these reasons, "[t]his conductor was once popular, but is now recognized as obsolete, due to its small size."

## ii. Many of PG&E's Wires Do Not Remotely De-Energize When Down and In a Hazardous State

- 41. A second key finding of the 2013 Liberty Report was that upon review of **PG&E's** documents, on a daily basis and in 36 percent of cases, **PG&E** cannot remotely denergize a downed line and must send someone on-scene to manually turn off the feed. During that time, the downed line is a hazard, and according to the 2013 Liberty Report, this hazard has "contributed to a number of fatalities and injuries."
- 42. **PG&E** has a long-standing practice of using reclosers throughout its system to automatically restart power after interruptions, even though it knows these devices may cause wildfires. Reclosers are circuit breakers equipped with a mechanism that can automatically "reclose" the breaker and reenergize a power line after it has been "opened" due to a fault. Many of **PG&E**'s reclosers are set to reenergize the line up to three times after a fault.

<sup>&</sup>lt;sup>20</sup> http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M065/K394/65394210.PDF.

- 43. Reclosers are key tools to prevent power blackouts, but if a fault occurs from contact between a line and a tree or vegetation, reenergizing the line can ignite fires. This danger is so significant that the other two major utilities in California, San Diego Gas & Electric Company and Southern California Edison, have reprogramed their electrical systems during fire seasons to ensure that reclosers do not automatically restart electrical currents after a service interruption.
- 44. **PG&E** knew that its reclosers posed a great risk of wildfire but has only taken slow and incomplete steps to eliminate that risk. At a Congressional hearing in 2015, **PG&E's** Senior Vice President of Electrical Operations, Patrick Hogan, stated that **PG&E** had the ability to reprogram its reclosers during fire season to not restart power. Patrick Hogan claimed that shutting down power means "you take the reliability hit, but you gain the wildfire benefit."21
- 45. In contrast to San Diego Gas & Electric Company and Southern California Edison having disabled all of their reclosers from reenergizing lines during fire season, and despite its own knowledge of the dangers posed by reclosers, **PG&E** began an experimental pilot program in 2017 to reprogram its reclosers that only affected a limited area of California.
- 46. Even before the Butte Fire in 2015, **PG&E** began a process of replacing all reclosers that can only be programmed or controlled on-site with reclosers that can be remotely programmed and controlled. However, that process has been so slow and deliberate many of its reclosers must still be programmed or controlled only at the site where they are installed.

## iii. The CPUC Announced that Aging Power Poles Are Causing Significant Safety Hazards That Must Be Addressed

47. According to the 2017 CPUC Order Instituting Investigation Into the Creation of a Shared Database or Statewide Census of Utility Poles and Conduit:

Poorly maintained poles and attachments have caused substantial property damage and repeated loss of life in this State. For example, inadequate clearance between communication and power lines, perhaps in conjunction with a broken cable lashing wire, caused the Southern California Guejito Fire of 2007 which (together with the Witch Fire) burned 197,990 acres and caused two deaths. Three more deaths occurred in 2011 when an electrical

http://www.sfchronicle.com/bayarea/article/Power-line-restart-device-implicated-in-past-12324764.php (last accessed February 12, 2018).
COMPLAINT

conductor separated from a pole in high winds, causing a live wire to fall to the ground. At least five more people lost their lives in pole-related failures in 2012 and 2015.

Unauthorized pole attachments are particularly problematic. A pole overloaded with unauthorized equipment collapsed during windy conditions and started the Malibu Canyon Fire of 2007, destroying and damaging luxury homes and burning over 4500 acres. Windstorms in 2011 knocked down a large number of poles in Southern California, many of which were later found to be weakened by termites, dry rot, and fungal decay.

Communication and other wires are not infrequently found hanging onto roads or yards. Poles with excessive and/or unauthorized attachments can put utility workers at risk. Facilities deployed in the field may differ from what appears on paper or in a utility's database.<sup>22</sup>

48. In the June 29, 2017 CPUC press release for the Order, the CPUC President Michael Picker stated, "Plain old wooden poles, along with their cousins, the underground conduits, are work horses, carrying most of our power and telecommunications. They sometimes get crowded and fail, causing outages and fires because of all the equipment crammed onto them." Further, "[n]ot knowing where all the poles are and who owns them, how loaded they are, how safe they are, and whether they can handle any additional infrastructure, is problematic to both the utilities and to the CPUC. Creating a database of utility poles could help owners track attachments on their poles and manage necessary maintenance and rearrangements, and can help the CPUC in our oversight role."<sup>23</sup>

## iv. PG&E Was Not Tracking the Condition of Its Electrical Assets, Despite Its Aging Infrastructure

49. Another recommendation of the 2013 Liberty Report was "the establishment of a formal asset management program in Electric Operations." According to the report, "aging infrastructure is best addressed by having a strategic asset management program in place. These types of programs, such as the PAS 55 program, force a detailed and thorough condition assessment survey of the major assets. These types of formal programs also take failure modes

<sup>&</sup>lt;sup>22</sup> http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M190/K872/190872933.PDF.

<sup>&</sup>lt;sup>23</sup> http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M191/K560/191560905.PDF.

28 || \_\_\_\_\_

into consideration. Long term sustainable plans can then be prepared to address the asset conditions. A sustainable asset management will mitigate system safety risks from aging infrastructure, which constituted a major portion of the safety items in this GRC."

50. The 2013 Liberty Report was so concerned about the state of PG&E's aging infrastructure that it advised: "[w]e also recommend that PG&E treat aging infrastructure as an enterprise-level risk."

## v. PG&E Knew that Its Down-Guy Design Was Flawed and Could Cause Ground Currents That Create Arcing and Spark Vegetation

51. Electrical arcing is a process by which guy wires or "down-guys," when designed improperly and/or installed according to improper design, conduct ground current at ground level during high winds, igniting fires to nearby vegetation. Guy wires are the metal support cables that are used to tie electrical poles to the ground. **PG&E** utilizes an inverted "V" shape design without any separation or in-line insulators as an attempt to help its poles withstand high wind. However, in **PG&E's** sub-transmission design, **PG&E** does not separate the connection at the pole by 12 inches, utilize any in-line insulator to prevent ground current from flowing, or utilize a shunt so when ground current exists it does not cause an electrical arc. In addition, if not properly maintained, the down-guys become loose. In high wind conditions, when the poles sway and ground currents exist, arcing occurs. With the combination of high winds, swaying poles, loose connections, two down-guys attached by a common bolt, and ground current, electrical arcing occurs, igniting local vegetation.

- 52. It is believed that arcing from San Diego Gas & Electric wires was the cause of the 2007 San Diego "Witch Creek" Fires, in addition to the 2003 Cedar and Paradise Fires.
- 53. The down-guy design utilized by **PG&E** is a violation of CPUC General Order Number 95. Industry experts have demonstrated to the CPUC and California utilities how the dangerous design causes arcing and fires for over a decade. They believe this design is unreasonably dangerous and that the fix is cheap and easy. CPUC General Order Number 95 sets forth two possible solutions: either have a 12-inch separation on a pole; or add an in-line insulator.

10 11

12

13 14

15 16

17 18

19 20

21

22

23 24

25 26

28

27

An additional solution is adding a shunt from the down-guy anchor to the down-guy itself. All three inexpensive solutions prevent electrical arcs at ground levels that ignite fires.

#### PG&E RECKLESSLY ADOPTED IS VMII PROGRAM WHERE IT PAID D. CONTRACTORS TO CUT FEWER TREES

- 54. PG&E's Vegetation Management Program performs two types of tree work: annual routine compliance tree work and reliability tree work.
- Annual routine compliance work focuses on maintaining regulatory distances 55. between energized conductors and vegetation. Reliability tree work" focuses on locations where there has been a history of vegetation-related outage problems based on three historical indexes: System Average Interruption Frequency Index ("SAIFI"), Customer Experiencing Multiple Interruption ("CEMI"), and System Average Interruption Duration Index ("SAIDI").
- 56. In 2006, PG&E's Vegetation Management Program adopted the "Vegetation Management Incentive Initiative" ("VMII"). The ostensible purpose of VMII was to reduce the annual routine compliance tree work and share the resulting cost savings with the contractors whose compensation would be reduced by the loss of actual work. The actual purpose of VMII was to shift costs from annual routine compliance work to fund additional reliability work.
- For example, in 2011, PG&E set a goal to reduce routine "units" worked from 1.18 57. million trees in 2011 to 1 million in 2012 in order to increase the amount of money available for reliability work by \$20 million. In 2012, PG&E set a goal to goal to reduce routine "units" worked by 25 percent in 2013 in order to increase the amount of money available for reliability work by \$35 million. In 2013, PG&E only performed routine patrol inspections on 75 percent of its distribution circuits, using the cost savings to increase its reliability patrols. In 2014, PG&E set a goal to reduce routine units worked by 7.5 percent annually through 2016.
- 58. Between 2006 and 2013, PG&E actually reduced the number of routine trees worked from 1.7 million to 1.25 million in 2013, paid contractors \$85 million, and increased reliability spending by \$134 million. During that time, customer satisfaction as measured by SAIFI increased by 40 percent.

COMPLAINT

59. Most of PG&E's annual routine compliance work is performed in rural areas in California, while most of PG&E's "reliability" work is performed in the more densely populated urban or semi-urban areas where outages will generate more complaints per square mile than in the rural counties served by PG&E. Although the actual vegetation management work performed in the annual routine compliance patrols and the reliability patrols is virtually the same, PG&E's only comprehensible rationale for differentiating the "two types of work" is that the "reliability" work is directed at reducing statistical measurements of customer dissatisfaction over outages and that goal can be better accomplished by concentrating on work in urban or semi-urban areas at the expense of work needed in rural areas.

60. Under **PG&E's** bonus incentive program, reducing the number of customer complaints over outages leads to an increased likelihood of increases in executive and management bonuses.

### E. PG&E FAILED TO FULLY EMPLOY LIDAR TO IDENTIFY HAZARD TREES

- 61. LiDAR (an acronym for "Light Detection and Ranging") is a surveying method that measures distances to a target by illuminating that target with a pulsed laser light and measures the reflected pulses with a sensor. These light pulses, when combined with other data recorded by the system, orthoimagery, and hyperspectral data, can generate precise three-dimensional images and information about the shape of the Earth and objects such as buildings or trees.
- 62. When used in a vegetation management program for electric utilities, LiDAR scans and analyses can be used to identify trees that have the potential for contacting conductors, whether because of proximity to the conductors or are dead, diseased, or dying. Annual LiDAR scans and analyzes the electric system the change in the dead or diseased vegetation by comparing one year's data to the prior year's inventory of dead or diseased trees. When the analysis is conducted over a subset dataset, it can provide a statistical understanding in the percent change in vegetation identified as dead or diseased.
- 63. **PG&E's** use of LiDAR is funded by its "Catastrophic Event Memorandum Account" ("CEMA"). If a catastrophic event is declared a state of emergency by the state or

COMPLAINT

federal government, then utilities like PG&E can record costs caused by the event in this memorandum account. By recording these costs, the utilities can later ask for recovery of these costs from the CPUC.

