

From: Peevey, Michael R.  
Sent: 9/3/2011 12:48:19 PM  
To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7)  
Cc:  
Bcc:  
Subject: Re: Cupertino Townhouse Fire

We are having a BBQ for some friends tomorrow at 6. You and Sara are welcome. Or, we could get together for dinner Monday. Just call at your convenience. Redacted

**From:** Cherry, Brian K [mailto:BKC7@pge.com]  
**Sent:** Sat 9/3/2011 10:40 AM  
**To:** Peevey, Michael R.  
**Subject:** Fw: Cupertino Townhouse Fire

Mike - FYI. I will let you know more as I hear it.

Got in to Sea Ranch late last night. Perhaps Sara and I can say hello some time before we head home.

**From:** Johns, Christopher  
**Sent:** Friday, September 02, 2011 05:30 PM  
**To:** All PGE Officers  
**Subject:** Cupertino Townhouse Fire

Team,

Below is an update on the Cupertino Townhouse Fire that we sent to the Board today.

Chris

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DIRECTORS OF PG&E CORPORATION AND PACIFIC GAS AND ELECTRIC COMPANY:

We wanted to give you an update on the Cupertino townhouse fire that occurred on Wednesday, August 31. While the townhouse was significantly damaged, thankfully there were no injuries.

The Santa Clara County Fire Department is still conducting its investigation into the cause of the fire. PG&E's initial investigation discovered a crack in a plastic tee on the 2-inch distribution main outside of the townhouse. We believe it is likely that gas leaking from the distribution tee migrated into the garage and ignited the fire. The tee

and distribution system in Cupertino were installed in 1973.

We have been in contact with both the National Transportation Safety Board and the California Public Utilities Commission. While it does not appear that the NTSB will take jurisdiction over the investigation, we are providing them with information about our findings.

Our first priority was to make the area safe. After stopping the flow of gas from the distribution main, we leak surveyed the entire 422-unit townhouse complex and discovered six additional leaks, which were immediately repaired. We also pressure-tested the distribution main in the area and confirmed it was sound. We've sent gas service representatives door-to-door throughout the complex, offering to conduct additional tests within customers' homes. And today, crews are conducting one additional leak survey in the neighborhood as an added precaution.

We've reviewed our call center records on the day of the fire and have not found any gas odor calls prior to the fire. We're in the process of reviewing all calls received during the month of August. We have no records of any repairs at the townhouse in the last 9 years.

We're also working closely with the owner of the townhouse to make sure we are doing everything we can to assist her. We've provided some initial funds to cover any immediate needs she may have, and have offered to provide housing and other support. We will be working to quickly resolve any claims she has to make her whole.

We are looking across our system to see where we might have similar vintage and type of pipe. We're bringing in nationally recognized plastics experts to assist us in reviewing and assessing this risk through our distribution integrity management plan.

Sincerely,

Chris