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August 1, 2019

Alice Stebbins  
Executive Director  
California Public Utilities Commission  
505 Van Ness Avenue, Room 5223  
San Francisco, CA 94102

Re: Implementation of the Catastrophic Event Memorandum Account for the  
2019 Ridgecrest Earthquakes

Dear Ms. Stebbins:

In accordance with Commission Resolution E-3238, dated July 24, 1991, and the associated tariff sheet (Gas Preliminary Statement Part AC), Pacific Gas and Electric Company (PG&E) hereby provides notice that PG&E is recording costs associated with the repair of facilities and restoration of service associated with the 2019 Ridgecrest Earthquakes in the Catastrophic Event Memorandum Account (CEMA). The costs associated with the 2019 Ridgecrest Earthquakes declarations include repairs of gas transmission and distribution facilities and a CRESS<sup>1</sup> facility as a result of these events.

PG&E is submitting this letter to preserve the option of filing an application for cost recovery under CEMA provisions at a later date. Details about the disaster, the effects on PG&E's facilities, and the estimated repair and restoration costs are provided below:

1. Disaster

On July 4, 2019, the Governor of the State of California, Gavin Newsom, issued, as a result of the 2019 Ridgecrest Earthquake, a State of Emergency Proclamation under the California Emergency Services Act and section 8625 of the California Government Code for Kern County. A magnitude 6.4 earthquake struck near the city of Ridgecrest on July 4, 2019.

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<sup>1</sup> PG&E's Corporate Real Estate Strategy & Services (CRESS) line of business manages PG&E's general real estate and company facilities. One of CRESS's facilities located in the vicinity of the earthquake was damaged. It should be noted that PG&E's Electric Distribution line of business was not impacted by this event.

On July 5, 2019, a second magnitude 7.1 earthquake struck the same vicinity. Therefore, on July 6, 2019, Governor Newsom issued another State of Emergency Proclamation, adding San Bernardino County to the Ridgecrest Earthquake emergency proclamation.

## 2. Effects on PG&E's Facilities

PG&E operates approximately 50-miles of Transmission pipeline, 240 miles of distribution main and 13,800 services in the Ridgecrest (Kern County) and Trona (San Bernardino County) areas. Since the earthquake, PG&E has surveyed all gas transmission pipeline and gas distribution mains and services. PG&E also completed assessments on two fault crossings that intersect gas transmission pipelines.

PG&E has discovered over 250 leaks, repaired all high priority leaks, and will replace approximately 300 feet of 6-inch gas transmission pipeline and approximately 300 feet of 10-inch of gas transmission pipeline due to pipe deformation caused by the earthquakes. The earthquake is estimated to have disrupted service to approximately 85 customers due to structural damage of the customer's facility (red tagged buildings). In addition, PG&E responded to over 2,000 customer initiated tags related to gas odor calls, leak checks, pilot relights, gas turn-ons, and performed approximately 282 courtesy safety checks.

Furthermore, the 2019 Ridgecrest Earthquakes is estimated to have damaged one CRESS facility.

## 3. Estimated Restoration Costs

PG&E has incurred approximately \$1.6 million<sup>2</sup> of incremental gas costs for work performed in the declared counties due to the earthquakes, of which \$0.426 million is capital related and \$1.162 million is expense related.

Earthquake-related natural gas distribution and transmission work is ongoing, and PG&E estimates it will incur at least \$3.3 million of incremental gas costs in the declared counties due to the earthquake, of which \$1.5 million is estimated to be capital related and \$1.8 million is estimated to be expense related. Gas distribution work includes leak survey, leak repair, locate and mark, and field service response to customers. PG&E estimates that it will also have to perform gas distribution service cutoffs, but, but does not have a capital related estimate for that work at this time. Gas transmission work includes leak survey, patrols, locate and mark, geosciences analysis, integrity management engineering, transmission pipeline replacements, and liquefied natural gas (LNG) / compressed natural gas (CNG) support.

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<sup>2</sup> Gas Operations actual costs reflect costs incurred as of July 24, 2019 and are primarily related to expenses associated with the initial response. The remaining forecast primarily reflects ongoing capital pipeline replacement work necessary as a result of the earthquake.

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CRESS estimates it will incur approximately \$130 thousand of incremental costs, all of which is estimated to be expense related.

If you have any questions about this CEMA notice, please do not hesitate to contact me at (415) 973-4464 or by email at [Erik.Jacobson@pge.com](mailto:Erik.Jacobson@pge.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Erik B. Jacobson". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Erik B. Jacobson  
Director – Regulatory Relations

cc: Edward Randolph, Director, Energy Division  
(via email to [EnergyDivisionCentralFiles@cpuc.ca.gov](mailto:EnergyDivisionCentralFiles@cpuc.ca.gov))