- 64. In 2014, **PG&E** began to use LiDAR to scan and analyze small sections of its electric transmission and distribution system. In 2015, **PG&E** employed a contractor who created spatially accurate alignment information for approximately 10 percent of **PG&E** distribution lines using LiDAR and imagery. The contractor identified 2.2 million "Hazard Trees" in the LiDAR data having the potential to fail-in or encroach on distribution lines, performed "dead and diseased analysis" on 1.6 million trees, and identified 23,000 trees as potentially dead or diseased.
- 65. In 2015, for some unfortunate reason **PG&E** scheduled the LiDAR contractor's deliverables for October 2015 at the very tail end of California's fire season. The contractor's final product identified the 44 foot-tall gray pine that started the Butte Fire as a "Hazard Tree" that had the potential to fall into one of **PG&E**'s distribution lines, but unfortunately **PG&E** received the information over a month after the Butte Fire started.
- 66. In 2016 and 2017, **PG&E** again employed LiDAR technology to scan and analyze its electric transmission and distribution system, but only employed the technology in limited sections of that system, and again scheduled the deliverables at the tail end of the California wildfire season.

### F. PG&E KNEW ITS ELECTRICAL EQUIPMENT WAS UNSAFE

- 67. **PG&E** has a long-standing practice of using reclosers throughout its system to automatically restart power after interruptions, even though it knows these devices may cause wildfires. Reclosers send pulses of electricity through power lines whenever an interruption occurs on lines equipped with the devices. According to experts, if power lines are in contact with trees or vegetation, these pulses of electricity can start fires. For this reason, other utilities have changed their operations to protect the public.
- 68. The dangers posed by reclosers are so significant that the other two major utilities in California, San Diego Gas & Electric Company and Southern California Edison, have reprogramed their electrical systems during fire seasons to ensure that reclosers do not

automatically restart electrical currents after a service interruption. In contrast, **PG&E** began an experimental pilot program in 2017 in limited parts of California to reprogram its reclosures.

- 69. **PG&E** knew that its reclosures posed a great risk of wildfire. At a Congressional hearing in 2015, **PG&E**'s Senior Vice President of Electrical Operations, Patrick Hogan, stated that **PG&E** had the ability to reprogram its reclosures during fire season to not restart power. Patrick Hogan claimed that shutting down power means "you take the reliability hit, but you gain the wildfire benefit." **PLAINTIFFS** believe that despite this knowledge and ability, **PG&E** never reprogramed all of its reclosures to prevent wildfires.
- 70. In addition, since prior to 1996, **PG&E** has known or should have known that its choice of chemical treatments for its poles can also make its equipment unsafe. For example, **PG&E** uses and has used poles treated with pentachlorophenol in liquefied petroleum gas by the Cellon® process. Those poles tend to experience surface decay below ground regardless of the type of wood used for the poles. As a result, digging inspections are required for poles treated by these processes for all wood types. However, **PLAINTIFFS** believe that **PG&E** has failed to conduct the proper inspections and further, when **PG&E** has been advised of necessary repairs to such poles, **PG&E** failed to repair the poles in a timely manner. These failures are a breach of **PG&E** obligations to the public and have been a cause of fires.

### G. PG&E'S "RUN TO FAILURE" APPROACH TO MAINTENANCE

71. **PG&E** has a well-documented history of implementing a "run to failure" approach with its aging infrastructure, whereby it ignores necessary maintenance in order to line its own pockets with excessive profits. According to a filing by the CPUC in May 2013:

However, as we saw in Section V.F.3 above, the Overland Audit explains how PG&E systematically underfunded GT&S integrity management and maintenance operations for the years 2008 through 2010. PG&E engaged in a "run to failure" strategy whereby it deferred needed maintenance projects and changed the assessment method for several pipelines from ILI to the less informative ECDA approach - all to increase its profits even further beyond its already generous authorized rate of return, which averaged 11.2% between 1996 and 2010.

<sup>&</sup>lt;sup>24</sup> http://www.sfchronicle.com/bayarea/article/Power-line-restart-device-implicated-in-past-12324764.php.

° || 0<u>039</u>

Given PG&E's excessive profits over the period of the Overland Audit, there is no reason to believe that Overland's example regarding GT&S operations between 2008 and 2010 was unique. The IRP Report supplements the Overland Audit findings with additional examples of PG&E management's commitment to profits over safety. Thus, it is evident that while the example of GT&S underfunding between 2008 and 2010 might be extreme, it was not an isolated incident; rather, it represents the culmination of PG&E management's long standing policy to squeeze every nickel it could from PG&E gas operations and maintenance, regardless of the long term "run to failure" impacts. And PG&E has offered no evidence to the contrary.

#### H. PG&E'S LONG HISTORY OF SAFETY VIOLATIONS

- 72. Over the past thirty-plus years, **PG&E** has been subject to numerous fines, penalties, and/or convictions as a result of its failure to abide by safety rules and regulations, including the following fines, penalties, and/or convictions. Despite these recurring punishments, **PG&E** refuses to modify its behavior, and has continued to conduct its business with a conscious disregard for the safety of the public, including **PLAINTIFFS**.
- As detailed below, the Camp Fire is just one example of the many tragedies that have resulted from **PG&E**'s enduring failure to protect the public from the dangers associated with its operations. **PG&E** power lines, transformers, conductors, poles, insulators, and/or other electrical equipment have repeatedly started wildfires due to **PG&E**'s ongoing failure to create, manage, implement, and/or maintain effective vegetation management programs for the areas near and around its electrical equipment. Further, **PG&E**'s aging infrastructure has caused multiple disasters throughout California.

#### 1. The 1981 San Francisco Gas Explosion

74. A PG&E gas main in downtown San Francisco exploded in 1981, forcing 30,000 people to evacuate. It took workers nine hours to shut off the gas main's manual shut-off valves and stop the flow of gas that continued to feed the flames in the interim.

25 ftp://ftp2.cpuc.ca.gov/PG&E20150130ResponseToA1312012Ruling/2013/03/SB\_GT&S\_0039691.pdf.

COMPLAINT

COMPLAINT

#### 2. The 1991 Santa Rosa Gas Explosion

75. Two people were killed and three others were injured when a **PG&E** gas line exploded in Santa Rosa in December 1991. The pipeline was improperly marked, failing to give proper notice to contractors working in the area. A contractor hit the pipe with a backhoe, causing the pipe to leak and explode several months later.

#### 3. The 1994 Trauner Fire

- 76. In 1994, **PG&E's** failure to maintain the vegetation surrounding its electrical equipment caused a devastating wildfire in Nevada County, California. This Fire, commonly known as the "Trauner Fire" or the "Rough and Ready Fire," burned approximately 500 acres in and around the town of Rough and Ready, destroyed 12 homes, and burned 22 structures, including a historic schoolhouse that was built in 1868.
- 77. Investigators determined that the Trauner Fire began when a 21,000-volt power line brushed against a tree limb that **PG&E** was supposed to keep trimmed. Through random spot inspections, the investigators found several hundred safety violations in the area near the Trauner Fire. Approximately 200 of these violations involved contact between vegetation and one of **PG&E's** power lines. As a result, on or around June 19, 1997, **PG&E** was convicted of 739 counts of criminal negligence and required to pay \$24 million in penalties.
- 78. After the trial, a 1998 CPUC report revealed that **PG&E** diverted \$77.6 million from its tree-trimming budget to other uses from 1987 to 1994. During that same time, **PG&E** under spent its authorized budgets for maintaining its systems by \$495 million and instead, used this money to boost corporate profits. Despite this public outing, **PG&E** continued its corporate culture of putting profits before safety.

#### 4. The 1996 Mission Substation Electrical Fire

79. At approximately 1:00 a.m. on November 27, 1996, a cable splice at **PG&E's** Mission Substation in San Francisco short-circuited, burning and melting the insulation around the splice. Smoke from the fire rose through a floor opening above the splice into a switch cabinet. That smoke was so thick that it caused a flashover between phases of the bus bars connecting the overhead N bus to the switch. This caused insulation on the N bus to ignite and a circuit breaker

to open, resulting in the loss of power to a group of **PG&E** customers. The substation was unmanned at the time and the fire was only discovered by chance by an employee who had stopped by the substation to use the restroom.

#### 5. The 1999 Pendola Fire

80. A rotten pine, which the federal government determined **PG&E** should have removed, fell on a power line, starting the Pendola Fire in 1999. It burned for 11 days and scorched 11,725 acres, mainly in the Tahoe and Plumas National Forests. **PG&E** paid a \$14.75 million settlement to the U.S. Forest Service in 2009. That year, the utility also reached a \$22.7 million settlement with the CPUC after regulators found **PG&E** had not spent money earmarked for tree trimming and removal toward those purposes.

#### 6. The 2003 Mission District Substation Fire

- 81. In December 2003, a fire broke out at **PG&E's** Mission District Substation in San Francisco. Despite signs of trouble appearing at control centers, the fire burned for nearly two hours before **PG&E** operators showed up at the Substation, found it full of smoke, and finally called the fire department. The source of the fire was not located until five hours after it began. As a result, nearly one-third of San Francisco's residents and business owners lost power, with some waiting over 24 hours for their power to be restored.
- 82. The CPUC report of the investigation, which was released in 2004, illustrated **PG&E's** careless approach to safety and apparent inability to learn from its past mistakes. An excerpt from the report describes the following:

Soon after undertaking the investigation of the 2003 fire, CPSD [CPUC's Consumer Protection and Safety Division] discovered that another fire had occurred at Mission Substation in 1996. CPSD's investigation team conducted a thorough analysis of both fires and found strikingly similar contributing factors and root causes. CPSD's team further determined that PG&E had not implemented the recommendations resulting from its own investigation of the 1996 fire. . . . . CPSD finds it quite troubling that PG&E did not implement its own recommendations from its own investigation of the 1996 fire. . .

http://docs.cpuc.ca.gov/publishedDocs/published/Report/40886.PDF (last accessed February 12, 2018).
 COMPLAINT

17 18

16

19

20

21

22 23

24

25 26

27

28

COMPLAINT

The findings related to the Mission Substation Fire should have been a wake-up call to PG&E to revamp its operating procedures to prevent future disasters. Instead, PG&E's focus remained on corporate profits, while safety was relegated to the backburner.

#### 7. The 2004 Sims Fire

In July 2004, the Sims Fire burned over 4,000 acres of forest land in the Six Rivers 83. and Trinity National Forests. A federal lawsuit alleged that PG&E failed to remove a decaying tree, which fell on a transmission line and ignited the blaze.

#### 8. The 2004 Freds Fire

84. The Freds Fire started in October 2004 near Kyburz, El Dorado County, California. A lawsuit filed by the United States Government claimed that employees of PG&E's contractor lost control of a large tree they were cutting down. It fell onto a PG&E power line and caused a fire that burned over 7,500 acres. PG&E and its contractors paid \$29.5 million to settle the lawsuits over the Freds Fire and the Sims Fire.

#### 9. The 2004 Power Fire

85. In October 2004, the Power Fire burned approximately 17,000 acres on the Eldorado National Forest and on private timberlands. A federal lawsuit alleged that the Power Fire was ignited by a lit cigarette that was dropped by a PG&E tree trimming contractor. PG&E and its contractor paid the federal government \$45 million to settle the lawsuit.

