





News Headlines 05/16/2019

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Flames consume a Kentucky Fried Chicken as the Camp Fire tears through Paradise, Calif., on Thursday, Nov. 8, 2018. (AP Photo/Noah Berger)

SAN FRANCISCO (CN) – Embattled utility giant Pacific Gas and Electric's power equipment sparked the deadliest and most destructive wildfire in California history, state fire officials announced Wednesday, opening the company up to potential criminal charges.

Investigators determined the Camp Fire, which killed 85 people and burned 18,804 buildings in November 2018, was caused by PG&E's electrical transmission lines in Pulga, an unincorporated area in Butte County east of Paradise, the town destroyed in the blaze.

State fire officials traced an additional source of the fire to Concow, another unincorporated area in Butte County west of Pulga, where "the cause of the second fire was determined to be vegetation into electrical distribution lines owned and operated by PG&E."

The announcement came just as state lawmakers grilled PG&E's new CEO William "Bill" Johnson during an Assembly Utilities and Energy Committee hearing.

Upon learning the news, Johnson said he was not surprised given that PG&E has acknowledged in public filings that its equipment was a "probable cause" of the fire.

"It's a disappointment that this happened," Johnson said. "Let's not do it again."

Already on probation for convictions related to the 2010 San Bruno gas line explosion, PG&E could face further criminal charges if found criminally negligent. The utility could also be charged with felonies, including murder, if prosecutors can prove the company acted with reckless disregard, according to California Attorney General Xavier Becerra's office. No wildfire-related charges have been filed against the company thus far.

Johnson, who started his job as PG&E's top executive May 1, told lawmakers that he plans to rebuild trust with PG&E customers – not through talking but by delivering results.

"We can't restore relationships with rhetoric," Johnson said. "We will be laser-focused on safety, but I don't expect you to believe that until you see it."

Assemblyman Jim Wood, D-Santa Rosa, told Johnson that he is tired of identifying the bodies of victims in San Bruno, Paradise and other places where PG&E equipment has caused massive destruction and loss of life.

"I would have thought after the San Bruno explosion in 2010, the company would have said, 'We ought to look at everything,'" Wood told the CEO. "Are we looking at everything?"

Johnson acknowledged PG&E failed to take a comprehensive approach to safety for both its electrical and gas systems after the pipeline blast in San Bruno that killed eight people, injured 58 and destroyed 38 homes. In 2016, a jury found the company neglected to keep accurate records for its pipelines and failed to adequately inspect lines that had manufacturing flaws and over-pressurizations as required by federal law.

Johnson said everyone was focused on addressing problems with the gas distribution system after San Bruno, but that the company should have looked to reform all aspects of its safety culture.

"We fixed a symptom, but maybe didn't focus on the disease," Johnson said. "We're looking at everything now."

Johnson also told lawmakers it will cost \$600 to \$900 million to inspect tens of thousands of miles of PG&E power lines and equipment in high-risk areas. When pressed about who should pay for that cost, the CEO acknowledged that ratepayers should not bear the full brunt of the price tag.

"I think if it's righting previous wrongs, the shareholders should pay their share of it," Johnson said.

The new CEO also faced questions about his commitment to meeting California's clean energy goals.

Assemblywoman Eloise Gomez Reyes, D-San Bernardino, asked about Johnson's record as head of the Tennessee Valley Authority (TVA) for six years before he joined PG&E. Reyes noted the Knoxville-based power company sourced 25% of its electricity from coal and less than 3% from solar and wind sources.

Johnson replied that the TVA, created by federal statute during the Great Depression, has a congressional mandate to deliver power at the lowest feasible rate. He said the TVA now derives 60% of its power from non-emitting sources and has cut its carbon footprint by half, all while complying with the restrictive federal mandate.

The CEO told lawmakers he has a long-term vision for making PG&E a source of "clean, green, affordable, reliable and safe" utility service "that customers can be proud of."

Las week, a federal judge ordered Johnson and other PG&E executives and directors to visit the town of Paradise that was devastated by the deadly Camp Fire last year and to speak with wildfire victims as a condition of the company's criminal probation.

PG&E said Wednesday that state fire investigators' findings are consistent with the company's previous statements about the probable cause of the blaze.

"Our hearts go out to those who have lost so much, and we remain focused on supporting them through the recovery and rebuilding process," PG&E spokesman Paul Doherty said in an emailed statement.

Doherty said the company is fully cooperating with all ongoing investigations related to the Camp Fire.

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