FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report: May 25, 2018
(Date of earliest event reported)

Commission File Number
1-12609 PG&E CORPORATION
1-2348 PACIFIC GAS AND ELECTRIC COMPANY

Exact Name of Registrant as specified in its charter
California
94-3234914

State or Other Jurisdiction of Incorporation or Organization
IRS Employer Identification Number
California
94-0742640

77 Beale Street
P.O. Box 770000
San Francisco, California 94177
(Address of principal executive offices) (Zip Code)
(415) 973-1000
(Registrant’s telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):
☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b)
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).
Emerging growth company PG&E Corporation ☐
Emerging growth company Pacific Gas and Electric Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.
PG&E Corporation ☐
Pacific Gas and Electric Company ☐
**2017 Northern California Wildfires**

As previously reported, beginning on October 8, 2017, multiple wildfires spread through Northern California, including Napa, Sonoma, Butte, Humboldt, Mendocino, Del Norte, Lake, Nevada and Yuba Counties, as well as in the area surrounding Yuba City. According to the California Department of Forestry and Fire Protection (CAL FIRE) California Statewide Fire Summary dated October 30, 2017, at the peak of the wildfires, there were 21 major wildfires in Northern California that, in total, burned over 245,000 acres and destroyed an estimated 8,900 structures. The wildfires also resulted in 44 fatalities.

On May 25, 2018, CAL FIRE issued a press release announcing the results of its investigation into four of the wildfires that occurred last October in Northern California: the La Porte, McCourtney, Lobo and Honey fires, located in Butte and Nevada counties. According to the CAL FIRE press release:

- **The La Porte Fire**, in Butte County, started in the early morning hours of Oct. 9 and burned a total of 8,417 acres, destroying 74 structures. There were no injuries to civilians or firefighters. CAL FIRE has determined the fire was caused by tree branches falling onto PG&E power lines. CAL FIRE investigators determined there were no violations of state law related to the cause of this fire.
- **The McCourtney Fire**, in Nevada County, started the evening of Oct. 8 and burned a total of 76 acres, destroying 13 structures. There were no injuries to civilians or firefighters. CAL FIRE has determined the fire was caused by a tree falling onto PG&E power lines. The investigation found evidence that PG&E allegedly failed to remove a tree from the proximity of a power line, in violation of the state Public Resources Code section 4293.
- **The Lobo Fire**, in Nevada County, started the evening of Oct. 8 and burned a total of 821 acres, destroying 47 structures. There were no injuries to civilians or firefighters. CAL FIRE has determined the fire was caused by a tree contacting PG&E power lines. The investigation found evidence that the Public Resources Code section 4293, which requires adequate clearance between trees and power lines, was allegedly violated.
- **The Honey Fire**, in Butte County, started in the early morning hours of Oct. 9 and burned a total of 76 acres. There were no injuries to civilians or firefighters and no structures were destroyed. CAL FIRE has determined the fire was caused by an Oak branch contacting PG&E power lines. The investigation found evidence that the Public Resources Code 4293, which requires adequate clearance between trees and power lines, was allegedly violated.

Also on May 25, 2018, CAL FIRE released its investigation report related to the La Porte fire. CAL FIRE has not yet released its investigation reports related to the McCourtney, Lobo and Honey fires and indicated in its press release that these investigations have been referred to the appropriate county District Attorney’s offices for review. The timing and outcome for resolution of those referrals are uncertain. The timing and outcome of the CAL FIRE investigation into the remaining fires also are uncertain.

As previously disclosed, the Northern California wildfires also are under investigation by the California Public Utilities Commission (CPUC), including the possible role of Pacific Gas and Electric Company’s (Utility), a subsidiary of PG&E Corporation, power lines and other facilities. The CPUC’s Safety and Enforcement Division (SED) is conducting investigations to assess the compliance of electric and communication facilities with applicable rules and regulations in fire-impacted areas. According to information made available by the CPUC, investigation topics include, but are not limited to, maintenance of facilities, vegetation management, and emergency preparedness and response. Various other entities, including fire departments, may also be investigating certain of the fires. On May 25, 2018, the CPUC issued a press release indicating that “the CAL FIRE report issued today regarding the Honey, La Porte, Lobo, and
McCourtney fires will be used to inform the Safety and Enforcement Division’s investigation. If the Safety and Enforcement Division determines that utility violations of rules or regulations caused or contributed to the fires (including the fires that are the subject of CAL FIRE’s report), it can issue Citations, or request that the CPUC’s Commissioners open a formal process to consider fines and penalties.” The timing and outcome for completion of these investigations are uncertain.

As of May 25, 2018, the Utility has received approximately 175 complaints on behalf of at least 2,500 plaintiffs related to the October 2017 wildfires. These cases have been coordinated in the San Francisco Superior Court. The coordinated litigation is in the early stages of discovery. The next case management conference is scheduled for July 9, 2018. The litigation pending against the Utility includes multiple theories of liability, including inverse condemnation and negligence. Under inverse condemnation, the Utility could be strictly liable for property damages and attorneys’ fees if its equipment was a substantial cause of a fire, even if the Utility followed established inspection and safety rules. The Utility also may be liable for fire suppression costs, personal injury damages, and other damages if the Utility is found to be negligent. Regardless of any conclusions by CAL FIRE, including a determination that the Utility complied with all laws, the litigation could take a number of years to resolve.

The Utility is continuing to review the evidence concerning the causes of the Northern California wildfires, including the La Porte, McCourtney, Lobo and Honey fires. The Utility has not had the opportunity to evaluate evidence held by third-parties, including CAL FIRE. Following accounting rules, the Utility records a liability when a loss is probable and reasonably estimable. It is reasonably possible that facts could emerge that lead PG&E Corporation and the Utility to believe that a loss is probable, resulting in an accrued liability in the future, the amount of which could be substantial.

