1 2 3	Elizabeth J. Cabraser (State Bar No. 083151) Robert J. Nelson (State Bar No. 132797) Lexi J. Hazam (State Bar No. 224457) Fabrice N. Vincent (State Bar No.160780) Annika K. Martin (pro hac vice pending) Abby R. Wolf (State Bar No. 313049)	ENDORSED FILED San Francisco County Superior Count	
4	LIEFF CABRASER HEIMANN & BERN 275 Battery Street, 29th Floor	STEIN, LLP DEC 1 1 2017	
5	San Francisco, CA 94111-3339 Telephone: 415.956.1000	CLERK OF THE COURT BY: NEYL WEBB	
6	Facsimile: 415.956.1008	Deputy Clerk	
7	Attorneys for Plaintiff		
8	CLIDEDIOD COLIDT OF	THE STATE OF CALIFORNIA	
9	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
10	COUNTY OF SAN FRANCISCO		
11	UNLIMITED JURISDICTION		
12	AND DELDOCE LA 1/1/ DOCE LA	Case No. CGC - 1 7 - 5 6 2 9 9 0	
13	ANDREI BOSTAN, d/b/a BOSTAN TRUST OF 2002,		
14	Plaintiff,	COMPLAINT	
15	v.	DEMAND FOR JURY TRIAL	
16	PG&E CORPORATION; PACIFIC GAS	(1) INVERSE CONDEMNATION	
17	& ELECTRIC COMPANY, A CALIFORNIA CORPORATION; and	(2) NEGLIGENCE	
18	DOES 1–20, INCLUSIVE,	(3) PRIVATE NUISANCE	
19	Defendants.	(4) PUBLIC NUISANCE	
	•	(5) TRESPASS	
20		(6) PREMISES LIABILITY	
21	3	(7) VIOLATION OF PUBLIC UTILITIES CODE § 2106	
22			
23		(8) VIOLATION OF HEALTH & SAFETY CODE § 13007	
24	COLERY ATRICE AND F	DEMAND EOD HIDV TDIAI	
25		DEMAND FOR JURY TRIAL	
26	1. Plaintiff ANDREI BOSTAN, hereby allege causes of action against Defendants		
27	PG&E, PACIFIC GAS & ELECTRIC COMPANY and DOES 1-20 for inverse condemnation,		
28	negligence, private nuisance, public nuisance	e, trespass, premises liability, violation of Public	
	1464838.2	COMPLAINT	

Utilities Code § 2106, and violation of Health & Safety Code § 13007 and the resulting injuries and damages.

2. Plaintiff seeks all available relief under California law.

INTRODUCTION

- 3. In October 2017, a series of severe wildfires devastated nearly 250,000 acres across nine Northern California counties, damaging and destroying homes, businesses, vineyards, farms, and lives.
- 4. These fires (collectively, the "North Bay Fires" or the "Fires") were sparked by unsafe electrical infrastructure owned, operated and improperly maintained by PG&E Corporation and Pacific Gas & Electric Company (hereinafter "PG&E"), including the Tubbs Fire.
- 5. PG&E had a duty to properly maintain its electrical infrastructure and ensure surrounding trees and vegetation were trimmed and kept at a safe distance. PG&E violated that duty by knowingly operating aging, improperly maintained infrastructure that it "ran to failure." In fact, PG&E's violations had caused fires before, and PG&E had been sanctioned numerous times for this. Yet PG&E's corporate culture emphasized cutting corners and putting profits over safety.
 - 6. Had PG&E acted responsibly, these fires could have been prevented.

JURISDICTION AND VENUE

- 7. This Court has subject matter jurisdiction over this matter pursuant to California Code of Civil Procedure § 395(a) because, at all times relevant, Defendants 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 by California courts consistent with traditional notions of fair play and substantial justice. The amount in controversy exceeds the jurisdictional minimum of this Court.
- 8. Venue is proper in this County pursuant to California Code of Civil Procedure § 395.5 because, at all times relevant, Defendants each have had their principal place of business in the County of San Francisco.

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Plaintiff Andrei Bostan

At all relevant times, the Plaintiff was a citizen and resident of Santa Rosa,
 California.

PARTIES

10. Nearly forty years ago, Plaintiff Andrei Bostan immigrated to America with not much more than the clothes on his back. That is now how he finds himself again today because the North Bay Fires destroyed his home and nearly everything he owns.

11. Before the Fires, Andrei Bostan's trust, Bostan Trust of 2002, owned a property at 220 Darbster Place in Santa Rosa, California in the Mark West area.

Plaintiff's Home Before the Tubbs Fire

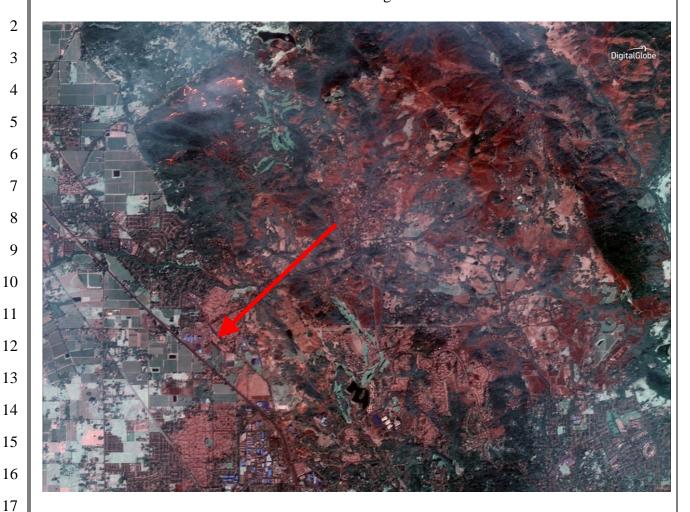


Photo from Google Maps Street View,

- 12. The Tubbs Fire burned his home to the ground. All of Andrei Bostan's personal items in and around the home were completely destroyed, reduced to ash and soot.
- 13. Mr. Bostan has been staying in a motel while he deals with the agonizing process of beginning his life again.
 - 14. Mr. Bostan suffered major losses in an amount according to proof at trial.

I.

Shortwave Infrared Photo of Tubbs Fire noting the Location of Mr. Bostan's Home.¹



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¹ Photo from DigitalGlobe, Dave Mosher, *New Satellite Photos Reveal The California Wildfire's Shocking Damage From Space*, Business Insider (Oct. 12, 2017 12:08 A.M.), http://www.businessinsider.com/california-wildfires-pictures-satellites-burning-homes-2017-

10/#this-image-taken-by-worldview-3-on-tuesday-shows-the-santa-rosa-area-of-northerncalifornia-burning-1.



Photo from Google Maps Satellite View.

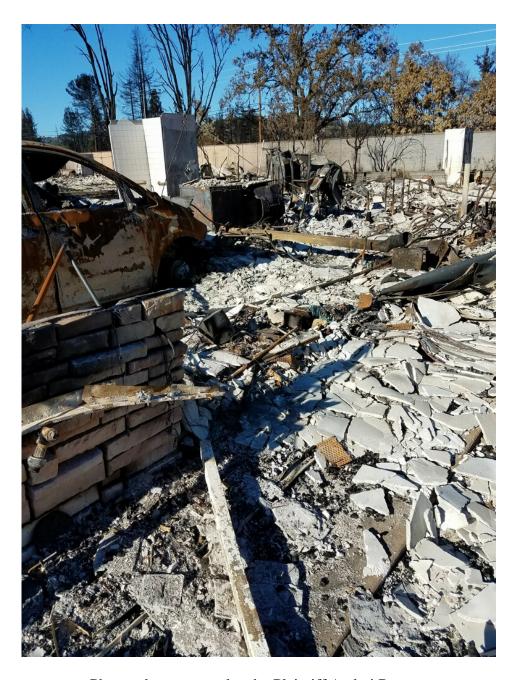
Plaintiff's Home After the Tubbs Fire



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Photos above were taken by Plaintiff Andrei Bostan.