#### 10. The 2005 San Francisco Electrical Explosion

86. In August 2005, a PG&E electrical transformer exploded in the San Francisco financial district at Kearny and Post Streets, severely burning a woman who had been walking by. A lawsuit by the injured woman settled for an undisclosed sum.

#### 11. The 2008 Rancho Cordova Explosion

- 87. In December 2008, a gas leak from a PG&E pipe caused an explosion in Rancho Cordova, California. This explosion left one person dead, injured several others, and caused over \$260,000 in property damage.
- 88. A National Transportation Safety Board ("NTSB") investigation revealed that the leak was caused by incorrect repairs performed by PG&E in 2006, at which time PG&E installed

a piece of pipe to patch up an earlier leak. The investigative report for the incident concluded that the walls of the new pipe were too thin, allowing gas to leak from the pipe, and that **PG&E** failed to timely send properly trained personnel to check out the leak, even though **PG&E** had been told several months earlier that its emergency plans fell below required standards. Specifically, the report noted the following:

Contributing to the accident was the 2-hour 47-minute delay in the arrival at the job site of a Pacific Gas and Electric Company crew that was properly trained and equipped to identify and classify outdoor leaks and to begin response activities to ensure the safety of the residents and public.<sup>27</sup>

89. In November 2010, the CPUC filed administrative charges against **PG&E** in connection with the Rancho Cordova explosion, alleging that **PG&E** was at fault for the blast and that **PG&E** should have discovered the improper repair job that caused the explosion, but failed to timely do so. As a result, the CPUC required **PG&E** to pay a \$38 million fine.

#### 12. The 2008 Whiskey Fire

90. The June 2008 Whiskey Fire burned more than 5,000 acres of land in the Mendocino National Forest. The fire started when a gray pine tree that did not have the required clearance from a **PG&E** transmission line came into contact with the line. **PG&E** and its contractors agreed to pay \$5.5 million to settle a federal lawsuit.

#### 13. The 2009 San Francisco Electrical Explosion

91. In June 2009, a **PG&E** underground electrical vault exploded in San Francisco's Tenderloin neighborhood, sending 30-foot flames and smoke into the air for two hours. This explosion left thousands of people without power.

#### 14. The 2010 San Bruno Explosion

92. On September 9, 2010, **PG&E's** continued disregard of public safety caused the death of eight people, injured 58 people, and destroyed an entire neighborhood in San Bruno, California when one of its gas pipelines exploded and burst into flames. Subsequent to the explosion, the NTSB issued a report that blamed the disaster on **PG&E's** poor management of its

<sup>&</sup>lt;sup>27</sup> http://docs.cpuc.ca.gov/published/Final\_decision/146914-03.htm (last accessed February 12, 2018).

pipeline. In January 2011, federal investigators reported that the probable cause of the accident was: (i) **PG&E's** inadequate quality assurance and quality control during its Line 132 pipeline relocation project, which allowed the installation of a substandard and poorly-welded pipe section; and (ii) **PG&E's** inadequate pipeline integrity management program, which failed to detect and remove the defective pipe section.

- 93. As a result, **PG&E** was required to pay substantial fines for its massive safety violations. In April 2015, the CPUC slapped **PG&E** with a \$1.6 billion fine for causing the explosion and diverting maintenance funds into stockholder dividends and executive bonuses. Further, in January 2017, a federal judge convicted **PG&E** of six felony charges and ordered it to pay \$3 million in fines for causing the explosion.
- 94. Due to PG&E's corporate culture which repeatedly ignored public safety, the CPUC launched an investigation into the manner by which PG&E officers, directors, and/or managing agents establish safety policies and practices to prevent catastrophic events. At the beginning of the investigation, the CPUC President called out PG&E's ongoing safety violations:

Despite major public attention, ongoing CPUC investigations (OIIs) and rulemakings (OIRs) into PG&E's actions and operations, including the investigations we voted on today, federal grand jury, and California Department of Justice investigation, continued safety lapses at PG&E continue to occur.<sup>28</sup>

#### 15. The 2011 Cupertino Explosion

- 95. After the San Bruno explosion, in September 2011, **PG&E** caused a gas explosion that partially engulfed a condominium in Cupertino, California. The explosion was the result of cracked Aldyl-A plastic pipe.
- 96. Prior to the explosion, the manufacture of Aldyl-A, the NTSB, and the federal Pipeline and Hazardous Materials Safety Administration had all issued warnings about this type of plastic pipe that was prone to premature brittleness, cracking, and failure dating back to at least

COMPLAINT

<sup>&</sup>lt;sup>28</sup> http://www.cpuc.ca.gov/uploadedFiles/CPUC\_Public\_Website/Content/About\_Us/ Organization/Commissioners/Michael\_J.\_Picker/PresidentPickerCommentsonPGESafetyCultureandEnfor cementTheory.pdf (last accessed February 12, 2018).

|| With |

2002. Despite these warnings and **PG&E's** knowledge of this risk, **PG&E** did nothing to prevent the explosion. Although some utilities around the United States had been replacing Aldyl-A pipes, **PG&E** did not have a replacement program to phase them out and adequately protect the public.

### 16. The 2014 Carmel Explosion

- 97. In March 2014, a home in Carmel, California was destroyed due to a gas explosion caused by **PG&E**. Prior to the explosion, **PG&E** was attempting to replace a gas distribution line, but **PG&E's** legally inadequate records did not show that the steel pipe had a plastic insert. When crews dug into the steel pipe to perform the replacement, the unknown plastic insert was pierced, allowing gas to leak through the pipe and into the residence.
- 98. The CPUC once again required **PG&E** to pay a massive fine because of their wrongdoing. In August 2016, the CPUC imposed a \$25.6 million fine on **PG&E**. With a \$10.85 million citation previously paid by **PG&E** in 2015 for the explosion, **PG&E** was require to pay a total of over \$36 million in penalties for its shoddy recordkeeping and disregard of public safety.

#### 17. The 2015 San Francisco Transformer Explosion

99. In September 2015, a **PG&E** underground transformer exploded in San Francisco's Bernal Heights neighborhood. This explosion injured two people, one of them critically.

#### 18. The 2015 Butte Fire

- 100. Tragedy struck yet again in September 2015, when **PG&E's** inadequate and ineffective vegetation management programs resulted in the Butte Fire in the Sierra foothills. The Butte Fire burned for 22 days across Amador and Calaveras Counties, killed two people, destroyed 921 homes and/or structures, and charred over 70,000 acres.
- 101. Similar to the other disasters caused by **PG&E**'s wrongdoing, the Butte Fire could have been prevented by **PG&E**. The Butte Fire was ignited by a gray pine tree that grew and came into contact with one of **PG&E**'s power lines. **PG&E** knew that gray pines posed the highest risk of catastrophic wildfires, but failed to identify and/or remove the dangerous tree pursuant to its vegetation management practices. Instead, **PG&E** removed the two trees surrounding the gray pine at issue, which exposed the gray pine to sunlight and allowed it to quickly come into contact with **PG&E**'s power line.

102. Subsequent to the Butte Fire, in April 2017, the CPUC fined PG&E a total of \$8.3 million for "failing to maintain its 12kV overhead conductors safely and properly" and failing to maintain a minimum distance between its power lines and vegetation. Cal Fire also sent PG&E a bill for \$90 million to cover state firefighting costs. Despite these consequences, PG&E did not change, revise, or improve any of its vegetation management practices after the Butte Fire, paving the way for another massive wildfire.

#### 19. The 2017 North Bay Fires

- On or around the night of October 8, 2017, more than a dozen fires in Sonoma, Napa, Mendocino, Solano, Lake, Butte, Calaveras, Nevada, and Yuba Counties (collectively known as the "North Bay Fires") ignited and caused destruction on scale at the time which seemed unimaginable.
- In just a few weeks, the fires caused the deaths of at least 44 people, hospitalized 104. over 185 individuals, displaced about 100,000 people who were forced to leave their homes and search for safety, burned over 245,000 acres, and damaged or destroyed an estimated 14,700 homes, 3,600 vehicles, and 728 businesses.
- The North Bay Fires were caused by multiple points of failure in PG&E's electrical 105. delivery system. Witnesses described electrical problems, transformer explosions, transformer fires, arcing transformers, down power lines, arcing power lines, and flames in trees.<sup>29</sup> Although the numerous fires constituting the North Bay Fires had different points of origin, they all shared the same underlying causes and arose from PG&E's disregard of mandated safety practices and foreseeable hazardous risks associated with its infrastructure.
- 106. Until the Camp Fire, the North Bay Fires were collectively the most destructive fires in California's history.

25

111

111

111

COMPLAINT

26

27

<sup>&</sup>lt;sup>29</sup> http://www.mercurynews.com/2017/10/10/pge-power-lines-linked-to-wine-country-fires

### I. THE CORPORATE CULTURE AT PG&E THAT PUTS PROFITS BEFORE SAFETY

and safety, **PG&E** redirects the money to enhancing its reputation as a utility dedicated to customer safety and reliability, and paying lavish corporate bonuses – irrespective of the catastrophic losses suffered by victims of wildfires in recent years. This pattern and practice of favoring profits over having a safe and well-maintained infrastructure, left **PG&E** vulnerable to an increased risk of a catastrophic event such as the Camp Fire.

108. For example, according to documents released by The Utility Reform Network ("TURN"), PG&E planned to replace a segment of the San Bruno pipeline in 2007 that it identified as one of the riskiest pipelines in PG&E's system. PG&E collected \$5 million from its customers to complete the project by 2009, but instead deferred the project until it was too late and repurposed the money to other priorities. That same year, PG&E spent nearly \$5 million on bonuses for six of its top executives.

incentives to its employees, agents, and/or contractors to *not* protecting public safety. Prior to the Butte Fire, **PG&E** chose to provide a monetary incentive to its contractors to cut fewer trees, even though **PG&E** was required to have an inspection program in place that removed dangerous trees and reduced the risk of wildfires. Robert Urban, a regional officer for a **PG&E** contractor, stated that he had a concern that the bonus system incentivized his employees to not do their job, but **PG&E** chose to keep this program despite knowing this risk. Similarly, prior to the San Bruno explosion, **PG&E** had a program that provided financial incentives to employees to not report or fix gas leaks and keep repair costs down. This program resulted in the failure to detect a significant number of gas leaks, many of which were considered serious leaks. According to Richard Kuprewicz, an independent pipeline safety expert, **PG&E's** incentive system was "training and rewarding people to do the wrong thing," emblematic of "a seriously broken process," and

"explains many of the systemic problems in this operation that contributed to the [San Bruno] tragedy." 30

110. **PG&E** fed its toxic culture when it purchased policies of insurance from offshore companies in Bermuda, London, and elsewhere that expressly provide coverage for punitive damages in amounts that exceed hundreds of millions of dollars. These policies provide corporate security at the cost of public safety. This contributed to a culture of reckless disregard for the safety of the residents of Northern and Central California and contributed to causing the Camp Fire.

