BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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Order Instituting Rulemaking to Implement Electric Utility Wildfire Mitigation Plans Pursuant to Senate Bill 901 (2018)	R.18-10-007 (Issued October 25, 2018)

REPLY COMMENTS OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) ON THE WILDFIRE MITIGATION PLANS

Keith W. Melville
8330 Century Park Court, CP32D
San Diego, CA 92123
(858) 654-1642 (telephone)
(619) 699-5027 (facsimile)
kmelville@semprautilities.com

Attorney for
SAN DIEGO GAS & ELECTRIC COMPANY

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Pursuant to the adopted procedural schedule in this proceeding[1] and the March 5, 2019 Ruling of Administrative Law Judge Thomas,[2] San Diego Gas & Electric Company (SDG&E) timely submits its reply to comments on the Wildfire Mitigation Plans (WMP or Plan).

Introduction and Summary

In September 2018, Senate Bill (SB) 901 was signed into law.[3] SB 901 enacted legislation on a range of issues related to catastrophic wildfires in California, including detailed statutory provisions requiring electric utilities to file WMPs.[4] SDG&E filed its Wildfire Mitigation Plan on February 6, 2019. While it is impossible for any WMP to eliminate all risk of wildfires or all risk of ignitions associated with utility infrastructure and/or operations, SDG&E has developed what it considers to be a best-in-class Wildfire Mitigation Plan that in every aspect meets or exceeds industry standards and applicable Commission and statutory requirements. This is not to say that SDG&E's Plan cannot be improved. SDG&E intends to continually improve its fire safety and wildfire risk mitigation efforts over time. The California Public Utilities Commission (Commission or CPUC) understands and SDG&E emphasizes that adequate funding is critical to these improvements. SDG&E's Wildfire Mitigation Plan is under review by this Commission, in consultation with the California Department of Forestry and Fire

[1] Assigned Commissioner's Scoping Memo and Ruling (December 7, 2018), as confirmed at the February 26, 2019 Second Prehearing Conference.
[2] ALJ Thomas' Email Ruling Regarding Briefing (March 5, 2019).
[3] Stats. 2018, Ch. 626.
[4] SB 901, among other things, amended California Public Utilities Code (P.U. Code) § 8386 to require electrical corporations to "annually prepare and submit a wildfire mitigation plan to the commission for review and approval, according to a schedule established by the commission." P.U. Code § 8386(b).

Protection (CalFire) and should be approved and implemented expeditiously to mitigate wildfire risk in SDG&E's service territory.

I. Meaning of Plan Approval

SDG&E's Plan (at p. 5) sets forth its objectives in Section 1.2. No party has specifically opposed these and the Commission should find them to be reasonable and appropriate. The Commission's Office of the Safety Advocate (OSA) highlights the importance of the Commission sending a clear message that safety is the top priority (at p. 2) and urges the Commission to adopt a "safety priority" policy for electric utilities. SDG&E agrees with OSA and encourages the Commission to clearly state this policy when approving the WMPs.

The Legislature directed the Commission to review and approve the WMPs within three months of submission and detailed a list of elements that the electric utilities must include in their respective Plans.[5] In addition, the law requires the Commission to conduct an annual review of each electric utility's compliance with its Plan and directs the assessment of penalties on the electric utilities for failure to substantially comply with their Plans.[6] With this in mind, and as succinctly stated by the Coalition of California Utility Employees (CUE) (at pp. 3-5), a Commission approved Plan is a compliance document that establishes the standards that an electric utility must follow to reduce the risk of wildfires caused by utility equipment or it will be penalized. Commission approval of the WMPs means the electric utilities will have direction from the State of California for their wildfire mitigation investments, operations, and programs. Having an approved WMP means the Commission will have an enforceable document related to wildfire mitigation, albeit a first generation one, which may leave some room for improvement and specificity. For SDG&E, its Plan is continually evolving and in an effort for continuous improvement, SDG&E expects that additional wildfire mitigation programs and enhancements will be implemented and refined even after the Plan is approved.

The Commission's decision approving the Plans can and should do more. It should set clear direction for the next round of Plans and indicate where adjustments are needed, if any. It should approve SDG&E's compliance with the prudent manager standard as discussed herein. SDG&E's credit, bond ratings, and ultimately its cost of capital depend upon this Commission's

[5] P.U. Code § 8386(e) and § 8386 (c).
[6] P.U. Code § 8386(h) and § 8386.1.

support and the provision of adequate funding to comply with applicable fire safety rules and laws.