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Photo from https://www.realtor.com/realestateandhomes-detail/220-Darbster-Pl_Santa-Rosa CA 95403 M10736-79146.

II. <u>Defendants</u>

A. PG&E Defendants

15. At all times herein mentioned 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, State of California. Defendant PG&E Corporation is an energy-based holding company headquartered in San Francisco. It is the parent company of Defendant Pacific Gas & Electric Company. PG&E Corporation subsidiaries provide customers with public utility services, and services relating to the generation of energy, generation of electricity, transmission of electricity and natural gas, and the distribution of energy.

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- 16. Pacific Gas & Electric Company is both an "Electrical Corporation" and a "Public Utility" pursuant to, respectively, Sections 218(a) and 216(a) of the California Public Utilities Code. PG&E is in the business of providing electricity to the residents and businesses of Northern California and, more particularly, to Plaintiff's residence and property through a network of electrical transmission and distribution lines.
- 17. PG&E Corporation is a publicly traded company that owns and/or manages an "Electric Plant" as defined in Section 217 of the Public Utilities Code, and, like its subsidiary, Pacific Gas & Electric Company, is both an "Electric Corporation" and a "Public Utility" pursuant to, respectively, Sections 218(a) and 216(a) of the Public Utilities Code. It develops and operates energy infrastructure assets related to the production and distribution of energy such as power plants, electric lines, natural gas pipelines and liquefied natural gas receipt terminals.
- 18. At all times mentioned herein, the PG&E Defendants were suppliers of electricity to members of the public. As part of supplying electricity to members of the public, PG&E installed, constructed, built, maintained, and operated overhead power lines, together with supporting poles and appurtenances, for the purpose of conducting electricity for delivery to members of the general public. Furthermore, on information and belief, PG&E are responsible for maintaining vegetation near, around, and in proximity to their electrical equipment in compliance with State and Federal Regulations, specifically including, but not limited to, Public Resource Code § 4292, Public Resource Code § 4293, California Public Utilities Commission ("CPUC") General Order 95, and CPUC General Order 165.
- 19. Plaintiff alleges on information and belief that the PG&E Defendants are jointly and severally liable for each other's negligence, misconduct, and wrongdoing as alleged herein, in that:
- a. The PG&E Defendants operate as a single business enterprise operating out of the same building located at 77 Beale Street, 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;

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COMPLAINT

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⁴ Jeff Daniels, Claims Losses from California's Wildfires Top \$3 billion; State Says Some
- 12 - Footnote continued on next page

(Nov. 9, 2017 5:37 P.M.), http://www.mercurynews.com/2017/11/09/wildfire-safety-rules-

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proposed-for-pge-and-other-utilities/.

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COMPLAINT

- 28. One hundred thousand residents have been displaced.⁵ Many were forced to flee in the dark hours before dawn when the Fires rampaged unrelentingly. They often left on only a moment's notice, without their belongings, as flames engulfed entire neighborhoods.
- 29. Not all were able to escape. The North Bay Fires have also been the deadliest in California history. The Fires have killed forty-four people so far,⁶ and one hundred and eighty five have been injured.⁷ The fires resulted in 2,269 missing persons reports.⁸
- 30. By all measures, the North Bay Fires were devastating and tragically, also preventable. As set forth in more detail below, the North Bay Fires share a common cause: PG&E's willful and conscious disregard of public safety. PG&E's aging and improperly maintained electrical infrastructure sparked the North Bay Fires by coming into contact with trees and vegetation that PG&E had allowed to grow too close to power lines and poles.
- 31. PG&E was aware of these dangers and risks—it knew its infrastructure was aging and inadequately maintained (indeed, "run to failure" is its corporate policy), it knew trees and vegetation were too close to the poles and lines, it knew the current and seasonal weather, climate and fire-risk conditions in Northern California, it knew where and how fires had ignited before in these areas, and it knew its own failures had caused fires and the attendant destruction numerous times before. PG&E knew all this, but failed to act on this knowledge.
- 32. Because of PG&E's corporate policy of putting profits over public safety, Plaintiff and others like him have had their homes, businesses, farms, and vineyards damaged or

Footnote continued from previous page

Insurers May Exit, ČNBC (Oct. 31, 2017 7:37 P.M.), https://www.cnbc.com/2017/10/31/insured-losses-from-californias-wildfire-disaster-top-3-billion.html.

⁵ Lisa Bonos, et al., *Death Toll Continues To Rise As California Wildfires Burn On*, Wash. Post (Oct. 15, 2017), https://www.washingtonpost.com/news/post-nation/wp/2017/10/14/more-californians-ordered-to-flee-as-gusting-winds-spread-wildfires/?utm_term=.576e27cc3dbe.

⁶ Alex Emslie, *October Fires' 44th Victim: A Creative, Globetrotting Engineer With "The Kindest Heart,"* KQED News (Nov. 28, 2017), https://ww2.kqed.org/news/2017/11/28/october-fires-44th-victim-a-creative-globetrotting-engineer-with-the-kindest-heart/.

⁷ George Avalos, *PG&E Says It Faces "Adverse" Financial Effects From Wildfires Fallout*, Press Democrat (Nov. 27, 2017 3:00 P.M.), http://www.mercurynews.com/2017/11/27/pge-says-it-faces-materially-adverse-financial-effects-from-wildfires-fallout/.

⁸ Paul Payne, *Uncertainty Looms a Month After Devastating Sonoma County Fires*, Press Democrat (Nov. 7, 2017), http://www.pressdemocrat.com/news/7610560-181/uncertainty-looms-a-month-after?artslide=0.

destroyed, lost money and business, and will spend years trying to rebuild their lives and livelihoods.

A. The Tubbs Fire: the Most Destructive in California History

33. On the evening of Sunday, October 8, 2017, emergency responders began receiving dozens of calls reporting fires and other hazards in and around Northern California. While the Fires ignited in various places and were given various names, evidence available thus far suggests they shared a common cause in that they were sparked by electrical infrastructure owned, operated, and improperly maintained by Defendants.

34. The Tubbs Fire started off of Highway 128 and Bennett Lane in Calistoga at around 9:45 P.M. on October 8, 2017, 9 and raced the approximately 15 miles into Santa Rosa, Sonoma County. 10 Contemporaneous calls and reports indicated trees hitting PG&E electrical lines around the time and place the Tubbs Fire started. Dispatchers in Sonoma County fielded 759 emergency calls— an average of about one call every two minutes. 11 According to Sonoma County Fire radio traffic, the first vegetation fire in the heart of Santa Rosa was reported around 9:22 P.M and seconds later, an electrical call went out to a location about 10 miles north. 12 Sonoma fire dispatch sent crews to conduct an electrical investigation at 9:23 P.M. at Mark West Springs Road. 13 One minute later, at 9:24 P.M., another crew was sent to a possible transformer explosion at the intersection of Fulton Road and Old Redwood Highway. 14 At 9:32 P.M., fire

- 14 - Footnote continued on next page COMPLAINT

⁹ Tubbs Fire (Central LNU Complex) Incident Information, Cal Fire,

http://www.fire.ca.gov/current_incidents/incidentdetails/Index/1867.

Paul Payne, *Uncertainty Looms a Month After Devastating Sonoma County Fires*, Press Democrat (Nov. 7, 2017), http://www.pressdemocrat.com/pows/7610560-181/uncertainty-linearinty-line

Julie Johnston, Time-Lapse Video Map Shows 911 Calls on Tubbs Fire, Press Democrat (Oct. 23, 2017), http://www.pressdemocrat.com/news/7555919-181/time-lapse-video-map-shows-911.

¹² Paul Rogers, *PG&E Power Lines Linked to Wine Country Fires*, East Bay Times (Oct. 13, 2017 4:16 P.M.), http://www.eastbaytimes.com/2017/10/10/pge-power-lines-linked-to-wine-country-fires/.

