



# MARIPOSA COUNTY

Board of Supervisors • 209-966-3222



## **RESOLUTION - ACTION REQUESTED 2018-511**

MEETING: October 23, 2018  
TO: The Board of Supervisors  
FROM: Rosemarie Smallcombe, District I Supervisor  
RE: Ratify a Letter of Support for PGE

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### **RECOMMENDATION AND JUSTIFICATION:**

Ratify a letter to the California Public Utilities Commission (CPUC) in Support of Pacific Gas & Electric's (PG&E's) Catastrophic Event Memorandum Application. (Board Chair)

PG&E requested that we send the attached letter within a 1 - 2 week period. The time necessary to check with staff and better understand the implications of their request exceeded their requested time frame. I am therefore requesting ratification of the letter after it has been sent to the California Public Utilities Commission.

The Catastrophic Event Memorandum Account (CEMA) application for which PG&E sought Mariposa County's support relates to expenditures incurred in their efforts to assist the areas impacted by the Detwiler Fire and also their work to fell and remove trees killed by drought and the bark beetle infestation. The cost of PG&E's efforts on the Detwiler Fire amounted to approximately \$22,413,000. Their cost of their ongoing work on tree mortality, including patrols, felling and removal in 2016, amounted to approximately \$250 Million. PG&E needs to recoup these expenditures and asked for Mariposa County's support for their CEMA application.

The CEMA is the mechanism available to energy utilities to recover costs for exogenous events (emergencies arising from storms, fires, earthquakes) that happen in between General Rate Case (GRC) cycles. If a catastrophic event is declared a state of emergency by the state or federal government, and utilities record costs caused by the event in this memorandum account, the utilities can later ask for recovery of these costs through temporary rate increases approved by the Commission in a formal proceeding. The CPUC then reviews these costs and approves them as appropriate. This is the principle mechanism available to utilities to recover costs incurred from emergencies outside of the GRC.

The CEMA helps ensure that utilities have sufficient resources available to respond to emergencies quickly and efficiently so they can help communities get back on their feet after an emergency. The temporary rate increases approved by the Commission are spread across their ratepayer base rather than concentrated in the area that received the benefit of PG&E's emergency response. That additional revenue functions

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like an insurance pool in that PG&E then has funding available to respond to the next emergency, like the Ferguson Fire, based on revenues received for prior disaster responses. CEMA is also the way PG&E has funded their tree mortality work, including felling and hauling away hazard trees.

### **BACKGROUND AND HISTORY OF BOARD ACTIONS:**

In 2017, the Detwiler Fire coursed through Mariposa County decimating just under 82,000 acres.

### **ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:**

Do not approve the ratification of the letter of support and it will be withdrawn.

### **FINANCIAL IMPACT:**

**No financial impact**

### **ATTACHMENTS:**

**Letter to CPUC, 11 Oct 2018 (PDF)**

**RESULT: ADOPTED BY CONSENT VOTE [UNANIMOUS]**

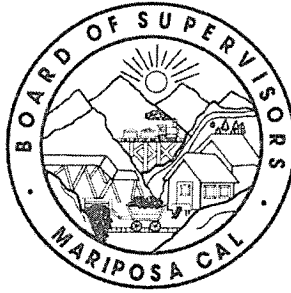
**MOVER:** Marshall Long, District III Supervisor

**SECONDER:** Merlin Jones, District II Supervisor

**AYES:** Smallcombe, Jones, Long, Cann, Menetrey

# Mariposa County Board of Supervisors

District 1 ... ROSEMARIE SMALLCOMBE  
District 2 ..... MERLIN JONES  
District 3 ..... MARSHALL LONG  
District 4 ..... KEVIN CANN  
District 5 ..... MILES MENETREY



DALLIN KIMBLE  
County Administrative Officer

RENÉ LAROCHE  
Clerk of the Board

P. O. Box 784  
Mariposa, CA 95338  
(209) 966-3222  
(800) 736-1252  
Fax (209) 966-5147  
[www.mariposacounty.org/board](http://www.mariposacounty.org/board)

October 11, 2018

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

Dear Ms. Stebbins,

I'm writing in behalf of the Mariposa County Board of Supervisors to express our support of PG&E's Catastrophic Event Memorandum Account (CEMA) application to recover costs incurred during the 2017 Detwiler Fire as well as the work they performed addressing the tree mortality crisis in Mariposa County.

The Detwiler Fire burned just under 82,000 acres and forced the evacuation of 4,000 people, including the entire town of Mariposa. The fire destroyed 131 structures in total – 63 of which were homes.

When the fire broke out, PG&E immediately coordinated with Cal Fire to determine the projected path and potential impact to the community's energy service. In response to the fire, PG&E sent 534 employees and contractors dedicated to fire response and safety. By working with Cal Fire, the crews were able to treat 300 electric poles to ensure faster power restoration times.

PG&E's quick work treating the poles with fire retardant expedited our ability to get back to normal after a devastating wildfire. Its ongoing work on dead and dying trees assists communities combatting the effects of years of drought and bark beetle infestation. Both are essential to preparing for, fighting, and recovering from wildfire disasters.

I ask you to take PG&E's impact to Mariposa County into consideration when reviewing the CEMA application.

Best Regards,

Rosemarie Smallcombe  
Mariposa County Board of Supervisors Chair