

1 JENNER & BLOCK LLP  
2 Reid J. Schar (*pro hac vice*)  
3 RSchar@jenner.com  
4 353 N. Clark Street  
5 Chicago, IL 60654-3456  
6 Telephone: +1 312 222 9350  
7 Facsimile: +1 312 527 0484

8 CLARENCE DYER & COHEN LLP  
9 Kate Dyer (Bar No. 171891)  
10 kdyer@clarencedyer.com  
11 899 Ellis Street  
12 San Francisco, CA 94109-7807  
13 Telephone: +1 415 749 1800  
14 Facsimile: +1 415 749 1694

15 CRAVATH, SWAINE & MOORE LLP  
16 Kevin J. Orsini (*pro hac vice*)  
17 korsini@cravath.com  
18 825 Eighth Avenue  
19 New York, NY 10019  
20 Telephone: +1 212 474 1000  
21 Facsimile: +1 212 474 3700

22 Attorneys for Defendant PACIFIC GAS AND ELECTRIC  
23 COMPANY

24 UNITED STATES DISTRICT COURT  
25 NORTHERN DISTRICT OF CALIFORNIA  
26 SAN FRANCISCO DIVISION

27 UNITED STATES OF AMERICA,  
28  
30 Plaintiff,  
31  
32 v.  
33 PACIFIC GAS AND ELECTRIC COMPANY,  
34  
35 Defendant.

Case No. 14-CR-00175-WHA

**JOINT SUPPLEMENTAL BRIEF  
OF PG&E, FEDERAL MONITOR  
AND UNITED STATES  
GOVERNMENT REGARDING  
PROPOSED CONDITIONS OF  
PROBATION**

Judge: Hon. William Alsup

1 Pacific Gas and Electric Company (“PG&E”), the Federal Monitor (“Monitor”)  
2 and the United States Government (“Government”) submit this joint supplemental brief as  
3 directed by the Court during the May 28, 2020 hearing on PG&E’s Motion to Reconsider Order  
4 Modifying Conditions of Probation. (Dkt. 1187-1; Dkt. 1209.)

5 PG&E shares the goal of the Court, the Government, the Monitor and the  
6 California Public Utilities Commission (“CPUC”) to improve wildfire safety for all Californians  
7 and to eliminate utility-caused wildfires. The question now before the Court is what, if any,  
8 additional conditions of probation should be imposed on PG&E to achieve that shared goal.

9 As suggested by the Monitor and ordered by the Court at the conclusion of the  
10 May 28 hearing, PG&E, the Government and the Monitor have met and conferred to reach  
11 consensus on measures to advance the shared goal of improving safety. As a result of those  
12 discussions, and in the interest of continuity as PG&E embarks on its recently approved wildfire  
13 mitigation programs and focuses its attention fully on the current wildfire season, PG&E  
14 consents to the conditions set forth below (the “Agreed Conditions”).<sup>1</sup>

15 PG&E believes that the Agreed Conditions are compatible with its 2020 Wildfire  
16 Mitigation Plan (“WMP”), which has been reviewed by the CPUC’s Wildfire Safety Division  
17 (“WSD”) and conditionally approved by the CPUC. The CPUC and WSD oversee a regulatory  
18 framework that allows for public participation and consideration of the public interest as it  
19 relates to safety, reliability and rate affordability. PG&E believes that the regulatory framework  
20 also provides flexibility for PG&E to continuously improve in response to new developments  
21 and expert input, and fosters knowledge-sharing of best practices among utilities. PG&E further  
22 believes that it can implement the Agreed Conditions without compromising its WMP  
23 commitments or other critical ongoing safety work. PG&E will begin to implement the Agreed  
24 Conditions immediately upon their entry. For 2021, PG&E intends to incorporate the initiatives  
25

---

26 <sup>1</sup> PG&E reserves the rights and arguments made in its prior submissions and during the  
27 May 28 hearing, and to the extent the Court proposes modifying the Agreed Conditions or  
28 ordering any conditions other than those set forth in this submission, PG&E requests notice of  
the Court’s proposed modifications and an opportunity to be heard.