¹³ Elizabeth Wagner, et al., *Wine Country Fires: A Timeline of Fire Dispatch Calls*, NBC Bay Area (Oct. 11, 2017 7:25 P.M.),https://www.nbcbayarea.com/news/local/Wine-Country-Fire-A-Timeline-of-Fire-Dispatch-Calls-450503833.html; see also, Paul Rogers, *PG&E Power Lines Linked to Wine Country Fires*, East Bay Times (Oct. 13, 2017 4:16 P.M.),

http://www.eastbaytimes.com/2017/10/10/pge-power-lines-linked-to-wine-country-fires/.

¹⁴ Elizabeth Wagner, et al., *Wine Country Fires: A Timeline of Fire Dispatch Calls*, NBC Bay Area (Oct. 11, 2017 7:25 P.M.), https://www.nbcbayarea.com/news/local/Wine-Country-Fire-A
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1	dispatch began another electrical investigation at Mark West Station Road where wires were
2	reported down and a transformer had blown. ¹⁵ More power lines were reported down at 9:58
3	P.M. ¹⁶ At 10:16 P.M., an arcing transformer was reported. ¹⁷ At 10:34 P.M., power lines were
4	reported down at 4858 Montecito Avenue in Santa Rosa. 18 At the exact same time, crews were
5	also dispatched to Guerneville Road and Marlow Road to address power lines that might be down
6	and arcing. 19 In the City of Santa Rosa, PG&E went to check a power outage related to two
7	structures damaged by fire and discovered a "possible issue" with a secondary conductor at an
8	unspecified time on October 8. ²⁰ Another October 8th report without a time notes that a Douglas
9	Fir was uprooted, fell into other trees, and downed a span of power lines outside the city. ²¹ On its
10	own, the Tubbs Fire was the most destructive in California History. 22
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19	Footnote continued from previous page Timeline-of-Fire-Dispatch-Calls-450503833.html.
20	15 <i>Id.; see also</i> Paul Rogers, <i>PG&E Power Lines Linked to Wine Country Fires</i> , East Bay Times (Oct. 13, 2017 4:16 P.M.), http://www.eastbaytimes.com/2017/10/10/pge-power-lines-linked-to-
21	wine-country-fires/.
22	¹⁶ Paul Rogers, <i>PG&E Power Lines Linked to Wine Country Fires</i> , East Bay Times (Oct. 13, 2017 4:16 P.M.), http://www.eastbaytimes.com/2017/10/10/pge-power-lines-linked-to-wine-
23	country-fires/. 17 Id.
24	¹⁸ Elizabeth Wagner, et al., <i>Wine Country Fires: A Timeline of Fire Dispatch Calls</i> , NBC Bay Area (Oct. 11, 2017 7:25 P.M.), https://www.nbcbayarea.com/news/local/Wine-Country-Fire-A-Timeline-of-Fire-Dispatch-Calls-450503833.html.
25	19 Id.
26	See Electric Safety Incident Reported- PG&E Incident No: 171015-8573.

²² Mary Callahan and Christi Warren, *Tubbs Fire in Santa Rosa Now Ranks as California's Most Destructive Wildfire*, Press Democrat (Oct. 20, 2017), http://www.pressdemocrat.com/news/7546956-181/tubbs-fire-in-santa-rosa.

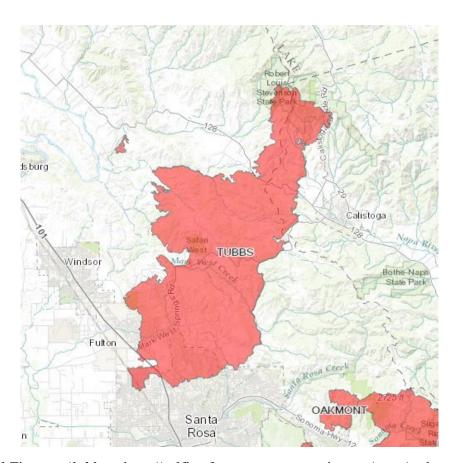
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²¹ See Electric Safety Incident Reported- PG&E Incident No: 171020-8585.

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Map from Cal Fire, *available at* http://calfire-forestry.maps.arcgis.com/apps/webappviewer/index .html?id=58dc77306bf448c6ac5f756af51f3ae5.

35. Not only did PG&E's wires and transformer problems start the North Bay Fires, but also the downed trees blocked firefighters and emergency responders from reaching the scene. Highway 128, in the center of the battle to contain the flames, was completely blocked by trees and branches, and Highway 101, which provided access through the heart of Santa Rosa, was shut down because of PG&E's downed wires.

B. The Damage Wrought

- 36. The full extent of the damage has not yet been quantified, but as of this filing, the North Bay Fires have devastated nearly 250,000 acres in Northern California, destroying homes, businesses, vineyards, farms, and lives.
- 37. Over 14,700 structures were damaged or destroyed. These included homes, farm buildings, and commercial structures, often along with everything inside them.

- 38. Because the Fires spread so fast, individuals often could not protect their properties and structures or even remove personal possessions, irreplaceable heirlooms, and valuable records.
- 39. The fire damage and destruction also has negatively impacted the value of affected property, even undeveloped property, and will continue to affect its resale value and development potential for an as-yet-unknown period of time.
- 40. Because of the loss of his home to the Fires, Mr. Bostan is no longer able to afford to remain in Santa Rosa, and he has no choice but to move out of state.
- 41. The Fires also have caused a huge risk of erosion. Individuals have and will incur damage to personal and real property, and other damages related to preparing for and preventing erosion, runoff, and debris flow for a yet unknown period of time.

C. PG&E Had a Non-Transferable, Non-Delegable Duty to Safely Maintain Electrical Infrastructure and Adjacent Vegetation.

- 42. At all times prior to October 8, 2017, PG&E had a non-transferable, non-delegable 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 at a safe distance so as to prevent foreseeable contact with such electrical equipment.
- 43. 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, as detailed below.
- 44. Pursuant to Public Utilities Code § 451, "[e]very 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."
- 45. 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 consequences of

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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 comer 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 maintain clearances of four to 10 feet for all of its power lines, depending of their voltage. In addition, "[d]ead 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."

- 46. 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. Also, every ten years, PG&E is required to conduct "intrusive" inspections of its wooden poles that have not already been inspected and are over fifteen years old.
- 47. 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 to 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, and/or replace its aging infrastructure to protect public safety. These objectives could and should have been accomplished in a number of ways, including, but not limited to, putting electrical equipment underground in wildfire-prone areas, 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.
- 48. Defendants were specifically aware that they had a duty to maintain equipment and the surrounding vegetation in compliance with these regulations and that a failure to do

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D. Foreseeable and Expected Weather, Climate and Fire Conditions

property damage, personal injury or death caused by wildfires.

constituted negligence and would expose members of the general public to a serious risk of

- 49. At all times mentioned herein, Defendants were aware that the State of California had been in a period of drought, and that even though it received more rain this past winter, the extremely hot summer months brought back drought-like conditions. The heavy rain this winter followed by a hot summer made California especially prone to wildfires: the rains caused a lot of plants and vegetation to grow, and the heat then caused them to dry out. Defendants were aware that the drought conditions existed and were aware that fire danger was at an extraordinarily high level, particularly given the increased amount of dry vegetation.
- 50. Northern California often experiences the "Diablo winds", the hot, dry winds, which can make dangerous weather conditions highly conducive to the spread of wildfire. The Diablo Winds are not abnormal or unforeseeable, and all who live and work in California have to act reasonably under these conditions to prevent fires from starting or spreading.
- 51. Defendants knew that if the power lines or other equipment came into contact with, or caused electricity to come into contact with, vegetation it was probable that a fire would result and that, given the dry conditions, a resulting fire would likely result in the loss of life, significant damage to real and personal property, and damage to members of the general public, including to Plaintiff.
- 52. In June 2014, the CPUC directed PG&E to take remedial measures to reduce the risk of fires by way of Resolution ESRB-4, after Governor Brown had declared a Drought State of Emergency in January. ²³ In November 2015, the Governor issued another drought-related Executive Order to call for additional actions to respond to the record dry conditions and assist recovery efforts for the victims of 2015's devastating wildfires. ²⁴ Although the Governor issued an Executive Order in April 2017 ending the Drought State of Emergency in all counties except

²³ Resolution ESRB-4, Cal. Pub. Utils. Comm'n (June 16, 2014), http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M096/K415/96415169.pdf.