#### i. PG&E Has Repeatedly And Continuously Diverted Safety Funds

- 111. In an investigation covering 1994 to 1998, CPUC staff accused **PG&E** of more than 500,000 counts of violating state laws requiring utilities to keep trees pruned a safe distance from overhead electric lines. Much of the incriminating information cited by CPUC investigators was culled from the electric utility's own records.
- 112. In another investigation by the CPUC and Overland (an independent auditing company) covering 1997 to 2012, it was uncovered that **PG&E** diverted more than \$100 million in gas safety and operations money collected from customers and spent it for other purposes, including profit for stockholders and bonuses for executives.
- 113. According to the audit, from 1999 to 2010, **PG&E** also collected \$430 million more than its guaranteed revenue from its gas-transmission and -storage operations.
- 114. In a separate report, the CPUC concluded that in the three years leading up to the 2010 San Bruno explosion, the company spent \$56 million annually on an incentive plan for executives and "non-employee directors," including stock awards, performance shares and deferred compensation.
  - 115. According to PG&E's 2016 Annual Report to Investors:

The Utility <u>incurred costs of \$498 million</u>, pre-tax, <u>during the year ended</u>

<u>December 31, 2016 associated with fines and penalties</u>. This includes costs of \$412 million, pre-tax, associated with <u>safety-related cost disallowances</u> imposed by the California Public Utilities Commission (the "CPUC") in its April 9, 2015

COMPLAINT

<sup>&</sup>lt;sup>30</sup> http://www.sfgate.com/news/article/PG-E-incentive-system-blamed-for-leak-oversights-2424430.php.

decision in the gas transmission pipeline investigations. The Utility also recorded \$57 million, pre-tax, for disallowances imposed by the CPUC in its final phase two decision of the 2015 Gas Transmission and Storage (GT&S) rate case for **prohibited ex parte communications**. In addition, the Utility accrued fines of \$26 million in connection with the final decision approved by the CPUC on August 18, 2016 in its investigation regarding **natural gas distribution record-keeping practices** and \$3 million in connection with the maximum statutory fine imposed on January 26, 2017 in the **federal criminal trial against the Utility**.

- 116. In 2017, Geisha Williams, **PG&E's** chief executive officer, was awarded \$8.6 million in total direct compensation, according to a **PG&E** filing with the Securities and Exchange Commission. This was a 106% raise from her prior year's salary.
- 117. Nickolas Stavropoulos, chief operating officer and president of Pacific Gas and Electric, **PG&E's** utility subsidiary, received \$6.4 million in total direct compensation in 2017, up 88.9% from his prior year's salary.
- July 2018, PG&E stocked away \$246 million dollars over the last 17 years that was meant for undergrounding powerlines, which can help prevent wildfires in zones that are prone to extreme wildfire danger, but PG&E did not use the funds to do so.
- 119. **PG&E's** advertising campaigns further highlight that avoiding accountability and not public safety is its top priority. Instead of allocating all available resources into maintenance, inspections, and fire safety, **PG&E** spent millions on advertising, including full page newspaper ads and feel-good television commercials, designed to distract the public from the fact that **PG&E** is a six-time felon.

120.

### ii. PG&E Continually And Habitually Flaunts CPUC Regulations And Investigations

121. In 2007, the CPUC began working to tighten regulations on utilities and force the utilities to create maps that detail where power lines present the highest risk for wildfires. As of 2017, a decade later, the maps were still incomplete. And the CPUC had not adopted strict new regulations.

16

20

21

23

24 25

26 27

28

A review of the mapping project shows that **PG&E** repeatedly asked to slow down the effort, claiming for example in October 2016, that the CPUC's plans to complete the map by March of 2017 year was "too aggressive." And in July 2017, the utility called a proposed regulation to increase the wind speed that power poles must sustain "arbitrary," and that certain proposed regulations would "add unnecessary costs to construction and maintenance projects in rural areas." On Oct. 6, 2017—two days before the deadly North Bay Fires—two administrative law judges assigned to oversee the project granted yet another delay at the request of PG&E and other utilities.

123. In response to PG&E's repeated failure to correct its behavior and the 2010 San Bruno explosion, the CPUC's Safety and Enforcement Division commissioned a report, prepared by NorthStar Consulting Group, to determine whether PG&E's "organizational culture and governance prioritize safety and adequately direct resources to promote accountability and achieve safety goals and standards." The NorthStar report concluded that while PG&E purportedly has been making efforts to reduce incidents and increase safety since the 2010 San Bruno explosion, "these efforts had been somewhat reactionary" and were not driven by a "comprehensive enterprise-wide approach to addressing safety."

The report was issued May 8, 2017 and made 61 separate recommendations for 124. **PG&E** to be completed before July 1, 2019. While **PG&E** publicly supports the NorthStar recommendations, the CPUC has raised doubts that PG&E's enthusiasm is sincere. In one example, PG&E attempted to bolster its commitment to safety in front of the CPUC by exaggerating the safety expertise of its Directors. When asked to substantiate this expertise, PG&E could not provide any support for its claim. This prompted the CPUC to question "whether PG&E truly is changing its culture, or just trying to 'check the boxes'."31

On April 26, 2018, PG&E agreed to pay \$97.5 million because it engaged in 125. prohibited communications with the CPUC and failed to timely report ex parte communications from 2010 to 2014, in violation of CPUC rules.

<sup>31</sup> http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M243/K614/243614812.PDF COMPLAINT

126. As part of the settlement agreement, PG&E admitted to the following:

During the period from 2010 to 2014, PG&E committed multiple violations of the Commission's ex parte rules in Article 8 of the Rules of Practice and Procedure, through communications that were either prohibited or not reported to the Commission as required by these rules. On at least one occasion during this time period, PG&E also violated Rule 12.6 of the Commission's Rules of Practice and Procedure, which requires that parties to settlement negotiations hold such negotiations confidential, by disclosing to a Commission decisionmaker the contents of ongoing settlement negotiations. Finally, by the totality of these violations, PG&E also violated Commission Rule of Practice and Procedure 1.1. Article II, § 2.1.B: Conduct Harmful to Customers and Other Constituents PG&E's employees and agents engaged in communications with decisionmakers at the Commission, as well as related conduct that was harmful to the regulatory process.

- 127. **PG&E** specifically admitted to 12 violations, including:
  - a conversation between Brian Cherry, **PG&E's** Vice President of Regulatory Affairs, and a CPUC Commissioner about whether to bump Administrative Law Judge Roscow from a proceeding.
  - A conversation between a **PG&E** attorney and a CPUC Commissioner regarding a gas pipeline project and possible ratepayers' payment for upgrading the gas system.
  - A meeting between the CPUC President and a PG&E officer regarding a "independent" forensic analysis.
- 128. And this is not the first time **PG&E** has interfered and/or failed to comply with an investigation as it was also found guilty of a felony for interfering with the federal investigation of the 2010 San Bruno explosion.

### J. PG&E IS REQUIRED TO SAFELY DESIGN, OPERATE, AND MAINTAIN ITS ELECTRICAL SYSTEMS AND THE SURROUNDING VEGETATION

129. At all times prior to November 8, 2018, **PG&E** had a duty to properly construct, inspect, repair, maintain, manage and/or operate its power lines and/or other electrical equipment and to keep vegetation properly trimmed and maintained so as to prevent foreseeable contact with such electrical equipment. In the construction, inspection, repair, maintenance, management, ownership, and/or operation of its power lines and other electrical equipment, **PG&E** had an obligation to comply with a number of statutes, regulations, and standards, including the following.

- 130. Pursuant to Public Utilities Code § 451, "Every public utility shall furnish and maintain such adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities . . . as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public."
- To meet this safety mandate, PG&E is required to comply with a number of design standards for its electrical equipment, as stated in CPUC General Order 95. In extreme fire areas, **PG&E** also must ensure that its power lines can withstand winds of up to 92 miles per hour.
- Further, PG&E must follow several standards to protect the public from the 132. consequences of vegetation and/or trees coming into contact with its power lines and other electrical equipment. Pursuant to Public Resources Code § 4292, PG&E is required to "maintain" around and adjacent to any pole or tower which supports a switch, fuse, transformer, lightning arrester, line junction, or dead end or corner pole, a firebreak which consists of a clearing of not less than 10 feet in each direction from the outer circumference of such pole or tower." Also, Public Resources Code § 4293 mandates PG&E to maintain clearances of four to 10 feet for all of its power lines, depending of their voltage. In addition, "Dead trees, old decadent or rotten trees, trees weakened by decay or disease and trees or portions thereof that are leaning toward the line which may contact the line from the side or may fall on the line shall be felled, cut, or trimmed so as to remove such hazard."
- 133. Pursuant to CPUC General Order 165, PG&E is also required to inspect its distribution facilities to maintain a safe and reliable electric system. In particular, PG&E must conduct "detailed" inspections of all of its overhead transformers in urban areas at least every five years. PG&E is also required to conduct "intrusive" inspections of its wooden poles that have not already been inspected and are over 15 years old every 10 years.
- 134. PG&E knew or should have known that such standards and regulations were minimum standards and that PG&E has a duty to identify vegetation which posed a foreseeable hazard to power lines and/or other electrical equipment, and manage the growth of vegetation near its power lines and equipment so as to prevent the foreseeable danger of contact between vegetation and power lines starting a fire. Further, PG&E has a duty to manage, maintain, repair,

COMPLAINT

and/or replace its aging infrastructure to protect public safety. These objectives could and should have been accomplished in a number of ways, including, by not limited to, putting electrical equipment in wildfire-prone areas underground, increasing inspections, developing and implementing protocols to shut down electrical operations in emergency situations, modernizing infrastructure, and/or obtaining an independent audit of its risk management programs to ensure effectiveness.

4, to take remedial measures to reduce fires since the Governor had declared a drought in January. In addition, the CPUC informed **PG&E** that it could seek recovery of incremental costs associated with these remedial measures outside of the standard funding process, i.e. the CPUC was agreeing to provide additional funding on top of vegetation management funding already authorized in order to make sure remedial measures would not go unperformed due to lack of funding. "Although the Governor issued an Executive Order in April 2017 ending the Drought State of Emergency, the declaration directed state agencies 'to continue response activities that may be needed to manage the lingering drought impacts to people and wildlife.' The California Tree Mortality State of Emergency issued in October 2015 by Governor Brown regarding the bark beetle infestation and resulting tree mortality remains in effect. The CPUC has not rescinded ESRB-4, and work by the utilities to comply with it and the Tree Mortality Emergency continues." 32

#### VI. PLAINTIFFS' LOSSES

- 136. Plaintiff **LILA WILLIAMS** ("**LILA**") is a 93-year-old great-grandmother of five generations of her family who have resided on the Paradise Ridge. Prior to coming to the Ridge, she was raised on a ranch in Lake County. She worked for many years in Silicon Valley as a Lead Worker in production assembly at Hewlett-Packard.
- 137. On November 8, LILA, who lived in Magalia, was returning from a doctor's appointment with her granddaughter when embers from the fire began landing on their vehicle. Fearful that she would not have enough gas to escape the fire, LILA stopped at two gas stations,

COMPLAINT

<sup>32</sup> http://opug.op.gov/yplooded

<sup>&</sup>lt;sup>32</sup> http://cpuc.ca.gov/uploadedFiles/CPUC\_Public\_Website/Content/Safety/PGE%20Vegetation %20 Management%20Spending.pdf.

but was unable to refuel. She was fortunately able to get a ride in her granddaughter's vehicle, but still faced clogged roads heading toward Chico. They then made the terrifying decision of turning around, heading deeper into the mountains towards Butte Meadow, which was so crowded with other evacuees that they kept on going uphill to Chester. She stayed there until finally re-uniting with her family. **LILA's** home in Magalia, and mementos from a full life of experiences, were completely destroyed.