SDG&E recommends that, in approving these Plans, the Commission should determine that when an electric utility substantially complies with its approved Plan, the electric utility has been prudent for purposes of cost recovery applications, including but not limited to P.U. Code § 451.1. Of course, where a utility has not substantially complied with its approved WMP, but such non-compliance was not the proximate cause of a wildfire or wildfire costs, the Commission retains its existing authority to impose penalties on the utility, as appropriate, for the non-compliance. And if a utility has not substantially complied with its approved WMP, and such non-compliance was the proximate cause of a wildfire or wildfire costs, the Commission may disallow recovery of all, or a portion of, the wildfire costs, after an assessment of the utility's conduct, using the factors set forth in P.U. Code § 451.1.

SDG&E agrees with CUE that substantial compliance with an approved Plan shows that the electric utility acted reasonably and prudently as supported by the statutory analysis of SB 901 set forth in CUE's comments (at pp. 6-8). As CUE further notes (at p. 6), it is not reasonable to think that the Commission would approve a wildfire mitigation plan that did not prescribe the reasonable and prudent conduct an electric utility should undertake.

While the City and County of San Francisco's (CCSF) comments (at p. 4) argue that the "plain meaning" of SB 901 precludes using Plan compliance to find that the utility has been prudent, CCSF's position ignores the crisis that the state's investor owned utilities (IOUs)[7] now face as a result of catastrophic wildfire liabilities arising from the application of inverse condemnation. This crisis has intensified dramatically since the Legislature added Section 451.1 to the P.U. Code via SB 901, as exemplified by the fact that the state's largest investor owned utility filed for Chapter 11 reorganization in early 2019. The combination of enormous liabilities arising under the strict liability standard of inverse condemnation, and the assumption that the Commission will deny rate recovery, has undermined the financial health of all of the state's utilities. The Commission has the broad authority under P.U. Code § 451 to make justness and reasonableness determinations. It must use that authority to stem the current crisis by providing

[7] The IOUs are SDG&E, Southern California Edison Company (SCE), and Pacific Gas and Electric Company (PG&E).

upfront certainty to all stakeholders that substantial compliance with a Wildfire Mitigation Plan will entitle the utility to cost recovery for catastrophic wildfire liabilities.

Intervenors have argued that SB 901 is silent on this point and does not explicitly couple compliance with an approved WMP with the prudent manager standard. Even if the statute is not explicit in this regard, it is within the Commission's right to interpret the law. SDG&E is required to put forth mitigations in a Wildfire Mitigation Plan and after the Commission approves the Plan, if SDG&E complies with the Plan, then SDG&E should be deemed prudent.

The California Farm Bureau Federation (Farm Bureau) argues (at pp. 6-7) that P.U. Code § 8386(f) precludes the Commission from using compliance with the WMP in a cost recovery setting. Farm Bureau's argument is inapposite, since Section 8386(f) relates to the Commission's *approval* of the WMP, not compliance with it; and addresses enforcement actions, not cost recovery.

Will Abrams (Abrams) commented that the Plans should be more innovative (i.e., think-tanks and taskforces) as well as include process improvements and different metrics. Abrams comments (at p. 6) that "…if these plans do not incorporate these components in a significant and substantial manner, then these plans should be considered a 'draft' or a 'framework' and not a 'plan' at all." SDG&E does not believe that SB 901 allows this outcome and urges the Commission to reject it. The Mussey Grade Road Alliance (MGRA) also comments (at p. 1) that the Plans should be approved for "limited" use. Like Abrams, MGRA fails to explain how this meets SB 901's requirements.

The Utility Reform Network's (TURN) comments (at pp. 2-3) ask the Commission to compare the approval of the Plans to the review of Smart Grid Development Plans from a decade ago. This comparison is inappropriate and incomplete; the Commission only provided "guidance" with regard to smart grid development pursuant to SB 17, but in response to SB 901 it will approve WMPs that the electric utilities must comply with.

TURN also argues (at p. 12) that P.U. Code § 8386(d) directs the Commission to verify that each WMP complies with "all applicable rules, regulations, and standards, as appropriate." TURN somehow reads this provision to require each electric utility to determine all standards, rules, and regulations that are potentially applicable, and demonstrate that they are currently in compliance with each one. In fact, the law requires the Commission to find that the WMP (i.e., a forward-looking document) is in compliance with applicable rules and regulations. Furthermore,

the utilities routinely file compliance reports (e.g., General Order (GO) 165) and the Commission can take official notice of those rather than (as TURN suggests) having them attached to future WMPs.

Additionally, intervenors (i.e., CalPA at p. 1) assert that Commission approval of a utility's WMP does not create a new compliance requirement. This is inconsistent with SB 901. The mere fact that the "commission shall assess penalties on an electrical corporation that fails to substantially comply with its plan"[8] is evidence that a compliance requirement exists and that such requirements will be taken seriously. Further, each electrical corporation must "engage an independent evaluator…to review and assess the electrical corporation's *compliance* with its plan."[9] Both of these examples from SB 901, which even use the word "comply" or "compliance," demonstrate that a utility must comply with its Plan. As such, compliance should mean that a utility acted prudently in adhering to a Commission approved Plan and, therefore, cost recovery should be heavily weighted in a future General Rate Case (GRC) or applicable proceeding.

