

Cal Fire finds PG&E caused multiple wildfires last year

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SACRAMENTO — Months after wildfires destroyed thousands of acres in northern California, sending thousands of residents scurrying for safety and causing billions of dollars in damages, **PG&E, the state's primary utility company** has some sense of its likely liability.

Cal Fire, the state agency responsible for investigating the causes of the blazes that devastated the state last year, released its official report on the causes of the blazes. Although Cal Fire found that PG&E bore some responsibility for the blazes, the report fell short of assigning primary responsibility to the company.

Months after wildfires destroyed thousands of acres in northern California, PG&E, the state's primary utility company has some sense of its likely liability. (Photo/AP)

According to state officials, the October 2017 fires involved more than 170 individual blazes and damaged over 245,000 acres in Northern California. Cal Fire's investigation found that PG&E's power lines started four fires last year, burning more than 14 square miles of land.

Two of the fires, started in Butte and Nevada counties, were caused by trees that came into contact with power lines. Three smaller fires were caused after the utility failed to keep vegetation properly trimmed away from power lines.

At least one fire was started when a tree branch fell onto a power line.

The utility has pushed back on the report, saying that it believes that its current programming meets the state's "high standards."

"Extreme weather is increasing the number of large wildfires and the length of the wildfire season in California," PG&E said in a statement, citing some 7,117 wildfires that it had confronted in 2017.

Not only was this a marked increase from the preceding five years, which had averaged fewer than 5,000 wildfires, but five of the 20 most destructive fires in the state's history burned between October and December of last year.

PG&E credits unusually dry weather conditions as a cause of the fires. Even the limited responsibility Cal Fire has announced will likely have a strong effect for the utility company.

California state law means that the utility faces higher liability costs than it would in other states. Because of its inverse condemnation laws, now that the utility was found to be at fault for some of the fires, it is liable for associated property damages and attorneys' fees. That amount has quickly soared into the tens of billions of dollars as homeowners and businesses have spent the last several months filing suits. The current estimated damages are around \$12 billion.

Although the numbers are staggering, their impact is still being worked out in courts. One of the biggest uncertainties is whether PG&E can recover some of these costs from ratepayers.

The company **has argued that the liability costs** are more than seven times its pretax income. Given the utility's large customer base (It has some 5.2 million customers in northern California.), these costs would likely add only a minimal charge to a monthly bill, especially if the amount was pro-rated over a period of months or years.

In the case of the McCourtney, Lobo and Honey fires, the cases are only just beginning. After the investigation, Cal Fire handed over the details of the case to local prosecutors, who are expected to take the cases to court.

PG&E has been lobbying lawmakers for months to change state law to lower their liability for the fires. The utility has argued that California's present policies are unsustainable for the industry and are out of step with industry norms.

"California is one of the only states in the country where the courts have applied inverse condemnation liability to events associated with investor-owned utility equipment," **the utility wrote** in a statement after the decision. "This means PG&E could be liable for property damages and attorneys' fees even if we followed established inspection and safety rules."

The utility is arguing that it followed relevant state laws. The Cal Fire report found no violations in two of the four fires.

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