- 138. LOUISE is LILA's 66-year-old daughter. LOUISE owned property in Concow at 3488 Hoffman Road, where she had built her own off-the-grid home with solar panels and storage batteries, so that she would not have to rely upon PG&E.
- 139. The Camp Fire suddenly and quickly consumed LOUISE's property. By the time she was able to get into her car, the fire had already entered her home and was burning the fence at the end of her driveway, potentially cutting off her escape. She screamed her dog's name, but he did not answer. She had no choice but to leave her dog and cat behind. After hurrying down her driveway and onto Hoffman Road, passing burning homes along the way, LOUISE was forced to stop at Lake Concow. The single crossing was blocked by a truck and row of cars, unable to pass. The flames from the burning trees licked at the stopped vehicles. A firefighter screamed at everyone to go to the lake. LOUISE got out of her car and ran. Standing in the freezing waters of Lake Concow, they waited as crews tried to clear the road ahead of fallen trees and debris.
- 140. **LOUISE** was eventually able to rejoin a convoy of cars leaving Concow. They followed behind a firetruck and through burning forest. Tree limbs consumed by flames hung over the road. After driving for miles, **LOUISE** was able to leave the flames behind and reach a place of relative safety.
- 141. **PLAINTIFFS'** property and all of their personal items in and around their home, and other structures, were completely destroyed in the Camp Fire and are no longer ascertainable due to the intensity of the fire. As a result of the fire and evacuation, **PLAINTIFFS** suffered major losses and damages in an amount according to proof at trial.

|| ///

#### VII. <u>CAUSES OF ACTION</u>

2

1

3

4

5

6

7 8

9 10

11

12

13 14

15

16 17

18

19 20

21

2223

24

2526

27

28

### FIRST CAUSE OF ACTION NEGLIGENCE (Against All Defendants)

142. **PLAINTIFFS** incorporate and re-allege each of the paragraphs set forth above as though fully set forth herein.

143. The Camp Fire was a direct and legal result of the negligence, carelessness, recklessness, and/or unlawfulness of **DEFENDANTS**, and/or each of them. **DEFENDANTS**, and/or each of them, breached their respective duties owed individually and/or collectively to **PLAINTIFFS** by, including but not limited to: (1) failing to comply with the applicable statutory, regulatory, and/or professional standards of care; (2) failing to timely and properly maintain, manage, inspect, and/or monitor the subject power lines, electrical equipment, and/or adjacent vegetation; (3) failing to properly cut, trim, prune, and/or otherwise keep vegetation at a sufficient distance to avoid foreseeable contact with power lines; (4) failing to trim and/or prune vegetation so as to avoid creation of a safety hazard within close proximity of the subject power line; (5) failing to make the overhead lines safe under all the exigencies created by surrounding circumstances and conditions; (6) failing to conduct adequate, reasonably prompt, proper, effective, and/or frequent inspections and/or repairs of the electrical transmission lines, wires, and/or associated equipment; (7) failing to design, construct, monitor, and/or maintain electrical transmission and/or distribution power lines in a manner that avoids the potential to ignite a fire during long, dry seasons by allowing vegetation to grow in an unsafe manner; (8) failing to install the equipment necessary and/or to inspect and/or repair the equipment installed, to prevent electrical transmission and distribution lines from improperly sagging, operating, and/or making contact with other metal wires placed on its poles and igniting fires; (9) failing to keep equipment in a safe condition and/or manage equipment to prevent fire at all times; (10) failing to de-energize power lines during fire prone conditions; (11) failing to de-energize power lines after the ignition of the Camp Fires; and/or (12) failing to properly train and to supervise employees and/or agents

11 12

13 14

15

17

16

18

19 20

21

22

23

24 25

26

27

28

COMPLAINT

responsible for maintenance and inspection of the distribution lines and/or vegetation areas nearby these lines.

- As a direct and legal result of DEFENDANTS' actions and/or omissions, and/or 144. each of them, PLAINTIFFS were injured in their health, strength, and/or activity in an amount according to proof at trial.
- As a further direct and legal result of the premises, PLAINTIFFS were required to and/or continue to employ physicians and other healthcare providers to examine, treat, and/or care for their injuries. PLAINTIFFS have incurred, and will continue to incur, medical and/or incidental expenses in an amount according to proof at trial.
- 146. As a further direct and legal result of the premises, PLAINTIFFS have suffered and/or continue to suffer great mental pain and suffering, including worry, emotional distress, humiliation, embarrassment, anguish, anxiety, and/or nervousness. PLAINTIFFS are informed and believe, and upon such information and belief allege, that such injuries have resulted in debilitating injuries in an amount according to proof at trial.
- As a further direct and legal result of the premises, PLAINTIFFS have suffered a loss of income, loss of earning capacity, loss of profits, increased expenses due to displacement, and/or other consequential economic losses in an amount according to proof at trial.
- 148. As a further direct and legal result of **DEFENDANTS**' actions and/or omissions, and/or each of them, PLAINTIFFS have suffered damage to real property, including the loss of vegetation, trees, and structures, the creation of hydrophobic soil conditions, and a loss of use, benefit, goodwill, diminution in value, and/or enjoyment of such property in an amount according to proof at trial.
- 149. As a further direct and legal result of **DEFENDANTS**' actions and/or omissions, and/or each of them, PLAINTIFFS have suffered damage to and/or a loss of personal property, including but not limited to items of peculiar value to PLAINTIFFS, in an amount according to proof at trial.
- 150. As a further direct and legal result of **DEFENDANTS**' actions and/or omissions, and/or each of them, PLAINTIFFS have incurred and will continue to incur expenses and other

9

12 13

14

15

16 17 18

19

20

21 22

23

24

25

26 27 economic damages related to the damage to their property, including costs relating to storage, clean-up, disposal, repair, depreciation, and/or replacement of their property, and/or other related consequential damages in an amount according to proof at trial.

- PG&E has a virtual monopoly over the transmission and distribution of electrical 151. power to the areas affected by the Camp Fire and has individual contracts with all residents and businesses in those areas to whom it distributes that electrical power. The communities affected by the Camp Fire are all dependent upon the safe transmission and distribution of that electrical power for continuous residential and commercial usage, and PG&E has contractual, statutory, and public duties to provide that electrical power in a manner that promotes those individual and public interests.
- 152. The potential harms to PLAINTIFFS from wildfires such as the Camp Fire was objectively foreseeable both in nature and in scope and were subjectively known to PG&E from its long and tragic history of causing such wildfires.
- As set forth above and as will be shown by proof, there is a high degree of certainty 153. that PLAINTIFFS have suffered those injuries and damages, and that there is an extremely close connection between those injuries and damages and DEFENDANTS' conduct. A high degree of moral blame is attached to DEFENDANTS' conduct, and the policy of preventing future harm justifies both the recognition of the existence of a duty of care owed by **DEFENDANTS** to all **PLAINTIFFS** and the imposition of all damages described above.
- 154. Based on the foregoing, **DEFENDANTS**, and/or each of them, acted willfully, wantonly, with oppression, fraud, malice, and/or with a knowing, conscious disregard for the rights and/or safety of others, such the PLAINTIFFS request that the trier of fact, in the exercise of sound discretion, award **PLAINTIFFS** additional damages pursuant to Code of Civil Procedure § 3294 for the sake of example and sufficient to punish the **DEFENDANTS**, and/or each of them, for their despicable conduct, in an amount reasonably related to PLAINTIFFS' actual damages and **DEFENDANTS**' financial condition, yet sufficiently large enough to be an example to others and to deter DEFENDANTS and others from engaging in similar conduct in the future.

155. As a further direct and legal result of the conduct of **DEFENDANTS**, **PLAINTIFFS** seek exemplary damages for injuries to **PLAINTIFFS**' animals as allowed under Code of Civil Procedure § 3340.

## SECOND CAUSE OF ACTION INVERSE CONDEMNATION (Against All Defendants)

- 156. **PLAINTIFFS** incorporate and re-allege each of the paragraphs set forth above as though fully set forth herein.
- 157. On or about November 8, 2018, **PLAINTIFFS** were owners of real property and/or personal property located within Butte County in the area of the Camp Fire.
- 158. Prior to and on November 8, 2018, **DEFENDANTS**, and/or each of them, installed, owned, operated, used, controlled, and/or maintained power lines and other electrical equipment for the public delivery of electricity, including power lines in and around the location of the Camp Fire.
- 159. On November 8, 2018, as a direct, necessary, and legal result of **DEFENDANTS'** installation, ownership, operation, use, control, management, and/or maintenance for a public use the power lines and/or other electrical equipment, the power lines and/or other electrical equipment came in contact with vegetation and/or broke, failed, fell down, sparked, and/or exploded, causing a wildfire that burned thousands of acres, including property owned or occupied by **PLAINTIFFS**. The fire damaged and/or destroyed **PLAINTIFFS'** real and/or personal property.
- 160. The above described damage to **PLAINTIFFS'** property was legally and substantially caused by the actions of **DEFENDANTS**, and/or each of them, in their installation, ownership, operation, use, control, management, and/or maintenance of the power lines and other electrical equipment for a public use.
- 161. **PLAINTIFFS** have not received adequate compensation for the damage to and/or destruction of their property, thus constituting a taking or damaging of **PLAINTIFFS**' property by **DEFENDANTS**, and/or each of them, without just compensation.
- 162. As a direct and legal result of the actions and/or omissions of the **DEFENDANTS**, **PLAINTIFFS** suffered damages to their real and/or personal property, including loss of use,

interference with access, and/or diminution in value and/or marketability in an amount according to proof at trial.

163. As a direct and legal result of the actions and/or omissions of the **DEFENDANTS**, **PLAINTIFFS** have incurred and will continue to incur costs, disbursements, and/or expenses, including reasonable attorney, appraisal, engineering, and/or other expert fees due to the conduct of the **DEFENDANTS** in amounts that cannot yet be ascertained, but which are recoverable pursuant to Code of Civil Procedure § 1036.