II. Overall Objectives and Strategies

SDG&E's approach to minimizing the risk of its electrical infrastructure causing catastrophic wildfires involves a three-pronged approach integrating efforts in Operations and Engineering, Situational Awareness and Weather Technology, and Customer Outreach and Education.

a. Operations and Engineering

SDG&E's Plan explains how SDG&E builds, maintains, and operates its electric system to be fire safe, which includes operational responses to wildfire conditions. SDG&E has invested prudently in system hardening and believes it should continue to make further investments in fire-hardening its electric system through the various programs and strategies set forth in its Plan. Some parties (e.g., Protect Our Communities Foundation (POC)) argue that system hardening is improper and that the Commission should instead order investments in alternative technologies. However, alternative technologies do not mitigate wildfire risk; system hardening does. The California Environmental Justice Alliance's (CEJA) comments (at pp. 15-

[8] P.U. Code § 8386.1.
[9] P.U. Code § 8386 (h)(2)(B)(i), emphasis added.

17) argue that steel poles should not be utilized in high fire threat areas but that utilities should continue to use wood poles. CEJA's criticisms are overly narrow and utterly misplaced. New, engineered steel poles are stronger, taller, and have known characteristics which allows for both increased clearances and stronger conductors. All of this means lower risk of ignitions. By focusing these investments in hardening in the high fire threat district (HFTD), the lower risk of ignitions translates into risk mitigation against wildfire. The Public Advocates Office at the CPUC (CalPA) also commented on the use of steel poles instead of wood. SDG&E believes that the system hardening efforts it has undertaken in the past, and the similar efforts outlined for 2019 and 2020 are absolutely critical to its fire mitigation efforts. Again, the issue is not simply the material used for a pole (wood versus steel) but is the strengthening of the entire distribution circuitry, including materials, height, clearances, technology, conductors, etc.

TURN's comments (at p. 13) argue that the Commission should focus primarily on near-term measures that are likely to be successfully implemented to reduce wildfire risk in 2019. SDG&E does not agree that these constraints are appropriate. A mix of short-term, medium-term, and long-term solutions are all appropriate – particularly for SDG&E, which is further along in its wildfire mitigation programs than other utilities.

In approving SDG&E's Plan, the Commission should find the specified Operations and Engineering strategies and programs outlined in Sections 4.1 through 4.4 of its Plan to be reasonable and appropriate. Specifically, the approval of core fire hardening programs such as Fire Risk Mitigation (FiRM) and Pole Risk Mitigation and Engineering (PRiME) as well as new programs such as expulsion fuse replacement and the Long-Term Evolution (LTE) communications programs that enables SDG&E's system protection mitigations are critical to achieving SDG&E's risk mitigation objectives. SDG&E will continue to seek improvements where noted in its Plan.

b. Situational Awareness and Weather Technology

As noted in its Plan and during workshops, SDG&E has invested prudently in situational awareness for over a decade and believes it should continue to make investments in this area as outlined in its Plan. SDG&E operates America's most granular utility-owned weather network with over 20,000 pieces of weather data collected daily. This weather data is shared with external weather agencies, fire agencies, and the general public. Weather stations are located on distribution and transmission poles, with at least one station representative of every circuit in

high fire areas. SDG&E also leverages over 100 high definition cameras, with 16 pan-tilt-zoom cameras, which improve fire detection and monitoring. CalPA acknowledges (at p. 17) that SDG&E's situational awareness program is one of the strongest proposals in its Plan and CalPA considers it to be a good guideline for other utilities to follow.

Although SDG&E already has sophisticated situational awareness capabilities, as explained in its Plan (at Sections 4.5 and 4.6), SDG&E will continue to innovate and invest in technology that will decrease the risk of catastrophic wildfire fueled by high winds. Future steps include: a strategic rebuild of existing weather stations; additional installations of weather stations and cameras in coastal canyons and wildland urban interface areas; integration of artificial intelligence into the fuels modeling; and deploying a cloud base of SDG&E's Wildfire Risk Reduction Modeling (WRRM)-Ops model to provide in-field capabilities. The Commission should find these situational awareness and weather technology programs and strategies reasonable and appropriate.

c. Customer Outreach and Education

In approving SDG&E's Plan, the Commission should find the specified Customer Outreach and Education strategies and programs outlined in Sections 4.7 and 5 of its Plan to be reasonable and appropriate. SDG&E recognizes that it does not operate alone in mitigating wildfires and that first responders, elected officials, non-profit support organizations, and the general public all play a vital role in achieving wildfire prevention and mitigation. SDG&E has invested prudently in customer outreach and communications and should continue to make investments in this area as outlined in its Plan. SDG&E has built and maintained a multi-level outreach and education strategy to create public awareness of fire threats, fire prevention, and support during a wildfire or de-energization event. CEJA commented (at pp. 25-26) on the number of languages in which SDG&E is currently able to communicate with customers. As noted in its Plan, SDG&E is moving toward the ability to communicate in all five of the most common languages.