²⁴ Exec. Order B-36-15. Office of Gov. Edmund G. Brown, Jr. (Nov. 13, 2015), https://www.gov.ca.gov/docs/11.13.15 EO B-36-15.pdf.

- In October 2015, Governor Brown issued The California Tree Mortality State of 53. Emergency regarding the unprecedented tree-die off in the state. ²⁶ The drought conditions exacerbated a bark beetle infestation that ultimately killed tens of millions of trees. The tree dieoff significantly worsened the "risk in many areas of the state and presents life safety risks from falling trees to Californians living in rural, forested communities." Governor Brown sought additional resources to provide for the safe removal of dead and dying trees.
- 54. In addition, the CPUC informed PG&E in Resolution ESRB-4 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.
- 55. According to PG&E's 2014 Annual Electric Distribution Reliability Report, sent to the CPUC on February 27, 2015, weather conditions have accounted for many of the top ten PG&E electrical outages each year since at least 2004, putting the utility on notice that these weather conditions occur and that they can cause electrical problems. For example, four of the "ten largest 2004 outage events" for PG&E occurred in the Santa Rosa and Sonoma areas, and winds were documented at much higher levels than those of October 8, 2017.²⁷ The CPUC has not rescinded ESRB-4 and the Tree Mortality State of Emergency remains in effect.²⁸

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²⁵ Exec. Order B-40-17 at 3, Office of Gov. Edmund G. Brown, Jr. (Apr. 7, 2017), https://www.gov.ca.gov/docs/4.7.17_Exec_Order_B-40-17.pdf

²⁶ Governor Brown Takes Action to Protect Communities Against Unprecedented Tree Die-Off, Office of Gov. Edmund G. Brown, Jr. (Oct. 30,

^{2015),}https://www.gov.ca.gov/news.php?id=19180.

²⁷ PG&E 2014 Annual Electrical Distribution Reliability Report, PG&E, available at https://www.pge.com/includes/docs/pdfs/myhome/outages/outage/reliability/AnnualElectricDistri butionReliabilityReport.pdf.

²⁸ See CPUC Fact Sheet, PG&E Vegetation Management Spending, available at http://www.cpuc.ca.gov/uploadedfiles/cpuc_public_website/content/safety/pge%20vegetation%2 Omanagement% 20spending.pdf (last accessed Nov. 23, 2017).

- 56. Further, according to records maintained by Cal Fire, approximately 135 fires in Sonoma and Napa Counties were caused by electrical equipment from 2011 through 2015.²⁹ In 2015, the last year of reported data, electrical power problems sparked the burning of 149,241 acres across California - more than twice the amount from any other cause.³⁰
- Even without CPUC's mapping, PG&E has long known that the biggest threat of a 57. tree-caused electrical wildfire was in the North Bay. A document entitled "Summary and Analysis of Vegetation-Related Fire Incidents on PG&E Electric Powerlines," an internal PG&E document prepared by Charles Filmer in February 2013 and reviewed by NBC Bay Area, shows that the North Bay counties to have nearly a 3 percent risk of a power line sparking a wildfire. The risk was listed as 1 percent elsewhere in PG&E's territory. Nevertheless, PG&E failed to take reasonable, preventative measures.³¹
- 58. In May 2016, the CPUC adopted Fire Map I, which is a map that "depicts areas of California where there is an elevated hazard for the ignition and rapid spread of power line fires due to strong winds, abundant dry vegetation, and other environmental conditions."³²
- 59. The CPUC adopted Fire Map 1 "in response to past devastating wildfires that were reportedly ignited by power lines." According to CPUC commissioner Mike Florio, "Fire Map 1 represents an important milestone in identifying areas that face a very high risk of a devastating wildfire."
- On Fire Map 1, the area in and around the origin of the North Bay Fires is both red 60. and orange, indicating the highest level of elevated hazard for the "ignition and rapid spread of

http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M162/K498/162498284.PDF.

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²² ²⁹ Historical Wildfire Activity Statistics (Redbooks), Cal Fire, available at http://www.fire.ca.gov/fire protection/fire protection fire info redbooks. 23

³⁰ Ivan Penn, *Power Lines and Electrical Equipment are a Leading Cause of California Wildfires*, Los Angeles Times (Oct. 17, 2017 2:05 P.M.), http://www.latimes.com/business/la-fi-utilitywildfires-20171017-story.html.

³¹ Jason Van Derbeken, PG&E's Vegetation Management Program Under Fire After North Bay Blazes, NBC Bay Area (Nov. 6, 2017 10:58 P.M.),

https://www.nbcbayarea.com/news/local/PGEs-Vegetation-Management-Program-Under-Fire-After-North-Bay-Blazes--455729573.html

³² See CPUC Fire Map Depicts Areas of Elevated Hazards In State; First Step in Creation of Tools to Help Manage Resources, Cal. Pub. Utils. Comm'n (May 26, 2016),

- 61. PG&E was put on direct notice of this map in May 2016, and therefore knew well in advance of the North Bay Fires of the elevated fire risk for the region.
- 62. After the fires, Defendants initially attempted to shift blame away from themselves by announcing that unusually powerful, "hurricane strength winds" were to blame for the severity of the fires. But local weather station readings found the winds were almost half that speed when Defendants' power lines started to come down.
- 63. Northern California did not experience highly unusual weather patterns the night the North Bay Fires began. A review of readings at weather stations in the areas impacted by the Fires shows that winds were not at unexpected levels when PG&E's electrical equipment began to fail. For example, a weather station in Santa Rosa in the vicinity of the Tubbs Fire recorded wind gusts of about 30 miles per hour at or around 9:29 p.m. on October 8, 2017.³³ About an hour

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³³ Paul Rogers, et al., California Fire Mystery: PG&E Lines Fell in Winds That Weren't "Hurricane Strength", San Jose Mercury News (Oct. 13, 2017 6:01 P.M.),

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later, the same station recorded wind gusts of 41 miles per hour.³⁴ These wind speeds were surpassed in other recent storms in the area on a number of occasions.

Ε. PG&E Knew Its Infrastructure Was Too Old and Improperly Maintained for Safety

- 64. On May 6, 2013, a report ("2013 Liberty Report") was sent to the Safety and Enforcement Division of the CPUC from the Liberty Consulting Group, which had been retained to conduct an independent review of capital and operations and maintenance expenditures proposed by PG&E. 35 The 2013 Liberty Report concluded that: "several aspects of the PG&E [electrical] distribution system present significant safety issues."
- The Report further stated, "addressing aging infrastructure and adding SCADA³⁶ 65. to the system comprise the major focuses of safety initiatives for the distribution system." The Report authors were so concerned about the state of PG&E's aging infrastructure that they advised in the Report: "[w]e also recommend that PG&E treat aging infrastructure as an enterprise-level risk."
- 66. The Liberty Report concluded that "aging infrastructure is best addressed by having a strategic asset management program in place. These types of programs ... force a detailed and thorough condition assessment survey of the major assets. These types of formal programs also take failure modes into consideration. Long term sustainable plans can then be prepared to address the asset conditions. A sustainable asset management plan will mitigate system safety risks from aging infrastructure, which constituted a major portion of the safety items" for PG&E.