Also on May 25, 2018, the Utility issued a press release related to the announcement and the investigation report issued by CAL FIRE, which press release is attached as Exhibit 99.1 to this report and incorporated herein.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit 99.1 Pacific Gas and Electric Company Press Release dated May 25, 2018

Cautionary Statement Concerning Forward-Looking Statements

This current report on Form 8-K and its exhibit include forward-looking statements that are not historical facts, including statements about the beliefs, expectations, estimates, future plans and strategies of PG&E Corporation and the Utility. These statements are based on current expectations and assumptions, which management believes are reasonable, and on information currently available to management, but are necessarily subject to various risks and uncertainties. In addition to the risk that these assumptions prove to be inaccurate, other factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include factors disclosed in PG&E Corporation and the Utility’s annual report on Form 10-K for the year ended December 31, 2017, their quarterly report for the quarter ended March 31, 2018, and their subsequent reports filed with the Securities and Exchange Commission.
Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

PG&E CORPORATION

By: /s/ David S. Thomason  
David S. Thomason  
Vice President and Controller

Dated: May 29, 2018

PACIFIC GAS AND ELECTRIC COMPANY

By: /s/ David S. Thomason  
David S. Thomason  
Vice President, Chief Financial Officer and Controller

Dated: May 29, 2018
PG&E Responds to CAL FIRE Announcement

SAN FRANCISCO, Calif. — Pacific Gas and Electric Company (PG&E) today issued the following statement in response to the release of information by the California Department of Forestry and Fire Protection (CAL FIRE) regarding some of the October 2017 Northern California wildfires.

The safety of our customers, their families and the communities we serve is our most important job. The loss of life, homes and businesses in these extraordinary wildfires is simply heartbreaking, and we remain focused on helping communities recover and rebuild.

We look forward to the opportunity to carefully review the CAL FIRE reports to understand the agency's perspectives.

Based on the information we have so far, we believe our overall programs met our state’s high standards.

Under PG&E’s industry-leading Vegetation Management Program, we inspect and monitor every PG&E overhead electric transmission and distribution line each year, with some locations patrolled multiple times. We also prune or remove approximately 1.4 million trees annually.

Following Governor Brown’s January 2014 Drought State of Emergency Proclamation and the California Public Utilities Commission’s Resolution ESRB-4, PG&E has added enhanced measures to address areas particularly affected by drought and bark beetles including:

- Increased foot and aerial patrols along power lines in high fire-risk areas;
- Removed approximately 236,000 dead or dying trees in 2016 and 140,000 dead or dying trees in 2017; these tree removals were in addition to approximately 30,000 trees removed per year prior to the drought;
- Launched daily aerial fire detection patrols during high fire season to improve fire spotting and speed of fire response;
- Since 2014, provided $11.4 million to local Fire Safe Councils (FSCs) for fuel reduction projects in communities; and
- Provided $1.7 million to local FSCs for 28 highly programmable remote-sensing cameras for critical fire lookout towers.

PG&E meets or exceeds regulatory requirements for pole integrity management, using a comprehensive database to manage multiple patrol and inspection schedules of our more than two million poles.
Years of drought, extreme heat and 129 million dead trees have created a “new normal” for our state, and we must continue to adapt to meet these challenges.

Extreme weather is increasing the number of large wildfires and the length of the wildfire season in California. According to CALFIRE, in 2017 alone, CALFIRE confronted 7,117 wildfires, compared to an average of 4,835 during the preceding five years. Five of the 20 most destructive wildfires in the state’s history burned between October and December 2017.

In the case of these Northern California wildfires, we saw an unprecedented confluence of weather-related conditions, including: years of drought resulting in millions of dead trees, a record-setting wet winter that spurred the growth of vegetation that then became abundant fuel after record-setting heat during the summer months, very low humidity and very high winds.

The state, first responders and California's utilities are all in agreement that we must work together to prevent and respond to wildfires and enhance climate and infrastructure resiliency.

Following last year’s fires, we are bolstering wildfire prevention and emergency response efforts, putting in place new and enhanced safety measures, and doing more over the long term to harden our electric system to help reduce wildfire risks and to keep our customers safe.

We want to work together to share information, provide resources and help our customers and communities prepare for and stay safe during extreme weather events. This challenge requires us all to come together in order to be successful. We need to look at the full range of solutions. These should include utility practices as well as:

- Forest management to reduce fuel;
- Better management of building in the wildland urban interface;
- Fire-resistant building codes;
- Defensible space practices; and
- Insurance coverage for those homeowners and businesses located in elevated fire areas.

In addition, we strongly believe this must include addressing California’s unsustainable policies regarding wildfire liability. 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. This means PG&E could be liable for property damages and attorneys’ fees even if we followed established inspection and safety rules.

Liability regardless of negligence undermines the financial health of the state’s utilities, discourages investment in California and has the potential to materially impact the ability of utilities to access the capital markets to fund utility operations and California’s bold clean energy vision.

Extreme weather events driven by climate change are causing unprecedented wildfires and creating a “new normal” for our state. We are committed to advocating with legislative leaders and policymakers across the state on comprehensive legislative solutions for all Californians, as we collectively seek to meet the challenge of climate change, and position the California economy for success.
About PG&E

Pacific Gas and Electric Company, a subsidiary of PG&E Corporation (NYSE:PCG), is one of the largest combined natural gas and electric energy companies in the United States. Based in San Francisco, with more than 20,000 employees, the company delivers some of the nation's cleanest energy to nearly 16 million people in Northern and Central California. For more information, visit www.pge.com/ and pge.com/news.