

1 [Urging the California Public Utilities Commission to order PG&E to pay a substantial fine and
2 to take necessary corrective measures to prevent future indoor substation fires and outages.]

3 **Resolution urging the California Public Utilities Commission (CPUC) to require PG&E**
4 **to take all measures necessary to ensure that PG&E substations are safe and reliable,**
5 **urging the CPUC to impose a substantial fine on PG&E for allowing unsafe and**
6 **unreliable conditions to develop and persist at the Mission Substation, and calling on**
7 **PG&E to compensate all persons, businesses and governmental entities that suffered**
8 **economic harm as a result of any PG&E electrical outages.**
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10 WHEREAS, On December 20, 2003, a fire occurred at PG&E's Mission Substation that
11 resulted in the complete shutdown of the substation and left more than 100,000 customers in
12 San Francisco without power, including downtown retail stores filled with shoppers on a peak
13 holiday weekend; and

14 WHEREAS, PG&E did not call the San Francisco Fire Department (SFFD) until two
15 hours after the first signs of trouble at the Mission Substation; and,

16 WHEREAS, SFFD firefighters arrived at the substation within minutes of being called,
17 but encountered substantial smoke inside the substation and had difficulty locating the source
18 of the fire; and,

19 WHEREAS, PG&E customers were left without power for as long as 19 hours as a
20 result of the fire and subsequent outage; and ,

21 WHEREAS, a similar fire had occurred at the same Mission Substation in 1996; and,

22 WHEREAS, an investigative report by the Consumer Protection and Safety Division
23 (CPSD) of the California Public Utilities Commission (CPUC) found that PG&E had failed to
24 heed key internal findings and recommendations arising out of the 1996 fire; and,
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1 WHEREAS, one of PG&E's internal findings from the 1996 fire was that Substation
2 fires can generate significant smoke, that the smoke can be potentially toxic, and that PG&E
3 lacked adequate smoke detection equipment in the Mission Substation; and,

4 WHEREAS, another of PG&E's internal findings from the 1996 fire was that PG&E
5 procedures did not require the immediate dispatch of personnel to investigate alarms from
6 indoor substations; and,

7 WHEREAS, PG&E did not implement its own internal recommendations to install
8 smoke detection equipment or to improve its response time to alarms from unstaffed
9 substations such as Mission Substation; and,

10 WHEREAS, the CPSD report concluded that, if PG&E had implemented its internal
11 recommendations arising out of the 1996 fire, the fire that occurred on December 20, 2003
12 would not have caused an outage to over 100,000 customers; and,

13 WHEREAS, on March 26, 2005, yet another fire, along with an explosion, occurred at
14 the Mission Substation, causing an outage to approximately 22,000 customers; and,

15 WHEREAS, PG&E records show that there have been a total of six fires at San
16 Francisco indoor substations since 1996; and,

17 WHEREAS, at the behest of the City and County of San Francisco, the CPUC has
18 opened a proceeding to consider whether PG&E has violated state laws requiring PG&E to
19 maintain its facilities to assure safety and reliability, whether PG&E continues to fail to assure
20 safety and reliability at Mission Substation and other indoor substations, and whether PG&E
21 should be fined for any violations it committed; and,

22 WHEREAS, fires at PG&E's indoor substations in the City, particularly at the Mission
23 Substation which is located in a heavily trafficked area, pose a serious danger to the public
24 health and safety and to the health and safety of SFFD firefighters; and,

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Supervisors Jake McGoldrick, Ross Mirkarimi, Sophie Maxwell

BOARD OF SUPERVISORS

1 WHEREAS, outages resulting from these fires pose a threat to public health and safety
2 and impose significant hardships, including financial losses, on San Francisco residents,
3 businesses and visitors; and,

4 WHEREAS, as of July 2004, PG&E had paid claims for compensation totaling \$2.2
5 million to individuals and businesses that suffered economic losses as a result of the
6 December 2003 outage; and,

7 WHEREAS, the total economic costs to PG&E customers of the December 2003
8 outage are likely far in excess of \$2.2 million because some costs are unrecoverable, some
9 claims had not been presented or paid by July 2004, and some claims will never be claimed;,
10 now, therefore, be it

11 RESOLVED, That the Board of Supervisors applauds the CPUC for opening a
12 proceeding regarding PG&E's maintenance of its indoor substations; and, be it

13 FURTHER RESOLVED, That the Board of Supervisors urges the CPUC to require
14 PG&E to take all necessary steps to ensure that its indoor substations are safe and reliable,
15 and that those steps include due dates for corrective measures that are enforced by regular
16 inspections; and, be it

17 FURTHER RESOLVED, That the Board of Supervisors urges the CPUC to levy a
18 substantial fine that takes into account PG&E's apparent failure to ensure safe and reliable
19 conditions at its Mission Substation and PG&E's failure to heed its own internal
20 recommendations to make necessary improvements, and that will deter PG&E from allowing
21 such unsafe and unreliable conditions from developing or persisting; and be it

22 FURTHER RESOLVED, That the Board of Supervisors calls on PG&E to provide
23 complete compensation to any persons, businesses, and governmental entities, including the
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1 City and County of San Francisco, that suffered economic harm as a result of any PG&E
2 electrical outages; and be it

3 FURTHER RESOLVED, That the Board of Supervisors urges the CPUC to investigate
4 the fairness and responsiveness of PG&E's process for resolving claims for compensation
5 presented by victims of PG&E outages.

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Supervisors Jake McGoldrick, Ross Mirkarimi, Sophie Maxwell

BOARD OF SUPERVISORS



City and County of San Francisco

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Tails

Resolution

File Number: 051117

Date Passed:

Resolution urging the California Public Utilities Commission (CPUC) to require PG&E to take all measures necessary to ensure that PG&E substations are safe and reliable, urging the CPUC to impose a substantial fine on PG&E for allowing unsafe and unreliable conditions to develop and persist at the Mission Substation, and calling on PG&E to compensate all persons, businesses and governmental entities that suffered economic harm as a result of any PG&E electrical outages.

June 14, 2005 Board of Supervisors — REFERRED: City Operations and Neighborhood Services Committee

July 26, 2005 Board of Supervisors — ADOPTED

Ayes: 10 - Alioto-Pier, Ammiano, Dufty, Elsbernd, Ma, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval

Excused: 1 - Daly

File No. 051117

I hereby certify that the foregoing Resolution was ADOPTED on July 26, 2005 by the Board of Supervisors of the City and County of San Francisco.

JUL 29 2005

Date Approved

Kay Yelbengay

for Gloria L. Young
Clerk of the Board

[Signature]

Mayor Gavin Newsom