1 reflected in the Agreed Conditions into its update to the Wildfire Mitigation Plan when it  
2 proposes that update to the CPUC's WSD or Office of Energy Infrastructure Safety (the  
3 successor to the WSD) for review and approval. PG&E reserves the right to seek modifications  
4 to the Agreed Conditions as requested by its regulators, or, in consultation with its Probation  
5 Officer, to seek modifications to the Agreed Conditions to ensure proper prioritization of efforts  
6 during the height of wildfire season.

7 PG&E, the Government and the Monitor jointly propose that the Court consider  
8 the following additional conditions of probation aimed at addressing the Court's concerns  
9 regarding PG&E's vegetation management and transmission inspection programs:

- 10 • **Vegetation Condition:** PG&E shall, by July 1, 2020, staff an in-house vegetation  
11 management inspection manager to oversee a number of workforce resources who  
12 will provide in-field oversight of all stages of the vegetation management process,  
13 including the enhanced vegetation management program work, to be deployed  
14 throughout PG&E's territory, including High Fire-Threat Districts. By the end of  
15 September 2020, PG&E will extend offers to 10 in-house field supervisors and/or  
16 inspectors, an additional 10 inspectors by the end of November, and the remaining  
17 approximately 10 inspectors by the end of January 2021. The inspectors shall  
18 conduct in-field oversight of PG&E contractors while the work is being  
19 performed, verifying and correcting any deviation from applicable scopes of work  
20 pursuant to PG&E policies and legal requirements. The inspectors shall also  
21 oversee pre-inspectors to help ensure they are clearly marking and designating  
22 trees for trimming and removal, and that tree-trimming contractors are  
23 appropriately performing their duties. Deviations from applicable scopes of work  
24 shall also be accurately recorded and reported to PG&E and the Monitor team to  
25 be used for, among other things, ongoing training of PG&E's contract workforce.
- 26 • **Asset Age Condition:** For certain critical transmission tower components in  
27 High Fire-Threat Districts, the failure of which may result in an ignition, PG&E  
28 shall conduct a reasonable search and, where available, record the age and date of  
installation of those components. For all other such critical transmission  
components and where asset age records are not reasonably available, PG&E shall  
make conservative assumptions of such ages and dates of installation. PG&E  
shall also implement a program to determine the expected useful life of critical  
components factoring in field conditions and incorporate that information into its  
risk-based asset management programs. PG&E shall begin this effort (or  
supplement any existing or planned initiatives) immediately and provide monthly  
progress reports to the Monitor team.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

- **Transmission Inspection Program Condition:** PG&E shall, by the end of 2020, supplement its transmission asset inspections program to include the following measures: (1) hire a crew of in-house and/or contract inspectors, independent from inspectors conducting transmission inspections, to oversee in the field transmission inspections while they are being conducted; (2) going forward, and subject to CAISO clearances and/or other external dependencies, revise the material loss threshold for the replacement of cold-end hardware (including C-hooks and hanger plates) in High Fire-Threat Districts to create a 90-day replacement requirement for such hardware with an observed material loss approaching 50%; and (3) make the prior two years of inspection reports available to transmission post-inspection review teams starting in 2021, and one year of inspection reports available in 2020.

1 Dated: June 24, 2020

Respectfully Submitted,

2 JENNER & BLOCK LLP

3  
4 By: /s/ Reid J. Schar  
Reid J. Schar (*pro hac vice*)

5  
6 CRAVATH, SWAINE & MOORE LLP

7  
8 By: /s/ Kevin J. Orsini  
Kevin J. Orsini (*pro hac vice*)

9  
10 CLARENCE DYER & COHEN LLP

11  
12 By: /s/ Kate Dyer  
Kate Dyer (Bar No. 171891)

13  
14 Attorneys for Defendant PACIFIC GAS  
AND ELECTRIC COMPANY