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http://www.mercurynews.com/2017/10/12/californiafirespgepowerlinesfellinwindsthatwerenthurr icanestrength/.

³⁴ *Id*.

³⁵ "Study of Risk Assessment and PG&E's GRC, Presented to: The California Public Utilities Commission Group, Safety and Enforcement Division, Presented By: The Liberty Consulting Group (May 6, 2013), available at http://docs.cpuc.ca.gov/publisheddocs/efile/g000/m065/k394/65394210.pdf (last accessed Nov.

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- 67. PG&E has known for years that its miles of aging power lines pose a serious safety risk of triggering wildfires.
- 68. The 2013 Liberty Report found that PG&E's system had a large amount of obsolete, unsafe small-size wiring (a.k.a. "conductors") still in use, which should have been replaced with safer larger-size wires long ago. At the time, PG&E had 113,000 miles of wiring, and according to the report, over 60 percent is of the small-size type that is highly susceptible to failure. The small-size conductors are 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 [type] is now recognized as obsolete, due to its small size."
- 69. The 2013 Liberty Report found that about a fifth of PG&E's system was frail and obsolete. Most concerning to the consultants was that three quarters of the system was made of three-wire lines. Three-wire lines lack modern in-line grounding technology that has been available for at least the last four decades. Without a ground wire, PG&E could not always isolate a problem remotely nor shut down a faulty wire quickly. Instead, the live wires remain on the ground when they fall, posing a danger of injuries and fire.
- 70. PG&E knew the majority of its system was obsolete and had unsafe wiring, yet PG&E did nothing to update it.

2. Old, Overloaded Utility Poles

71. 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. 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

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72. In the June 29, 2017 CPUC press release for the Order, the CPUC President Michael Picker stated, "[p]lain 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."38

73. 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, Plaintiff believes that PG&E has failed to conduct the proper inspections, and when PG&E has been advised of necessary repairs to such poles, PG&E failed to repair the poles in a timely manner.

3. Live Wires

74. The 2013 Liberty Report found that on a daily basis, and in 36 percent of cases, PG&E cannot remotely de-energize a downed line and must send someone to the scene to manually turn off the feed. During that time, the downed line is a live wire and a fire hazard.

Order Instituting Investigation into the Creation of a Shared Database or Statewide Census of Utility Poles and Conduit1, Cal. Pub. Utils. Comm'n (June 29, 2017), http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M191/K656/191656519.PDF.

³⁸ Press Release, CPUC to Examine Utility Pole Safety and Competition; Considers Creation of Pole Database, Cal. Pub. Utils. Comm'n (June 29, 2017), http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M191/K560/191560905.PDF

4. <u>Dangerous Reclosers</u>

- 75. PG&E has a long-standing practice of using reclosers throughout its system to automatically restart power after interruptions, even though it is well known to the industry including PG&E that recloser devices can cause wildfires.
- 76. 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.
- 77. PG&E knew that its reclosers 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 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." ³⁹
- 78. 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 did not reprogram its reclosers.
- 79. Since PG&E did not reprogram all of its reclosers to keep electricity turned off after a disruption during fire season, the night the North Bay Fires began, some of PG&E's devices were programmed to try up to three times to restore power by sparking electricity.

5. Failure to Maintain Trees and Vegetation at a Safe Distance

80. NBC Bay Area has recently reported that PG&E's own auditors allow one out of 100 trees they check to violate state power line clearance standards. 40 With about 123 million

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³⁹ George Avalos, *PG&E Slapped With More Lawsuits Amid North Bay Inferno Probes*, San Jose Mercury News (Nov. 15, 2017 3:31 A.M.), http://www.mercurynews.com/2017/11/14/pge-slapped-with-more-lawsuits-amid-north-bay-inferno-probes/.

⁴⁰ Jaxon Van Derbeken, PG&E's Vegetation Management Program Under Fire After North Bay Blaze, NBC Bay Area (Nov. 6, 2017 11:41 P.M.), https://www.nbcbayarea.com/news/local/PGEs-Vegetation-Management-Program-Under-Fire-After-North-Bay-Blazes--455729573.html.

trees under its control, 41 this means approximately 1.2 million trees may not in compliance with 1 state law. Even more troubling, when PG&E found more than 1 tree in every 100 violated safety 2 laws, the company merely expanded the number of trees it checked until it could meet its 3 compliance rate. 42 4 5 6. Failure to Maintain Electrical Infrastructure 81. On top of having aging infrastructure and no formal, organized system to track the 6 7 condition of the infrastructure, PG&E failed to perform the necessary maintenance and 8 inspections of its electrical equipment. A 2015 audit of PG&E's Sonoma Division revealed that 9 there were over 3,500 unfilled PG&E repair and maintenance requests in the area of the Tubbs Fire. 43 This number is staggering in terms of the safety risk posed to the people in the fire zones. 10 11 82. In a December 31, 2015 letter to PG&E regarding the audit, Fayi Daye, a 12 supervising electric safety regulator with the CPUC, outlined the violations found in the review of 13 records between 2010 and 2015 and a spot check of PG&E electrical distribution equipment. Fayi 14 Daye's letter stated the following: 15 PG&E's records indicated that from August 2010 to September 21, 2015, a total of 3.527 work orders were completed past their 16 scheduled date of corrective action per PG&E's Electric Notification Prioritization Standards. Late work orders included 17 overhead and underground facilities. 44 18 The letter concluded that these delays violated CPUC General Order No. 128, Rule 17.1, 19 which sets forth the CPUC's design, construction, and maintenance rules for electrical systems. 20 21 See PG&E's Response to Safety and Enforcement Divisions' 10/14/17 Questions, Oct. 17, 22 2017, available at http://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/Safety/Response%20to% 23 20Data%20Request.pdf. ⁴² Jaxon Van Derbeken, PG&E's Vegetation Management Program Under Fire After North Bay 24 Blaze, NBC Bay Area (Nov. 6, 2017 11:41 P.M.), https://www.nbcbayarea.com/news/local/PGEs-Vegetation-Management-Program-Under-Fire-25 After-North-Bay-Blazes--455729573.html. ⁴³ Letter from Fayi Daye, Program and Project Supervisor ESRB at CPUC, to Adeel Babar, 26 Supervisor – Regulatory Compliance PG&E, (Dec. 31, 2015), available at http://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/Safety/Electric_Safety_a 27 nd Reliability/Reports and Audits/Electric Facilities/EA2015-018.pdf ⁴⁴ *Id.* at 2. 28

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⁴⁸ Mercury News Editorial Board, PG&E Records Show Utility Cannot Be Trusted (Editorial),

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89. PG&E also regularly fails to comply with safety rules set by regulators. Regulators who audit PG&E's work in the field cite the company for late repairs and maintenance jobs far more frequently than any other electric utility in the state.

- 90. Moreover, PG&E has actively fought against initiatives intended to prevent wildfires. After electrical lines knocked down by wind sparked the catastrophic fires in San Diego in 2007, the CPUC has attempted to adopt stricter regulations and create a map of the power lines that pose the biggest fire risk. Proponents assert that the initiative could have bolstered maintenance efforts and forced PG&E to strengthen poles prior to the Fires. But PG&E opposed these efforts, claiming such mapping would be too expensive for rural areas. This safety initiative was delayed five times, including an additional delay granted on October 6, just two days before the North Bay Fires began.
- 91. PG&E has also blocked implementation of the safety proposals related to wildfires. In July 2017, PG&E asked again to slow down the effort and for more time to comply with new wildfire regulations. PG&E also argued against increasing the ability of the poles to sustain greater winds, claiming there was no evidence that wildfires had been caused by poles not being able to withstand high winds.

2. Run to Failure

92. 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 March 2013:

[T]he Overland Audit explains how PG&E systematically underfunded [Gas Transmission & Storage ("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 (In-line Inspection ("ILI")] to the less informative[External Corrosion Direct Assessment ("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.