III. Risk Analysis and Risk Drivers

TURN argues (at pp. 17-18) that the IOUs' risk analysis is imperfect, because their WMPs do not describe the construction of a Multi Attribute Value Function (MAVF). SDG&E's Plan (at p. 12) acknowledges that the Commission has recently adopted

methodological changes related to risk management in D.18-12-014, which includes building a MAVF and a more quantitative approach to risk assessment and mitigation analysis. SDG&E plans to reflect this new methodology in its upcoming Risk Assessment Mitigation Phase (RAMP) that will be filed later this year. Risk analysis will be under close scrutiny in the RAMP proceeding, including wildfire risk and mitigations. For purposes of approval of SDG&E's WMP, the decision should find that SDG&E has conformed with current Commission direction, met the requirements in SB 901, and the WMP is appropriately risk-informed.

CalPA comments (at p. 10) that SDG&E has not completed a risk spend efficiency (RSE) calculation for its fire hardening strategy and states that the Commission should direct SDG&E to provide the RSE justification in its next WMP. SDG&E notes that RSEs are being developed in the upcoming RAMP filing. SDG&E agrees with CalPA that each utility needs to consider how best to choose activities to reduce wildfire risk given the costs of those activities. The upcoming RAMP proceeding will present SDG&E's risk assessment approach, consistent with D.18-12-014. The approach will include, among other things, an estimation of how much risk reduction each activity will bring. When coupled with the estimated cost of the activity, it is possible to discuss benefits of the activities in a prioritized manner. In addition to a quantitative view of each risk activity, in the upcoming RAMP filing, SDG&E will provide a comprehensive discussion for each mitigation, including constraints and how each activity fits into SDG&E's strategic vision.

Abrams argues (at p. 6) that utility risk analysis is flawed in that it is not based on risk ratios and probabilistic risk assessments. Abrams, instead, offers scorecards for the "type of accountability" and "type of wildfire risk reduction we need" (at p. 13). SDG&E disagrees that "risk ratios" is a necessary method and notes that the Commission and the utilities are moving rapidly toward the use of probabilistic risk assessments. Abrams is apparently unaware of what the CPUC has already resolved regarding risk quantification and the associated methodologies (including risk reduction), and accordingly seems to propose discarding what the Commission has already adopted in the Safety Model Assessment Proceeding (S-MAP) settlement.[10] Abrams also seems to ignore that utilities must follow the "Cycla Corporation 10-Step Evaluation Method as a common yardstick for evaluating maturity, robustness, and thoroughness of utility

[10] D.18-12-014.

Risk Assessment and Mitigation Models and risk management frameworks."[11] Further, Abrams' proposal does not distinguish between likelihood of failure (LoF) and consequences of failure (CoF) and wrongly assumes that the consequence of a wildfire can be easily managed once an ignition occurs. Accordingly, many of Abrams' comments are better suited for the S-MAP. As for accountability, the Commission has already developed a framework to measure spending and effectiveness of mitigants,[12] the Risk Spending Accountability Report and the Risk Mitigation Accountability Report. SB 901 now takes accountability further through the independent evaluator,[13] potential assessment of penalties,[14] and inability to divert revenues authorized to implement the plan.[15]

SDG&E agrees with CEJA (at pp. 7-11) that socioeconomic factors may be able to be considered for prioritization of hardening. Further discussion may be necessary to understand how CEJA thinks about the issue. Generally speaking, the hardening of facilities brings multiple benefits: reduced wildfire risk to the areas affected by each ignition, improved reliability for the area of hardening, and perhaps reduced need for Public Safety Power Shutoffs (PSPS) in the area of hardening. But because fires can spread to multiple communities across many miles, identifying who benefits from hardening is not necessarily straightforward. In fact, in some situations, hardening electric system "upstream" from a community is the best way to help that community. It is a complex issue that SDG&E would like to participate in and will continue to think of ways to discuss this topic with interested parties.

IV. Wildfire Prevention Strategy and Programs

SDG&E's WMP included detailed discussion of SDG&E's operating conditions and how they are used,[16] fire coordination, firefighting assets, and resources. The WMP also addresses SDG&E's inspection plans (distribution, transmission, and substation) and geographic

[11] D.16-08-018 at 195, Ordering Paragraph 4.
[12] Established via D.14-12-025.
[13] P.U. Code § 8386 (h)(2)(B)(i).
[14] P.U. Code § 8386.1.
[15] P.U. Code § 8386(i).
[16] Using a variety of situational awareness inputs, SDG&E established four Operating Conditions (Normal, Elevated, Extreme, and Red Flag Warning) to monitor the wildfire potential throughout its service territory in order to guide and inform various operating decisions, such as: recloser settings, sensitive relay settings, testing procedures, work restrictions, and contract fire resources.

information system (GIS) data. Section 4.3 of SDG&E's WMP discusses system hardening, design and construction standards, emerging technologies, asset management, programs addressing expulsion fuses, wires, poles, hotline clamps, covered conductor, advanced protection and LTE networks, and PSPS protocols.[17] Approval of these programs and strategies are necessary for SDG&E to meet its wildfire prevention and mitigation goals.