# THIRD CAUSE OF ACTION PUBLIC NUISANCE (Against All Defendants)

- 164. **PLAINTIFFS** incorporate and re-allege by this reference each of the paragraphs set forth as though fully set forth herein.
- 165. **PLAINTIFFS** own and/or occupy property at or near the site of the fire which is the subject of this action. At all relevant times herein, **PLAINTIFFS** had a right to occupy, enjoy, and/or use their property without interference by **DEFENDANTS**, and/or each of them.
- 166. **DEFENDANTS**, and/or each of them, owed a duty to the public, including **PLAINTIFFS** herein, to conduct their business, in particular the maintenance and/or operation of power lines, power poles, and/or electrical equipment on power poles, and adjacent vegetation in proximity to their power lines in Butte County in a manner that did not threaten harm or injury to the public welfare from operation of those power lines.
- 167. **DEFENDANTS**, and/or each of them, by acting and/or failing to act, as alleged hereinabove, created a condition which was harmful to the health of the public, including these **PLAINTIFFS**, and which interfered with the comfortable occupancy, use, and/or enjoyment of **PLAINTIFFS**' property. **PLAINTIFFS** did not consent, expressly or impliedly, to the wrongful conduct of **DEFENDANTS**, and/or each of them, in acting in the manner set forth above.
- 168. The hazardous condition which was created by and/or permitted to exist by **DEFENDANTS**, and/or each of them, affected a substantial number of people within the general public, including **PLAINTIFFS** herein, and constituted a public nuisance under Civil Code §§

COMPLAINT

3479 and 3480 and Public Resources Code § 4171. Further, the ensuing uncontrolled wildfire constituted a public nuisance under Public Resources Code § 4170.

- 169. The damaging effects of **DEFENDANTS**' maintenance of a fire hazard and the ensuing uncontrolled wildfire are ongoing and affect the public at large. As a result of the fire's location, temperature, and/or duration, extensive areas of hydrophobic soils developed within the fire's perimeter. This further caused significant post fire runoff hazards to occur, including hillside erosion, debris flow hazards, sediment laden flow hazards, and hillside erosion. As a result, large quantities of ash and sediment will be deposited in perennial and ephemeral watercourses.
- 170. As a direct and legal result of the conduct of **DEFENDANTS**, and/or each of them, **PLAINTIFFS** suffered harm that is different from the type of harm suffered by the general public. Specifically, **PLAINTIFFS** have lost the occupancy, possession, use, and/or enjoyment of their land, real and/or personal property, including, but not limited to: a reasonable and rational fear that the area is still dangerous; a diminution in the fair market value of their property; an impairment of the salability of their property; soils that have become hydrophobic; exposure to an array of toxic substances on their land; the presence of "special waste" on their property that requires special management and disposal; and a lingering smell of smoke, and/or constant soot, ash, and/or dust in the air.
- 171. As a further direct and legal result of the conduct of **DEFENDANTS**, and/or each of them, **PLAINTIFFS** have suffered, and will continue to suffer, discomfort, anxiety, fear, worries, annoyance, and/or stress attendant to the interference with **PLAINTIFFS**' occupancy, possession, use and/or enjoyment of their property, as alleged above.
- 172. A reasonable, ordinary person would be reasonably annoyed or disturbed by the condition created by **DEFENDANTS**, and/or each of them, and the resulting fire.
- 173. The conduct of **DEFENDANTS**, and/or each of them, is unreasonable and the seriousness of the harm to the public, including **PLAINTIFFS** herein, outweighs the social utility of **DEFENDANTS**' conduct.
- 174. The individual and/or collective conduct of **DEFENDANTS** set forth above, and/or each of them, resulting in the Camp Fire is not an isolated incident, but is ongoing and/or a

repeated course of conduct, and **DEFENDANTS'** prior conduct and/or failures have resulted in other fires and damage to the public.

- 175. The unreasonable conduct of **DEFENDANTS**, and/or each of them, is a direct and legal cause of the harm, injury, and/or damage to the public, including **PLAINTIFFS** herein.
- and refused to conduct proper inspections and to properly trim, prune, and/or cut vegetation in order to ensure the sole delivery of electricity to residents through the operation of power lines in the affected area, and **DEFENDANTS'** individual and/or collective failure to do so exposed every member of the public, including those residing in Butte County, to a foreseeable danger of personal injury, death, and/or a loss of or destruction real and personal property.
- 177. The conduct of **DEFENDANTS**, and/or each of them, set forth above constitutes a public nuisance within the meaning of Civil Code §§ 3479 and 3480, Public Resources Code §§ 4104 and 4170, and Code of Civil Procedure § 731. Under Civil Code § 3493, **PLAINTIFFS** have standing to maintain an action for public nuisance because the nuisance is specially injurious to **PLAINTIFFS** because, as more specifically described above, it is injurious and/or offensive to the senses of the **PLAINTIFFS**, unreasonably interferes with the comfortable enjoyment of their properties, and/or unlawfully obstructs the free use, in the customary manner, of **PLAINTIFFS**' properties, and have suffered harm, injury, and damages.
- 178. For these reasons, **PLAINTIFFS** seek a permanent injunction ordering that **DEFENDANTS**, and each of them, stop continued violation of Public Resource Code §§ 4292 and 4293 and Public Utilities Commission General Order 95, Rule 35. **PLAINTIFFS** also seek an order directing **DEFENDANTS** to abate the existing and continuing nuisance described above.

## FOURTH CAUSE OF ACTION PRIVATE NUISANCE (Against All Defendants)

179. **PLAINTIFFS** incorporate and re-allege by this reference each of the paragraphs set forth as though fully set forth herein.

180. **DEFENDANTS**, and/or each of them, by their acts and/or omissions set forth above, directly and legally caused an obstruction to the free use of **PLAINTIFFS**' property, an invasion the **PLAINTIFFS**' right to use their property, and/or an interference with the enjoyment of **PLAINTIFFS**' property, resulting in **PLAINTIFFS** suffering unreasonable harm and substantial actual damages constituting a nuisance pursuant to Civil Code §§ 3479 and 3481.

181. As a direct and legal result of the wrongful acts and/or omissions of **DEFENDANTS**, and/or each of them, **PLAINTIFFS** suffered, and continue to suffer, the injuries and damages as set forth above.

182. As a further direct and legal result of the wrongful acts and/or omissions of **DEFENDANTS**, and/or each of them, **PLAINTIFFS** seek the recovery of punitive and exemplary damages against **DEFENDANTS** as set forth above.

# FIFTH CAUSE OF ACTION PREMISES LIABILITY (Against All Defendants)

183. **PLAINTIFFS** incorporate and re-allege by this reference, each of the paragraphs set forth as though fully set forth herein.

184. **DEFENDANTS**, and/or each of them, were the owners of an easement and/or real property in and around the area of the Camp Fire, and/or were the owners of the power lines upon said easement and/or right of way.

185. **DEFENDANTS**, and/or each of them, acted wantonly, unlawfully, carelessly, recklessly, and/or negligently in failing to properly inspect, manage, maintain, and/or control the vegetation near its power lines along the real property and easement, allowing an unsafe condition presenting a foreseeable risk of fire danger to exist on said property.

186. As a direct and legal result of the wrongful acts and/or omissions of **DEFENDANTS**, and/or each of them, **PLAINTIFFS** suffered, and continue to suffer, the injuries and damages as set forth above.

187. As a further direct and legal result of the wrongful acts and/or omissions of **DEFENDANTS**, and/or each of them, **PLAINTIFFS** seek the recovery of punitive and exemplary damages against **DEFENDANTS** as set forth above.

### SIXTH CAUSE OF ACTION TRESPASS (Against All Defendants)

- 188. **PLAINTIFFS** incorporate and re-allege by this reference each of the paragraphs set forth as though fully set forth herein.
- 189. At all times relevant herein, **PLAINTIFFS** were the owners, tenants, and/or lawful occupants of property damaged by the Camp Fire.
- 190. **DEFENDANTS**, and/or each of them, in wrongfully acting and/or failing to act in the manner set forth above, caused the Camp Fire to ignite and/or spread out of control, causing harm, damage, and/or injury to **PLAINTIFFS** herein, resulting in a trespass upon **PLAINTIFFS** property interests.
- 191. **PLAINTIFFS** did not grant permission for **DEFENDANTS** to wrongfully act in a manner so as to cause the Camp Fire, and thereby produce a wildland fire which spread and wrongfully entered upon their property, resulting in the harm, injury, and/or damage alleged above.
- 192. As a direct and legal result of the wrongful conduct of **DEFENDANTS**, and/or each of them, which led to the trespass, **PLAINTIFFS** have suffered and will continue to suffer damages as set forth above, in an amount according to proof at trial.
- 193. As a further direct and legal result of the wrongful conduct of **DEFENDANTS**, **PLAINTIFFS**, whose land was under cultivation, and/or was used for raising livestock or was intended to be used for raising livestock, have hired and retained counsel to recover compensation for loss and damage and are entitled to recover all attorney's fees, expert fees, consultant fees, and litigation costs and expenses, as allowed under Code of Civil Procedure § 1021.9.
- 194. As a further direct and legal result of the conduct of **DEFENDANTS**, **PLAINTIFFS** seek double and/or treble damages for the negligent, willful, and wrongful injuries to timber, trees, or underwood on their property, as allowed under Civil Code § 3346.

195. As a direct and legal result of the wrongful acts and/or omissions of **DEFENDANTS**, and/or each of them, **PLAINTIFFS** suffered, and continue to suffer, the injuries and damages as set forth above.

196. As a further direct and legal result of the wrongful acts and/or omissions of **DEFENDANTS**, and/or each of them, **PLAINTIFFS** seek the recovery of punitive and exemplary damages against **DEFENDANTS** as set forth above.

## SEVENTH CAUSE OF ACTION VIOLATION OF PUBLIC UTILITIES CODE § 2106 (Against All Defendants)

- 197. **PLAINTIFFS** incorporate and re-allege each of the paragraphs set forth above as though fully set forth herein.
- 198. As a Public Utility, **DEFENDANTS**, and/or each of them, are legally required to comply with the rules and orders promulgated by the Public Utilities Commission pursuant to Public Utilities Code § 702.
- 199. Public Utilities that fail to comply with duties required by the California Constitution, a law of the State, a regulation, or order of the Public Utilities Commission, which thereby leads to loss or injury, are liable for that loss or injury pursuant to Public Utilities Code § 2106.
- 200. As a Public Utility, **DEFENDANTS**, and/or each of them, are required to provide and maintain service, equipment and facilities in a manner adequate to maintain the safety, health, and convenience of their customers and the public, pursuant to Public Utilities Code § 451.
- 201. **DEFENDANTS**, and/or each of them, are required to design, engineer, construct, operate, manage, and maintain electrical supply lines in a manner consistent with their use, taking into consideration local conditions and other circumstances, so as to provide safe and adequate electric service, pursuant to Public Utility Commission General Orders 95 and 165, and Rule 33.1.
- 202. **DEFENDANTS**, and/or each of them, are required to maintain vegetation in compliance with Public Resources Code §§ 4293, 4294, and 4435, and Health & Safety Code § 13001.

203. By their conduct alleged above, DEFENDANTS, and/or each of them, violate
Public Utilities Code §§ 702 and 451 and/or Public Utilities Commission General Order 9
thereby imposing liability on DEFENDANTS for losses, damages, and/or injury sustained
PLAINTIFFS pursuant to Public Utilities Code § 2106.