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San Jose Mercury News (Oct. 27, 2017 1:11 P.M.),

http://www.mercurynews.com/2017/10/26/editorial-pge-records-show-utility-cannot-be-trusted/.

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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 [Integrated Resource Planning] 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.

93. This same filing also cited to reports which revealed that "the multiple and recurring deficiencies in PG&E operational practices indicate **a systemic problem** [These problems] involve people at numerous levels within a company, and are characterized by **a pervasive lack of proactive measures to ensure adoption and compliance with a safety culture**." Additionally, the filing found that "[PG&E] did not include any goals for safety as part of its long-term aspirations. It did include an aspiration for financial performance, however." ⁵¹

b. <u>Prior Safety Violations</u>

- 94. PG&E knew about the significant risk of wildfires from its ineffective vegetation management programs, unsafe equipment, and/or aging infrastructure for decades before the North Bay Fires began, and has been repeatedly fined and/or convicted of crimes for failing to mitigate these risks:
- a. In 1994, PG&E's failure to trim trees near its power lines caused the devastating "Trauner Fire" in Nevada County, California. In 1997, a jury found PG&E liable for 739 counts of criminal negligence for causing this fire. Subsequent to the trial, a report authored by the CPUC revealed that from 1987 through 1994, PG&E diverted \$495 million from its budgets for maintaining its systems, and instead, used this money to boost corporate profits. ⁵²

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Opening Brief of the Division of Ratepayer Advocates, Cal. Pub. Utils. Comm'n (Mar. 11, 2013), ftp://ftp2.cpuc.ca.gov/PG&E20150130ResponseToA1312012Ruling/2013/03/SB_GT&S_0039691.pdf.

⁵⁰ *Id.* at 27 (emphasis added).

⁵¹ *Id.* at 28–29.

Kenneth Howe, et al., *Tree Trimming Pact Lowers PG&E Fine to \$29 Million*, San Francisco

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1	b. In 2003, PG&E's apparent inability to learn from its past mistakes caused a
2	fire at its Mission District Substation in San Francisco. In 2004, the CPUC investigated the fire
3	and concluded that "it finds it quite troubling that PG&E did not implement its own
4	recommendations" after a previous fire at the same substation. 53
5	c. In 2008, PG&E's inadequate repair job and infrastructure caused a deadly
6	explosion in Rancho Cordova, California. In 2010, the CPUC fined PG&E \$38 million for
7	causing and failing to prevent the explosion. ⁵⁴
8	d. In 2010, PG&E's aging infrastructure caused the deadly gas explosion in
9	San Bruno, California that killed eight people and destroyed dozens of homes. As a result, the
10	CPUC slapped PG&E with a \$1.6 billion fine, and PG&E was later found guilty of six felony
11	charges. ⁵⁵
12	e. In 2011, PG&E caused an explosion in Cupertino when it failed to replace
13	a plastic pipe that it knew was unsafe since at least 2002. PG&E ignored warnings about the
14	dangerous nature of the pipe, and instead chose to do nothing. ⁵⁶
15	f. In 2014, PG&E's inadequate recordkeeping and disregard for public safety
16	caused an explosion in Carmel. As a result, PG&E was required to pay over \$36 million in
17	fines. ⁵⁷
18 19	Footnote continued from previous page Chronicle (Apr. 3, 1999), http://www.sfgate.com/news/article/Tree-Trimming-Pact-Lowers-PG-E-Fine-to-29-Million-2938340.php.
20	⁵³ Richard W. Clark, Investigation Report on PG&E Mission Substance Fire and Outage (Oct. 20, 2004), http://docs.cpuc.ca.gov/publishedDocs/published/Report/40886.PDF.
21	⁵⁴ Associated Press, PG&E to Pay \$38 Million Fine in 2008 Explosion, San Diego Tribune (Dec. 1, 2011), http://www.sandiegouniontribune.com/sdut-pge-to-pay-38-million-fine-in-2008-
22	explosion-2011dec01-story.html.
23	⁵⁵ George Avalos, <i>PG&E Loses Ruling in San Bruno Explosion Trial</i> , San Jose Mercury News (Nov. 18, 2016 3:42 P.M.), http://www.mercurynews.com/2016/11/17/pge-loses-ruling-in-san-bruno-explosion-trial/.
24	⁵⁶ Paul Rogers, <i>PG&E Pipe That Exploded in Cupertino Was Made Of Material Connected With Numerous Other Fires</i> , San Jose Mercury News (Aug. 13, 2016 2:34 P.M.),
25	http://www.mercurynews.com/2011/09/02/pge-pipe-that-exploded-in-cupertino-was-made-of-material-connected-with-numerous-other-fires/.
26	⁵⁷ Tom Leyde, <i>CPUC Fines PG&E \$24.3 Million in Case Related to 2014 Carmel House Explosion</i> , http://www.montereyherald.com/article/NF/20160601/NEWS/160609989 (noting that
27	PG&E was fined \$10.8 M by the CPUC and \$24.3 by an Administrative Law Judge). PG&E also paid \$1.6 M to the city of Carmel in penalties. See Rachel Swan, PG&E to Pay \$1.6 Million To
28	Settle Suit Over Carmel Blast, San Francisco Chronicle (June 9, 2017),
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California Department of Justice investigation, continued safety lapses at PG&E continue to occur. ⁶⁰

97. All of these devastating events, and many more, resulted from PG&E's long history of choosing to divert funds from its public safety, vegetation management, and/or infrastructure maintenance programs to instead line its own corporate pockets.

c. Profits over Safety

- 98. Rather than allocate adequate funds from the money it obtains from customers for infrastructure maintenance and safety, PG&E funnels funds to boost its own corporate profits and compensation. This pattern and practice of favoring profits over having a solid and well-maintained infrastructure that would be safe and dependable for years to come exposed the citizens of Northern California, such as the Plaintiff, to an increased risk of a catastrophic event such as the North Bay Fires.
- 99. For example, according to documents released by The Utility Reform Network, PG&E supposedly 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. ⁶¹
- 100. Moreover, PG&E has implemented multiple programs that provide monetary incentives to its employees, agents, and/or contractors to not protect 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

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⁶⁰ President Picker's Comments on PG&E Safety. Culture, and Enforcement Theory 2, http://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/About_Us/Organization/Commissioners/Michael_J._Picker/PresidentPickerCommentsonPGESafetyCultureandEnforcementTheory.pdf (last accessed Nov. 28, 2017).

⁶¹ Steve Johnson, et al., PG&E accused of Delaying Crucial Repair Work, San Jose Mercury News (Sept. 15, 2010 1:58 P.M.),

http://www.mercurynews.com/2010/09/15/pgeaccusedofdelayingcrucialrepairwork/.

1	that he had a concern that the bonus system incentivized his employees to not do their job, but		
2	PG&E chose to keep this program despite knowing this risk.		
3	101. Similarly, prior to the San Bruno explosion, PG&E had a program that provided		
4	financial incentives to employees to not report or fix gas leaks and keep repair costs down. This		
5	program resulted in the failure to detect a significant number of gas leaks, many of which were		
6	considered serious leaks. According to Richard Kuprewicz, an independent pipeline safety expert,		
7	PG&E's incentive system was "training and rewarding people to do the wrong thing,"		
8	emblematic of "a seriously broken process," and "explains many of the systemic problems in this		
9	operation that contributed to the [San Bruno] tragedy."62		
10	FIRST CAUSE OF ACTION		
11	<u>Inverse Condemnation</u>		
12	102. Plaintiff incorporates by reference and realleges all other paragraphs of this		
13	complaint.		
14	103. On or about October 8, 2017, Plaintiff was an owner of real property and personal		
15	property located within Northern California.		
16	104. Prior to and on October 8, 2017, Defendants installed, owned, operated, used,		
17	controlled, and/or maintained electrical distribution infrastructure in Northern California.		
18	105. On or about October 8, 2017, as a direct, necessary, and legal result of Defendants'		
19	installation, ownership, operation, use, control, and/or maintenance for a public use of power		
20	lines and electrical equipment, Defendants' electrical lines and/or equipment came in contact with		
21	vegetation and caused the North Bay Fires, which burned in excess of 250,000 acres, including		
22	property owned or occupied by Plaintiff. The Tubbs Fire damaged and/or destroyed Plaintiff's		
23	real and or personal property.		
24	106. The damage to Plaintiff's property was proximately and substantially caused by		
25	Defendants' actions in that Defendants' installation, ownership, operation, use, control, and/or		
26			
27	62 Jaxon Van Derbeken, PG&E Incentive System Blamed For Leak Oversights, San Francisco		
28	Chronicle (Dec. 25, 2011 4:00 A.M.) http://www.sfgate.com/news/article/PG-E-incentive-system-blamed-for-leak-oversights-2424430.php.		