OSA's comments (at p. 18) commend SDG&E on its hard work, and suggests that SDG&E work faster:

> OSA commends all the hard work SDG&E has done over the years to develop effective wildfire mitigation programs. OSA has only one comment for the SDG&E WMP. On page 34 SDG&E states in their WMP, "To date, the FiRM program is currently 24% complete having replaced over 7,000 poles and 350 miles of wire. SDG&E plans to continue this effort for the foreseeable future as there are still 1,100 miles of aged high-risk conductor remaining within the HFTD in SDG&E's service territory. At this current rate of reconductoring approximately 84 miles of high-risk conductor per year, it will take SDG&E approximately 13 years…". OSA believes this schedule can be shortened and recommends that SDG&E do everything it can to partner with manufactures around the world to accelerate material production for covered conductor and poles.

SDG&E greatly appreciates OSA's support and feedback but would like to clarify that its WMP already proposes to accelerate its FiRM program (circuit miles hardened per year) to complete the program in only 7 years. As noted in SDG&E's WMP (at p. 35), "However, given the California fires of 2017 and 2018 and the elevated risk climate change has brought to the state, SDG&E is planning to accelerate this effort to replace these older line elements by 2025 (years 2019-2025). The increased scope of work would begin engineering and design in 2019 and construction in 2020." See also, SDG&E's WMP at Appendix A, p. A-22.

OSA also suggests:

> Additionally, SDG&E should either hire quality control engineers or contract with QC consulting companies where needed to do onsite inspections of materials being produced. Having someone on site at the manufacturing facilities will not only help with QC but will help expedite the orders. Also, to increase the available skilled workforce SDG&E needs to complete the work, SDG&E should work with trade schools and/or develop in-house training programs to gain the skilled workforce needed to harden the remaining

[17] SDG&E has an obligation to operate its system safety, which may require SDG&E to de-energize circuits when necessary to protect public safety. SDG&E is statutorily authorized to do so under P.U. Code §§ 399.2(a) and 451, consistent with D.12-04-024 and Resolution ESRB-8. A PSPS is a last resort measure to reduce wildfire risk.

areas SDG&E has identified in Tiers 2 and 3 of the Commission's HFTD map that still need to be addressed.

Assuming the Commission supports these OSA suggestions, SDG&E will investigate opportunities to develop training programs and quality control (Q/C) for materials procured for FiRM.

In stark contrast to OSA, some intervenors find fault with SDG&E's hardening programs. For example, POC (at p. 8) opposes SDG&E's program to replace expulsion fuses with newer, safer ones. POC's argument is that these fuses did not cause any reportable ignitions in the 2015-2017 time period. POC claims (at p. 9), without any citation or support, that the funding for new fuses "may be better spent" on conductor spacing or patrols. The Commission should reject POC's suggestions to re-prioritize spending based on a very small amount of historical fire data, particularly given that POC has no demonstrated fire expertise.[18]

By focusing on a pole material choice, steel vs. wood vs. composite, POC completely misses the mark on the fire risk mitigation benefits of SDG&E's proposed hardening program. The driving force behind changing existing wood pole structures is not to change the structure to steel, but to install a structure that can withstand the known local wind conditions these areas could potentially experience during an extreme Santa Anna wind event. Regardless of whether the utility structure is wood or steel, if the structure was designed to GO 95 lite standards of 56 miles per hour (mph) wind, and the actual wind the line experiences is 85 mph, that is a change from 8 pounds per square foot (psf) to 18 psf over a 100% difference in load. To reliably withstand that type of load, existing wood pole structures must be changed out to larger (steel or wood) structures to be able to withstand the substantial increase in load requirements. In

[18] POC also argues that SDG&E should have included certain CPUC incident reports in its WMP. The Commission already has this data and can take official notice of it if it wishes to; furthermore SB 901 did not require these reports as a component of the wildfire mitigation plans. POC also argues that SDG&E has not taken any legislative action regarding mylar balloons. POC states no basis for this claim. In fact, SDG&E is working with the balloon industry to develop a non-conductive and commercially viable balloon. SDG&E is scheduled to test a new version of non-conductive balloons; this is the second "pilot production" balloon tested. SDG&E is working with IEEE to develop a balloon testing standard (distribution levels). The goal is to work with IEEE to develop a test standard and results category in order to test balloons consistently, then classify them as safe/not safe at electric distribution voltages. SDG&E had a meeting with a California Assembly member last month who has led multiple legislative attempts to outlaw or regulate conductive balloons and is aware of SDG&E's approach working with the balloon manufacturers and with IEEE to develop a standard.