- 204. By further reason of the premises set forth above **DEFENDANTS**, and/or each of them, acted in a manner which violated the laws of this State and/or the orders or decisions of the Public Utilities Commission, as referenced herein.
- 205. As a direct and legal result of the wrongful acts and/or omissions of **DEFENDANTS**, and/or each of them, **PLAINTIFFS** suffered, and continue to suffer, the injuries and damages as set forth above.
- 206. As a further direct and legal result of the wrongful acts and/or omissions of **DEFENDANTS**, and/or each of them, **PLAINTIFFS** seek the recovery of punitive and exemplary damages against **DEFENDANTS** as set forth above.

## EIGHTH CAUSE OF ACTION VIOLATION OF HEALTH & SAFETY CODE § 13007 (Against All Defendants)

- 207. **PLAINTIFFS** incorporate and re-allege each of the paragraphs set forth above as though fully set forth herein.
- 208. By engaging in the acts and/or omissions alleged in this Complaint, **DEFENDANTS**, and/or each of them, willfully, negligently, carelessly, recklessly, and/or in violation of law, set fire to and/or allowed fire to be set to the property of another in violation of Health & Safety Code § 13007.
- 209. As a direct and legal result of **DEFENDANTS'** violation of Health & Safety Code § 13007, **PLAINTIFFS** suffered recoverable damages to property under Health & Safety Code § 13007.21.
- 210. As a further direct and legal result of the **DEFENDANTS**, and/or each of them, violating Health & Safety Code § 13007, **PLAINTIFFS** are entitled to reasonable attorney's fees under Code of Civil Procedure § 1021.9.

As a direct and legal result of the wrongful acts and/or omissions of **DEFENDANTS**, and/or each of them, **PLAINTIFFS** suffered, and continue to suffer, the injuries and damages as set forth above.

As a further direct and legal result of the wrongful acts and/or omissions of 212. **DEFENDANTS**, and/or each of them, **PLAINTIFFS** seek the recovery of punitive and exemplary damages against **DEFENDANTS** as set forth above.

#### NINTH CAUSE OF ACTION VIOLATION OF CAL. BUS. & PROF. CODE § 17500 (Against All Defendants)

- 213. **PLAINTIFFS** incorporate and re-allege each of the paragraphs set forth above as though fully set forth herein.
- By engaging in the acts and/or omissions alleged in this Complaint, **DEFENDANTS**, and/or each of them, willfully, negligently, carelessly, recklessly, and/or in violation of law, made, caused to be made, and/or disseminated before the public in this state untrue and/or misleading publications and/or other advertising devices, public outcries and/or proclamations, including social media posts such as Twitter, concerning PG&E's risk management services, including vegetation management, maintenance, inspection, and operation of electrical equipment, professional or otherwise, and/or concerning any circumstance or matter of fact connected with the proposed performance and/or disposition thereof. And by the exercise of reasonable care, PG&E knew and/or should have known to be untrue and/or misleading.
- In the years following the September 9, 2010 San Bruno fire and explosion, PG&E attempted to rehabilitate its image with advertising and representations that touted its purported commitment to safety and proactive maintenance. This includes the following representation regarding maintenance to electric transmission towers.

111

111

26 111

27

PG&E's number one priority is providing our customers with safe, reliable and affordable energy. As part of that commitment, we're advancing the state of our electric infrastructure by extending the height of electric transmission towers.

#### What is PG&E doing?

We will be checking and adjusting the transmission lines which transport electricity to our substations that feed the distribution lines responsible for serving our local communities, businesses and residential customers. The adjustments may include:

- Modifying electric transmission towers
- Modifying electric substations
- Replacing or modifying transmission lines
- · Replacing wooden poles

216. This publication is untrue and/or misleading in suggesting that **PG&E** would be inspecting its electrical transmission towers and making necessary adjustments. As discussed herein above, PG&E failed to discover and/or correct equipment issues with the transmission tower that malfunctioned on November 8, 2018 despite the fact that five towers along the same line were knocked over during a 2012 storm.

217. In addition to the untrue and/or misleading publications already referenced herein above, **PG&E** made and continues to make repeated untrue and/or misleading publications regarding their vegetation management practices, including but not limited to the television commercials transcribed below:

"Years of drought, millions of dead trees, extreme winds, and leading scientists say there will be even more dangerous fires in the years ahead. Our weather is becoming more extreme, and we all need to work together to keep our neighborhoods safe. I'm Lisa Veliz Waweru from PG&E. At PG&E, we are accelerating our forest management work in high fire-threat areas, removing dead trees, trimming branches and creating 12-foot safety clearances around power lines. As part of our Community Wildfire Safety Program, we are implementing additional safety measures, including a 24-hour Wildfire Safety Operation Center, new early warning weather stations, and stronger power lines in high fire-threat areas. And we want to make sure you know what steps you can take, like cutting back vegetation around your home, having the right emergency plan, and signing up for safety alerts. For more information on how to keep you and your neighborhood safe, visit pge.com/wildfiresafety"

"In 2017 California had the worst wildfire season on record scientists say our weather is becoming more extreme and we all have to be better prepared that's why PG&E; is adopting new and additional safety precautions to help us monitor

and respond to dangerous weather. hi I'm Alison Bagley a meteorologist with PGA's community wildfire safety program we're working now to enhance our weather forecasting capabilities building a network of new weather stations to identify when and where extreme wildfire conditions may occur so we can respond faster and better we're installing cutting-edge technology to provide real-time mapping and tracking of weather patterns and we use this information in partnership with first responders and California's emergency response systems to learn more about the community wildfire safety program and how you can help keep your home and community safe visit PG&E.COM/wildfiresafety."

"Wildfire season is here and we all need to be ready to address the growing wildfire threat. PG&E has opened a new 24 hour Operations Center the heart of the new community wildfire safety program this Center helps us coordinate with our safety partners and it's directly connected to our new weather stations network so we can monitor and respond to extreme weather conditions even faster we're out right now removing dead trees trimming vegetation back even farther and strengthening existing lines we're working closely with California's mutual aid in emergency response systems and as a last resort we can turn off power in the most extreme weather conditions to help keep you safer wildfire season is longer than ever before winds are stronger and we must all work together to address the growing threat of wildfires to learn more about the community wildfire safety program and how you can help keep your home and community safe visit PGE dot-com slash wildfire safety."

"The greatest dangers up here in the North State are no doubt fires two things happen first the fire department is dispatched and secondly they call PG&E; dispatch center to activate PG&E; first responders to the scene the writing fire department is an extremely proud and busy department facing limited firefighter staffing with nearly 15,000 calls out of eight stations we depend very heavily on mutual aid with our neighboring fire agencies and PG&E is a big part of that effort. We rely on PG&E extensively not only for the technical expertise and the resources that they have but getting there quickly so that we can free up critical emergency response resources their expedient response and their professional services are essential to the successful outcome of any incident and to that end our relationship has been very healthy collectively and collaboratively we make a difference and I'm very proud of what we do every day here in Redding"

"Every fire department every police department is part of a bigger picture that bigger picture is statewide mutual aid California years ago realize the need to work together teamwork is important to protect the community but we have to do it the right way we have a working knowledge and we can reduce the impacts of a small disaster but we need the help of experts PG&E; is an integral part of our emergency response team they're the industry expert with utilities whether it's a gas leak or wired down just having someone there that deals with this every day is is pretty comforting we each bring something to the table that is unique and that is a specialty with all of us working together we can keep all these emergencies small and the fact that we can bring it together and effectively work together it's pretty special they bring their knowledge their tools and equipment and the

proficiency to get the job done and the whole time I've been in the fire service PG&E; has been there too whatever we need whenever we need it I do count on PG&E; to keep our firefighters safe that's why we ask for their help"

"I'm April Kennedy and I'm an arborist with PG&E; in this years since the onset of the drought more than a hundred and twenty nine million trees have died in California PG&E; prunes and removes over a million trees every year to ensure that hazardous trees can't impact our lands and since the onset of the drought we've doubled our efforts I grew up in the forest out in this area and honestly it's heartbreaking to see all these trees die what guides me is ensuring that the public is going to be safer and that these forests can be sustained and enjoyed by the community in the future"

"Firefighting is a very dangerous profession we have one to two fires a day and when you respond together and you put your lives on the line you do have to surround yourself with experts and for us the expert in gas electric is PG&E; we run about 2,500 to 2,800 fire calls a year and on almost every one of those calls PG&E is responding to that call as well and so when we show up to a fire and PG&E shows up with us it makes a tremendous team during a moment of crisis. I rely on them. The firefighters in this department rely on them. And so we have to practice safety every day utilizing PG&E's talent and expertise in that area trains our firefighters on the gas or electric aspect of a fire and when we have an emergency situation we are going to be much more skilled and prepared to mitigate that emergency for all concerned. The things we do every single day that puts ourselves in harm's way and to have a partner that is so skilled at what they do is indispensable and it couldn't ask for a better partner"

"Wildfire season is here. Be prepared by signing up for alerts at PG&E.COM/mywildfirealerts"

"In the years since the onset of the drought more than a hundred and twenty nine million trees have died in California. P&GE [sic] prunes and removes over a million trees every year to ensure that hazardous trees can't impact our lands and since the onset of the drought we've doubled our efforts. I grew up in the forest out in this area and honestly its heartbreaking to see all these trees die. What guides me is ensuring that the public is going to be safer and that these forests can be sustained and enjoyed by the community in the future."

"People like to live where nature is so we've got this wildland-urban interface area we all of our parks and the best way to keep them healthy is to come in and manage them. Hi my name is Eileen Tighly [sic] I'm acting fire chief for East Bay Regional Park District's Fire Department. What keeps me up at night is that people have a short memory they'll forget the Oakland Hills fire storm that happened in 1991. We lost well over 2000 homes. 26 people lost their lives. We really need to stay vigilant especially with climate change. This area California is a fire prone landscape. The one thing that we can control is the fuels. East Bay Regional Park district partners with PG&E to annually find or remove more than 1,000 acres of hazardous vegetation. PG&E is accelerating its wildfire risk

reduction program pruning around overhead electrical lines reducing the fuel loads underneath those electrical lines to help reduce the spread of wildfire what we're really doing is making the property that's adjacent to their home safer PG&E; East Bay Regional Parks District and our communities we're all in this together to keep people safe."

- 218. Moreover, the continual and/or repeated use and/or dissemination of misleading and/or untrue advertising related to **PG&E's** mitigation measures, including maintenance and inspection of electrical equipment and facilities, as well as vegetation management, used to prevent the risk of wildfires caused by the operation of its equipment, foreseeably and unreasonably misled **PLAINTIFFS** and the residents of Paradise and California, generally, related to the risk of catastrophic wildfires caused by **PG&E's** equipment. And in turn, gave **PLAINTIFFS** and the residents of Paradise and California, generally, a false sense of security.
- 219. **PG&E** made further misleading and/or untrue publications regarding its electrical risk management procedures, including precautions **PG&E** claimed to be taking to mitigate the risk of extreme weather conditions. These misleading and/or untrue claims, include but are not limited to, the following **PG&E** news release:

"The safety of our customers and the communities we serve is PG&E's top priority. We know how much our customers rely on electric service and would only consider temporarily turning off power in the interest of safety, and as a last resort during extreme weather conditions. PG&E has a plan. We want our customers to have plans, too."