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maintenance for a public use of power lines and equipment was negligent and caused the Tubbs Fire.

- 107. Plaintiff has not received adequate compensation for the damage to and/or destruction of his property, thus constituting a taking or damaging of Plaintiff's property by Defendants without just compensation.
- 108. As a direct and legal result of the above-described damages to Plaintiff's property, including loss of use and interference with access, enjoyment and marketability of real property, and damage/destruction of personal property, Plaintiff has been damaged in amounts according to proof at trial.
- 109. Plaintiff has incurred and will continue to incur attorney's, appraisal, and engineering fees and costs because of Defendant's conduct, in amounts that cannot yet be ascertained, but which are recoverable in this action under Code of Civil Procedure § 1036.

SECOND CAUSE OF ACTION

Negligence

- 110. Plaintiff incorporates by reference and realleges all other paragraphs of this complaint.
- 111. Defendants have a non-transferable, non-delegable duty to apply a level of care commensurate with and proportionate to the danger of designing, engineering, constructing, operating, and maintaining electrical transmission and distribution systems, including vegetation clearance.
- 112. Defendants have a non-transferable, non-delegable duty of vigilant oversight in the maintenance, use, operation, repair, and inspection appropriate to the changing conditions and circumstances of their electrical transmission and distribution systems.
- 113. Defendants have special knowledge and expertise far above that of a layperson that they were required to apply to the design, engineering, construction, use, operation, inspection, repair, and maintenance of electrical lines, infrastructure, equipment, and vegetation in order to assure safety under all the local conditions in their service area, including but not limited to, those conditions identified herein.

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- 116. At all times mentioned herein, Defendants failed to properly inspect and maintain electrical infrastructure and equipment which they knew, given the then existing and known weather, climate and fire-risk conditions, posed a risk of harm to the Plaintiff, and to his real and/or personal property. Defendants were aware that if the subject electrical infrastructure came in contact with vegetation that a fire would likely result. Defendants also knew that, given the existing and known weather, climate and fire-risk conditions, said fire was likely to pose a risk of property damage, personal injury, and/or death to the general public, including to Plaintiff.
- 117. Over the past decade, Defendants have been subject to numerous fines and penalties as a result of PG&E's ongoing failure to abide by safety rules and regulations.
- 118. The property damage and economic losses occasioned by the Tubbs Fire are the result of the ongoing custom and practice of Defendants of consciously disregarding the safety of the public and not following statues, regulations, standards, and rules regarding their business operations. Despite having caused death and injury to numerous people and extensive property damage, these Defendants have continued to act in conscious disregard for the safety of others, and have ratified the unsafe conduct of their employees. Upon information and belief, no employee has been disciplined or discharged as a result of failing and/or refusing to comply with the regulations and/or as a result of the deaths of members of the public.
- 119. These Defendants, in order to cut costs, failed to properly inspect and maintain the subject electrical infrastructure with full knowledge that any incident was likely to result in a fire that would burn and/or kill people, damage or destroy property, and/or cause harm to the general public, including Plaintiff.
- 120. The actions of Defendants did in fact result in damages to the Plaintiff. Defendants failed to make the proper inspections, failed to properly maintain the lines, failed to properly trim vegetation, failed to properly and timely remove vegetation, and failed to safely operate their electrical infrastructure, in order to save money.
- 121. The negligence of Defendants was a substantial factor in causing Plaintiff's damages.

- 122. Defendants' failure to comply with their duties of care proximately caused damage to Plaintiff.
- 123. As a further direct and proximate result of Defendants' negligence, Plaintiff suffered damages including, but not limited to property damage, loss of cherished possessions, economic loss, emotional distress, annoyance, disturbance, inconvenience, mental anguish, loss of quiet enjoyment of his property, and costs related to Plaintiff's evacuation and relocation.
- Further, the conduct alleged against Defendants in this complaint was despicable 124. and subjected Plaintiff to cruel and unjust hardship in conscious disregard of his rights, constituting oppression, for which Defendants must be punished by punitive and exemplary damages in an amount according to proof. Defendants' conduct evidences a conscious disregard for the safety of others, including Plaintiff. Defendants' conduct was and is despicable conduct and constitutes malice as defined by Civil Code § 3294. An officer, director, or managing agent of PG&E personally committed, authorized, and/or ratified the despicable and wrongful conduct alleged in this complaint. Plaintiff is entitled to an award of punitive damages sufficient to punish and make an example of these Defendants.

THIRD CAUSE OF ACTION

Private Nuisance

- 125. Plaintiff incorporates by reference and realleges all other paragraphs of this complaint.
- 126. Plaintiff owns and occupies property at or near the site of the Tubbs Fire. At all relevant times herein, Plaintiff had a right to occupy, enjoy, and/or use his property without interference by Defendants.
- 127. Defendants' actions, conduct, omissions, negligence, trespass, and failure to act resulted in a fire hazard and a foreseeable obstruction to the free use of Plaintiff's property, invaded the right of Plaintiff to use his property, and interfered with Plaintiff's enjoyment of his property, causing Plaintiff unreasonable harm and substantial actual damages constituting a nuisance pursuant to California Civil Code § 3479.

- 128. As a direct and proximate result of Defendants' conduct, Plaintiff sustained loss and damage, including but not limited to damage to property, discomfort, annoyance, and emotional distress, the amount of which will be proven at trial.
- 129. As a further direct and proximate result of the conduct of Defendants, Plaintiff seeks the reasonable cost of repair or restoration of the property to its original condition and/or loss-of-use damages, as allowed under California Civil Code § 3334.
- 130. Defendants' conduct was willful and wanton, and with a conscious contempt and disdain for the disastrous consequences that Defendants knew could occur as a result of their dangerous conduct. Accordingly, Defendants acted with malice towards Plaintiff, which is an appropriate predicate fact for an award of exemplary/punitive damages in a sum according to proof.

FOURTH CAUSE OF ACTION

Public Nuisance

- 131. Defendants owed a non-transferable, non-delegable duty to the public, including Plaintiff, 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 electrical infrastructure in Northern California, in a manner that did not threaten harm or injury to the public welfare.
- 132. Defendants, by acting and/or failing to act, as alleged hereinabove, created a condition that was harmful to the health of the public, including Plaintiff, and created a fire hazard and other potentially dangerous conditions to Plaintiff's property, which interfered with the comfortable occupancy, use, and/or enjoyment of Plaintiff's property. This interference is both substantial and unreasonable.
- 133. Plaintiff did not consent, expressly or impliedly, to the wrongful conduct of Defendants.
- 134. The hazardous condition which was created by and/or permitted to exist by Defendants affected a substantial number of people at the same time within the general public, including Plaintiff, and constituted a public nuisance under Civil Code §§ 3479 and 3480 and

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Public Resources Code § 4171. Further, the ensuing North Bay Fires constituted a public nuisance under Public Resources Code § 4170.