addition to designing to the known local conditions, SDG&E is increasing the phase spacing of its conductors, a design choice POC agrees with (at p. 17):

> Eliminating the potential for conductor slap is a substantive mitigation step. It does not require replacement of the entire pole. It requires only a simple retrofit of the wooden cross-arm (from which the conductors hang) on the existing wooden poles with a cross-arm that affords sufficient spacing between the conductors to prevent conductor slap.

In addition to the extended phase spacing, SDG&E is also using high tensile strength conductors, to mitigate the chance of wire down failures that could lead to an ignition.

The choice of the steel pole over a wood pole was made for two reasons. The first is in SDG&E's experience, in 2003 and 2007 wood pole structures burnt and the steel poles and towers that were exposed to the fires maintained structural integrity. SDG&E is not claiming all steel poles will withstand all fires, just that they are more resilient to fires than wood. The other reason is that they are a more reliable (meaning less variability in design strength) than wood poles. POC states (at p. 14), "SDG&E claims that steel poles are a more reliable construction material. However, no actual evidence has been presented to support this conclusion." Contrary to POC's assertion, there is evidence to support this conclusion in GO 95. The strength variability of materials is built into the material safety factors. Grade A wood pole construction requires a safety factor of 4 while steel structures require a safety factor of 1.5. The cost difference between wood poles and steel poles for the same height and class are approximately 4% of the overall average pole replacement cost.

In Section 4.2 of its comments, TURN addresses what it calls "cost recovery review concerns" arising from SDG&E's WMP. As SDG&E explained thoroughly in its WMP (at pp. 82-83), the cost estimating contained therein was complicated by the fact that SDG&E's 2019 GRC application is still pending, and thus any "incremental" spending was necessarily compared to a baseline from SDG&E's existing revenue requirement, not its proposed-but-pending 2019 revenue requirement. While TURN complains about the complexity it sees in future review, it did not offer any alternative approach with less complexity, nor did it identify anything inappropriate or incorrect in SDG&E's methodology.

In Section 4.3 of TURN's comments, TURN suggests a prioritization of work planned for 2019. TURN's proposals are not utility specific but generic across all utilities. SDG&E does not

believe that all the utilities are in the same position as regards 2019 work planned, and as such does not support TURN's general prioritization scheme.

Section 4.4 of the WMP addresses SDG&E's vegetation management plan, including tree trimming,[19] pole brushing, hazard tree removal, red flag warning operations. Some comments urge the Commission to restrict what they see as aggressive vegetation management. However, as CalFire stated at the WMP technical workshop on February 27, 2019, utility line clearing is a key step in mitigating wildfire risk. At that same workshop, SDG&E shared that it is most concerned with tree "fall-ins" as opposed to "grow-ins," and emphasized the importance of its enhanced vegetation management, which seeks to analyze trees outside of the utility right of way to assess those that are tall enough to fall and strike the line. Parties may urge the Commission to simply rely on system hardening in order to "save the trees," however, at workshop the electric utilities unanimously agreed that while reconductoring with covered conductor or a high tensile strength conductor may provide some resilience to vegetation contact, the strategies are complementary, and both are needed. CalFire concurred. Wildfire mitigation cannot just rely on reconductoring to reduce ignitions, vegetation management is absolutely needed as well.

CEJA (at pp. 17-19) and TURN (at p. 23) express concern with SDG&E's proposed enhanced vegetation management. As explained in its WMP (at pp. 43-44), SDG&E seeks to increase its post-trim clearance to 25 feet within the HFTD where feasible and where the lateral and overhead branches could impact the power lines by branch movement due to wind and/or branch breakout due to structural defect. This does not mean that SDG&E will arbitrarily remove thousands of trees, but, rather, it will target species with a known propensity for failure and will conduct its trims with knowledge of local conditions. SDG&E will obtain greater clearances when pruning by applying correct industry standards in the effort to direct tree growth away from the lines. Where applicable, SDG&E will replace removed trees with compatible species. Covered conductor does not completely protect from impacts due to large tree or branch fall-ins. SDG&E will not be targeting healthy trees for removal unless there is evidence of structural defects that could impact the overhead electrical facilities.