- 220. This statement from PG&E's Vice President of Electrical Asset Management, Kevin Dasso, fails to mention that de-energization of transmission lines is not included in PG&E's "plan" or that PG&E may arbitrarily decide not to implement its de-energization plan even when its own stated criteria call for de-energization. Further, PG&E's avowed commitment to making safety its top priority is misleading and/or untrue in light of PG&E's aforementioned diversion of safety funds for other purposes, runaway executive compensation, and substantial investments in misleading and/or untrue advertising.
- Further, PG&E's misleading and untrue media posts during the Camp Fire, which indicated that while a wildfire was probable, it had not occurred yet, was over an hour after the

4

11

9

12 13 14

15

17 18

16

19

20

21 22

24

23

25 26

27 28

fire had started, homes had been destroyed, and people were fleeing for their lives. This misleading and untrue media contributed to and/or caused PLAINTIFFS and/or residents of Paradise and the surrounding communities, generally, to be misled regarding the existence of a wildfire and/or the imminent and lethal nature of the fire, delaying PLAINTIFFS's evacuation efforts and leaving them with no other option than to make a desperate attempt to escape at the last minute.

- 222. In just three years since 2015, PG&E has spent over \$37 million dollars promoting itself as a company that places the safety of its customers and operations first. The clear implication is that its budgets and decisions on expenditures for improving its infrastructure and vegetation management practices are safety driven, by a culture which places the safety of the public first and foremost above profits.
- 223. PG&E's rhetoric does not match its actions. PG&E's culture pays greater attention to its reputation and performance on Wall Street, that a dedication to ensuring that it has a robust system of risk management over its operations. As set forth hereinabove, PG&E routinely delayed safety related projects or slashed budgets for infrastructure improvement, to assure financial performance goals were satisfied.
- 224. The aforementioned wrongful acts and/or omissions of **DEFENDANTS**, and/or each of them, were done in violation of California Business and Professions Code Section 17500, and it is likely **DEFENDANTS'** wrongful conduct is to reoccur and/or continue into the future.
- 225. PLAINTIFFS hereby seek to enjoin PG&E from further exploiting their false and misleading advertising in order to misrepresent their commitment to safety.
- PLAINTIFFS hereby seek restitution of all amount expended for such false and misleading advertising from September 9, 2010 through the present date.
- As a direct and legal result of the actions and/or omissions of the **DEFENDANTS**, 227. **PLAINTIFFS** have incurred and will continue to incur attorneys' fees due to the conduct of the **DEFENDANTS** in an amount that cannot yet be ascertained, but which is recoverable pursuant to Code of Civil Procedure § 1021.5.

## TENTH CAUSE OF ACTION INJUNCTION UNDER CAL. BUS. & PROF. CODE § 17535 (Against All Defendants)

- 228. **PLAINTIFFS** incorporate and re-allege each of the paragraphs set forth above as though fully set forth herein.
- 229. Pursuant to California Business and Professions Code Section 17535, any court of competent jurisdiction may enjoin "any person, corporation, firm, partnership, joint stock company, or any other association or organization which violates or proposes to violate [Chapter 1. Advertising [17500-17606]", which includes the prohibition against false advertising in California Business and Professions Code Section 17500.
- 230. Pursuant to California Business and Professions Code Section 17535, "any person who has suffered injury in fact and has lost money or property as a result of a violation of this chapter," may prosecute an action for injunction. **PLAINTIFFS** have suffered injury in fact and lost money and/or property, as described hereinabove, as a result of **PG&E's** false advertising.
- 231. In addition, pursuant to California Business and Professions Code Section 17535, "[a]ny person may pursue representative claims or relief on behalf of others," "if the claimant meets the standing requirements of this section and complies with Section 382 of the Code of Civil Procedure." Since this is a question of common or general interest of many persons, the parties are numerous in this action, and it is impracticable to bring them all before the court, these **PLAINTIFFS** sue for the benefit of all and ask this Court to impose an injunction to halt **PG&E's** false advertising for the benefit of **PLAINTIFFS** and/or the public.
- 232. As a direct and legal result of the actions and/or omissions of the **DEFENDANTS**, **PLAINTIFFS** have incurred and will continue to incur attorneys' fees due to the conduct of the **DEFENDANTS** in an amount that cannot yet be ascertained, but which is recoverable pursuant to Code of Civil Procedure § 1021.5.

1		В
2		
3		V
4		
5		C
6		e
7		
8		
9		
10		
11		
12		
13	i	
14		
15		
16		
17		
18		
19	-	P
20		H
21		
22		
23		
24		
25		
26		
27	I	

By engaging in the acts and/or omissions alleged in this Complaint, **DEFENDANTS**, and/or each WHEREFORE, **PLAINTIFFS** pray for relief as set forth below.

#### VIII. PRAYER FOR RELIEF

WHEREFORE, PLAINTIFFS pray for judgment against Defendants PG&E CORPORATION, PACIFIC GAS & ELECTRIC COMPANY, and DOES 1 through 20, and each of them as follows:

#### From All DEFENDANTS for Inverse Condemnation:

- 1. Repair, depreciation, and/or replacement of damaged, destroyed, and/or lost personal and/or real property;
- Loss of the use, benefit, goodwill, and enjoyment of PLAINTIFFS' real and/or personal property;
- 3. Loss of wages, and/or earning capacity;
- 4. All costs of suit, including attorneys' fees where appropriate, appraisal fees, engineering fees, and related costs;
- 5. Prejudgment interest according to proof;
- 6. For such other and further relief as the Court shall deem proper, all according to proof.

From All DEFENDANTS for Negligence, Public Nuisance, Private Nuisance, Premises Liability, Trespass, Private Action Under Public Utilities Code § 2106, Violation of Health & Safety Code § 13007, and Violation of Cal. Bus. & Prof. Code § 17500:

- 1. Repair, depreciation, and/or replacement of damaged, destroyed, and/or lost personal and/or real property;
- 2. Loss of the use, benefit, goodwill, and enjoyment of **PLAINTIFFS'** real and/or personal property;
- Loss of wages, earning capacity, and/or business profits or proceeds and/or any related displacement expenses;
- 4. Past and future medical expenses and incidental expenses according to proof;

- 5. Treble damages for wrongful injuries to timber, trees, or underwood on their property as allowed under Civil Code § 3346;
- 6. Treble damages in an amount according to proof for injuries to trees as allowed under Code of Civil Procedure § 733;
- 7. Exemplary damages in an amount according to proof as allowed under Civil Code § 3294;
- 8. Exemplary damages in an amount according to proof for wrongful injuries to animals as allowed under Civil Code § 3340;
- 9. Exemplary damages in an amount according to proof as allowed under Public Utilities Code § 2106;
- 10. General damages for fear, worry, annoyance, disturbance, inconvenience, mental anguish, emotional distress, loss of quiet enjoyment of property, personal injury, and for such other and further relief as the Court shall deem proper, all according to proof;
- 11. Imposition of an injunction ordering **DEFENDANTS** to refrain from false advertising related to their wildfire risk mitigation practices, including vegetation management and inspection, maintenance and operation of overhead electrical equipment and restitution of all amounts paid for advertising that falsely promotes the safety of their operations since September 9, 2010;
- 12. Imposition of an injunction ordering that **DEFENDANTS**, and each of them, stop continued violation of: (a) General Order No. 95, Rules 31.1-31.5, 35, 38, 43, 43.2, 44.1-44.4, and 48-48.1; (b) General Order No. 165; (c) Public Resources Code §§ 4292, 4293, and 4435; and (d) Public Utilities Code § 451.
- 13. Issuance of an order directing **DEFENDANTS** to abate the existing and continuing nuisance they created;
- 14. Attorney's fees, expert fees, consultant fees, and litigation costs and expense as allowed under Code of Civil Procedure § 1021.9;
- 15. Attorney's fees as allowed under Code of Civil Procedure § 1021.5;

COMPLAINT

1	16.	For all costs of suit incurred;
2	17.	Prejudgment interest according to proof;
3	18.	For punitive damages as allowed by law; and
4	19.	For such other and further relief as the Court shall deem proper, all according to
5		proof.
6	-	COTCHETT, PITRE & McCARTHY, LLP
7		
8	Dated:	By: FRANK M. PITRE
9		ALISON E. CORDOVA Attorneys for Plaintiffs
10	** ***********************************	STEVEN M. CAMPORA (SBN 110909)
11	, a	DREYER BABICH BUCCOLA WOOD CAMPORA, LLP
12	* .	20 Bicentennial Circle
13		Sacramento, CA 95826 Telephone: (916) 379-3500 Fax: (916) 379-3599
14		
15		BRIAN J. PANISH (SBN 116060) PANISH SHEA & BOYLE, LLP
16		11111 Santa Monica Blvd., Suite 700 Los Angeles, CA 90025
17		Tele: (310) 477-1700 Fax: (310) 477-1699
18		
,		MICHAEL A. KELLY (SBN 71460)
19		WALKUP MELODIA KELLY & SCHOENBERGER
20		650 California Street San Francisco, CA 94108
21		Tele: (415) 981-7210 Fax: (415) 391-6965
22		
23		RICHARD L. HARRIMAN (SBN 66124) LAW OFFICES OF RICHARD L. HARRIMAN
24		1078 Via Verona Drive Chico, CA 95973
25		Tele: (530) 343-1386 Fax: (530) 343-1155
26		
27		

LAW OFFICES COTCHETT, PITRE & McCarthy, LLP

28

COMPLAINT

1	IX. <u>JURY DEMAND</u>	
2	PLAINTIFFS demand a trial by jury as to all claims in this action.	
3	COTCHETT, PITRE & McCARTHY, LLP	
4	212/2/18	
5	Dated: 12/10/18  By: FRANK M. PITRE ALISON E. CORDOVA	
6	Attorneys for Plaintiffs	
7	STEVEN M. CAMPORA (SBN 110909)	
8	DREYER BABICH BUCCOLA WOOD CAMPORA, LLP	
9	20 Bicentennial Circle	
10	Sacramento, CA 95826 Telephone: (916) 379-3500 Fax: (916) 379-3599	
11		
12	BRIAN J. PANISH (SBN 116060) PANISH SHEA & BOYLE, LLP	
13	11111 Santa Monica Blvd., Suite 700	
	Los Angeles, CA 90025 Tele: (310) 477-1700 Fax: (310) 477-1699	
14	Tele. (510) 477-1700 Lax. (510) 477-1099	
15	MICHAEL A. KELLY (SBN 71460)	
16	WALKUP MELODIA KELLY & SCHOENBERGER	
17	650 California Street	
18	San Francisco, CA 94108 Tele: (415) 981-7210 Fax: (415) 391-6965	
19	Tele. (413) 301-7210 Tax. (413) 331-0303	
20	RICHARD L. HARRIMAN (SBN 66124)	<b>.</b>
21	LAW OFFICES OF RICHARD L. HARRIMA 1078 Via Verona Drive	N
22	Chico, CA 95973 Tele: (530) 343-1386 Fax: (530) 343-1155	
23		
24		
25		
26		
27		
28		

LAW OFFICES COTCHETT, PITRE & McCarthy, LLP COMPLAINT