- North Bay Fires are ongoing and affect the public at large. As a result of the North Bay Fires location, temperature, and/or duration, extensive areas of hydrophobic soils developed within the burned areas. 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.
- 136. As a direct and legal result of the conduct of Defendants, Plaintiff suffered harm that is different from the type of harm suffered by the general public. Specifically, Plaintiff has lost the occupancy, possession, use, and/or enjoyment of his 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 his property; an impairment of the ability to sell his property; soils that have become hydrophobic; exposure to an array of toxic substances on his land; the presence of "special waste" on his property that requires special management and disposal; and a lingering smell of smoke, and/or soot, ash, and/or dust in the air.
- 137. As a further direct and legal result of the conduct of Defendants, Plaintiff has suffered, and will continue to suffer, discomfort, anxiety, fear, worries, annoyance, and/or stress attendant to the interference with Plaintiff's occupancy, possession, use and/or enjoyment of his property.
- 138. A reasonable, ordinary person would be annoyed or disturbed by the condition created by Defendants, and the resulting Tubbs Fire.
- 139. Defendants' conduct is unreasonable and the seriousness of the harm to the public, including Plaintiff, outweighs the social utility of Defendants' conduct. There is little or no social utility associated with causing wildfires to destroy one of the most beautiful and beloved regions of Northern California.

- 140. The individual and/or collective conduct of Defendants set forth above resulting in the Tubbs 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.
- 141. The unreasonable conduct of Defendants is a direct and legal cause of the harm, injury, and/or damage to the public, including Plaintiff.
- 142. Defendants have individually and/or collectively failed to and refused to conduct proper inspections and to properly trim, prune, and/or cut vegetation in order to ensure the safe delivery of electricity to residents and businesses 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 to a foreseeable danger of personal injury, death, and/or a loss of or destruction real and personal property.
- 143. Defendants' conduct 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, Plaintiff has standing to maintain an action for public nuisance because the nuisance is especially injurious to Plaintiff because, as described above, it is injurious and/or offensive to the senses of Plaintiff, unreasonably interferes with the comfortable enjoyment of his property, and/or unlawfully obstructs the free use, in the customary manner, of his property.
- 144. For these reasons, Plaintiff seeks a permanent injunction ordering that Defendants stop continued violation of Public Resource Code §§ 4292 and 4293 and CPUC General Order 95. Plaintiff also seeks an order directing Defendants to abate the existing and continuing nuisance described above.

FIFTH CAUSE OF ACTION

Trespass

- 145. Plaintiff incorporates by reference and realleges all other paragraphs of this complaint.
- 146. At all times relevant herein, Plaintiff was the owner and lawful occupier of real property damaged by the Tubbs Fire.

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- 147. Defendants had a duty to use reasonable care not to enter, intrude on, or invade Plaintiff's real property. Defendants negligently allowed the Tubbs Fire to ignite and/or spread out of control, causing injury to Plaintiff. The spread of a negligently caused fire to wrongfully occupy the land of another constitutes a trespass.
- 148. Plaintiff did not grant permission for Defendants to cause the Tubbs Fire to enter his property.
- 149. As a direct, proximate, and substantial cause of the trespass, Plaintiff has suffered and will continue to suffer damages, including but not limited to damage to property, discomfort, annoyance, and emotional distress in an amount to be proved at the time of trial.
- 150. As a further direct and proximate result of the conduct of Defendants, Plaintiff has 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 California Code of Civil Procedure § 1021.9.
- 151. As a further direct and proximate result of the conduct of Defendants, Plaintiff seeks treble or double damages for wrongful injuries to timber, trees, or underwood on his property, as allowed under California Civil Code § 3346.
- 152. As a further direct and proximate result of the conduct of Defendants, Plaintiff seeks the reasonable cost of repair or restoration of the property to its original condition and/or loss-of-use damages, as allowed under California Civil Code § 3334.
- 153. Defendants' conduct was willful and wanton, and with a conscious contempt and disdain for the disastrous consequences that Defendants knew could occur as a result of their dangerous conduct. Accordingly, Defendants acted with malice towards Plaintiff, which is an appropriate predicate fact for an award of exemplary/punitive damages in a sum according to proof.

SIXTH CAUSE OF ACTION

Premises Liability

154. Plaintiff incorporates by reference and realleges all other paragraphs of this complaint.

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- 155. Defendants were the owners of an easement and/or real property in the area of origin of the Tubbs Fire, and/or were the owners of the electrical infrastructure upon said easement and/or right of way.
- 156. Defendants acted wantonly, unlawfully, carelessly, recklessly, and/or negligently in failing to properly inspect, manage, maintain, and/or control the vegetation near their electrical infrastructure along the real property and easement, allowing an unsafe condition presenting a foreseeable risk of fire danger to exist in said areas.
- 157. As a direct and legal result of the wrongful acts and/or omissions of Defendants, Plaintiff suffered, and continues to suffer, the injuries and damages as set forth above.
- 158. As a further direct and legal result of the wrongful acts and/or omissions of Defendants, Plaintiff seeks the recovery of punitive and exemplary damages against Defendants as set forth above.

SEVENTH CAUSE OF ACTION

Violations of Public Utilities Code § 2106

- 159. Plaintiff incorporates by reference and realleges all other paragraphs of this complaint.
- 160. As Public Utilities, Defendants are legally required to comply with the rules and orders promulgated by the CPUC pursuant to Public Utilities Code § 702.
- 161. Public Utilities whose failure to perform or inadequate performance of duties required by the California Constitution, a law of the State, or a regulation or order of the Public Utilities Commission, leads to loss or injury, are liable for that loss or injury, pursuant to Public Utilities Code § 2106.
- 162. As Public Utilities, Defendants 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.
- 163. Defendants are required to design, engineer, construct, operate, and maintain electrical supply lines and associated equipment in a manner consonant with their use, taking into

1 PRAYER FOR RELIEF WHEREFORE, Plaintiff requests judgment against defendants as follows: 2 Costs of repair, depreciation, and/or replacement of damaged, destroyed, and/or 3 4 lost personal and/or real property; 5 2. Loss of use, benefit, goodwill, and enjoyment of Plaintiff's real and/or personal property, and/or alternative living expenses; 6 7 Loss of wages, earning capacity, and/or any related displacement expenses; 3. 5. Attorney's fees, expert fees, consultant fees, and litigation costs and expense, as 8 9 allowed under California Code of Civil Procedure § 1021.9; Treble or double damages for wrongful injuries to timber, trees, or underwood on 10 6. 11 his property, as allowed under California Civil Code § 3346; Punitive/exemplary damages; 12 7. 13 8. All costs of suit; Prejudgment interest, according to proof; and 14 9. General damages for fear, worry, annoyance, disturbance, inconvenience, mental 15 10. 16 anguish, emotional distress, loss of quiet enjoyment of property, and for such other and further relief as the Court shall deem proper, all according to proof. 17 For such other and further relief as the Court shall deem proper, all according to 18 19 proof. 20 Dated: December 11, 2017 Respectfully submitted, 21 LIEFF CABRASER HEIMANN & BERNSTEIN, LLP 22

By

Élizabeth J. Cabraser (State Bar No. 083151) Robert J. Nelson (State Bar No. 132797) Lexi J. Hazam (State Bar No. 224457) Fabrice N. Vincent (State Bar No.160780) Annika K. Martin (pro hac vice pending)

Abby R. Wolf (State Bar No. 313049)

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JURY DEMAND Plaintiff hereby demands a jury trial on all causes of action for which a jury is available under the law. Dated: December 11, 2017 Respectfully submitted, LIEFF CABRASER HEIMANN & BERNSTEIN, LLP Elizabeth J. Cabraser (State Bar No. 083151) Robert J. Nelson (State Bar No. 132797) Lexi J. Hazam (State Bar No. 224457) Fabrice N. Vincent (State Bar No.160780) Annika K. Martin (pro hac vice pending) Abby R. Wolf (State Bar No. 313049) Attorneys for Plaintiff

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COMPLAINT