POC (at pp. 17-20) also addresses SDG&E's enhanced vegetation management and (at pp. 17-18) expresses concern with SDG&E's use of contractors for vegetation management. SDG&E relies on a professional, contracted workforce to perform all its vegetation management

[19] SDG&E manages approximately 465,000 trees, all of which are mapped in a GIS database.

activities for several reasons. The contractors are properly equipped and trained in electrical awareness and safe tree working practices and are highly supervised in their work performance. The IOUs are able to secure negotiated service agreements with these contractors using a competitive bidding process that also enables the IOUs to control ratepayer expenses. SDG&E's contracted pre-inspection workforce includes certified arborists trained in tree growth rates and hazard assessment. SDG&E's master schedule includes multiple inspection activities within the entire service territory annually. These comprehensive inspections ensure that every foot of transmission and distribution line is patrolled, and every tree that could impact the lines is assessed. These multiple inspections help ensure that encroachment by growth will be avoided. Higher frequency of inspection such as monthly are arguably excessive for several reasons such as: 1) trees do not grow at a consistent rate throughout the year, 2) data indicates that ignitions by growth are relatively rare, 3) customers would be adversely affected, and 4) the negative impacts to the environment.

POC argues (at p. 11-12) that SDG&E's plan lacks summary of inspection results. POC's suggestion is unnecessary; GO 165 reports include this information and are publicly posted on the CPUC's web site. SDG&E's detailed inspections review over eighty varied pole characteristics and conditions, which include visual inspections that identify deteriorated equipment such as cross arms, poles and insulators. SDG&E's inspection program is in compliance with GO 165 and helps to identify and fix equipment before it fails, which mitigates the risk of a potential ignition. All detailed inspections and patrols are performed by trained company personnel. GO 165 wood pole intrusive inspection is performed by contractors specializing in this type of technical work.

The Green Power Institute (GPI) expresses concern (at pp. 5-6) with the disposition of biomass material after vegetation management. SDG&E's primary responsibility is compliance with clearance requirements and ignition avoidance. SDG&E does not engage in large-scale fuel reduction projects that generate heavy fuel-loading conditions. Vegetation Management tree operations generally include the chipping and hauling away of all waste debris. It is only in instances of large tree removals or large tree branch pruning where woody debris may be left on site. In such instances, the wood is left in manageable size for customer disposal. Biomass generated during Vegetation Management operations is delivered to landfills to be used for multiple purposes. SDG&E also delivers a percentage of biomass associated with tree operations

to a 100% recycling facility. SDG&E contractors also offer chipped material to customers for beneficial uses such as mulch, weed abatement, erosion control, composting, etc.

Section 4.5 of SDG&E's WMP discusses situational awareness protocols, staffing, meteorology, indexes including the Fire Potential Index (FPI) and Santa Ana Wildfire Threat Index (SAWTI), models such as WRRM and camera networks. As discussed in Section 2 above and as noted in its WMP, SDG&E plans to demonstrate continuous improvement across its situational awareness platforms. This will be achieved through ongoing collaboration with stakeholders in the fire science community focusing on new and innovative ways to comprehensively monitor and anticipate extreme fire weather conditions. Although SDG&E has had an approximately ten-year head start on developing its situational awareness capabilities, there are many opportunities to enhance existing strategies and programs.

Section 4.7 of SDG&E's WMP addresses protocols on de-energization. As most parties note, there is a separate rulemaking addressing the details of de-energizations or PSPS. SDG&E urges the Commission to state in its decision approving its WMP that SDG&E's PSPS protocols are appropriate and comply with existing requirements although also under additional review in a separate Commission proceeding, Order Instituting Rulemaking 18-12-005.[20]

CEJA (at pp. 12-13) suggests that improvements are needed to SDG&E's Community Resource Centers (CRCs). As discussed in its WMP (at p. 62), SDG&E developed the CRCs as a result of community meetings held in the most at-risk communities in SDG&E's service area. The CRCs were established to support those communities in real time during extreme weather events and PSPS events. SDG&E will continuously work with the communities to enhance and improve the CRCs to provide the best service possible to those impacted by extreme fire weather conditions. In terms of transportation during high risk events, SDG&E encourages all community members to develop a customized emergency plan, as emergencies can happen at any time.

[20] Joint Commenters (AT&T and CCTA) filed comments in this proceeding which were limited to a new proposal regarding a single detailed issue regarding specific notification timelines to certain types of entities during de-energization. Joint Commenters did not argue that SDG&E's protocols failed to comply with P.U. Code § 8386(c)(7) but just stated that they preferred those of another utility. SDG&E will not respond at length but urges the Commission to address this proposal in the de-energization proceeding where other details are being addressed.

SDG&E has proposed in its Wildfire Mitigation Plan additional programs and activities as compared to those identified in its GRC. Because of the timing of the filing of the Wildfire Mitigation Plan and the GRC,[21] SDG&E should be allowed flexibility to shift timing of investments identified in its Wildfire Mitigation Plan. SDG&E should also be allowed flexibility to shift funding between programs and investments identified in its Wildfire Mitigation Plan. This is appropriate and reasonable given that this is the first Wildfire Mitigation Plan under SB 901. The Commission not only will approve SDG&E's Wildfire Mitigation Plan but also will determine funding in SDG&E's GRC. However, it would not be reasonable for SDG&E to wait to implement its Plan simply because funding has not been pre-approved or program parameters fully litigated.

V. Emergency Preparedness, Outreach and Response

SDG&E believes that its emergency preparedness and response plans, as set forth in Section 5.1 through 5.3 of its WMP, are reasonable and appropriate.

CEJA (at pp. 25-26) raises some arguments regarding SDG&E's customer communication/outreach/additional languages. CEJA's comments do not justify changes to SDG&E's WMP. Using its early warning system, SDG&E proactively contacts customers who have the potential of being affected by a PSPS upon the issuance of a Red Flag Warning or extreme fire weather conditions (24 to 48 hours prior). SDG&E reaches out to every customer account on the circuits that are forecasted to experience the most severe weather. The early warning system makes outbound dialer phone calls, with some customers subscribed to additional direct communications, such as email and/or text messages. SDG&E uses its social media channels and website to also keep customers informed with real-time updates throughout the day and night. In addition, important messages are amplified through proactive communication with local TV, radio, and print media outlets.

Medical Baseline customers are the only set of customers where SDG&E has records related to the type of medical conditions of those customers. Additional customer data related to conditions that could be exacerbated by wildfire smoke does not exist. Knowing that every

[21] SDG&E's Test Year 2019 GRC (A.17-07-007) is pending. Many of the programs and activities in SDG&E's Wildfire Mitigation Plan have been included in and will be funded through SDG&E's GRC rates. As a decision has not yet reached, SDG&E does not know at this time what funding will be authorized.

customer has different needs, SDG&E's 2019 educational campaign insight will encourage customers to prepare themselves and their families for emergencies, including wildfires, since power outages can occur at any time, anticipated or not. The community-based organizations that SDG&E partners with also help share the message of preparedness with their community base. Additional outreach to community-based organizations that serve non-English speaking residents will include discussion about how to best reach these populations before and during emergencies. SDG&E relies on its partners for their recommendations since SDG&E has no records of the exact languages that customers prefer.

Since the issuance of Resolution ESRB-8 and as a result of community outreach, SDG&E's customer notification processes have recently undergone significant refinement, which will continue as SDG&E receives feedback and lessons learned from 2018 PSPS events. Specific areas of focus will be an update to the base software of the Enterprise Notification System (ENS) that will enhance SDG&E's ability to serve its customers by adding two-way texting capabilities and synching the ENS with SDG&E's GIS and weather network to provide more targeted and timely alerting. SDG&E is also examining its processes and investigating the feasibility of translating and distributing in-language notifications during events, something it does not currently have the ability to do.

CEJA (at p. 21) requests that SDG&E include explicit provisions in its Plan to stop estimated energy usage for billing when a home or business is unoccupied due to a disaster. CEJA states that SCE already includes this provision to meet this requirement and PG&E includes similar provisions. While all electric utilities, including SDG&E, can adjust usage when homes and/or businesses are unoccupied, there are practical implications to this provision. If adopted, this provision should be limited to areas where a mandatory evacuation order has been declared and this provision should only impact those days and hours of the evacuation notice. Given that the IOUs bill for an entire bill period, approximately 30 days, other days outside the evacuation order period could be estimated.

CEJA also goes on to recommend that disconnections should be suspended, and payment arrangements extended for customers whose employment was impacted by wildfires. SDG&E is fully committed to supporting its customers that are impacted by disastrous events. To that end, SDG&E is always open to work with customers that are having difficulties paying their energy bill. Customers may set-up payment arrangements using SDG&E's self-service channels or by

contacting SDG&E's Call Center. SDG&E will work with customers that are impacted by wildfires to establish an agreeable payment arrangement. Customers will have to self-certify that their employment has been impacted by wildfires, as SDG&E has no information regarding wildfire impacts on employment of its customers.

CEJA comments (at p. 21) that SDG&E should include specific ways to deploy the Energy Savings Assistance (ESA) program to low income communities impacted by a wildfire and points to SCE's Plan, which discusses how they "educate[ ] low-income customers impacted by a disaster about the ESA program and, if customers are interested, deploy[ ] its ESA contractors to customers' homes to confirm ESA program qualification and assist[ ] in the enrollment process." SDG&E agrees with SCE's proposal for ESA program deployment and will implement a similar process to provide low income communities in areas impacted by wildfire with appropriate information to assist them with potential ESA enrollment.

VI. Performance Metrics and Monitoring

The topic of risk metrics is a high priority for SDG&E. The utility appreciates parties presenting ideas on how to better measure and monitor risk. SDG&E believes that the next few years will bring many positive changes on how data is collected and communicated, both for internal analysis and for external transparency. Given that SB 901 requires the utilities to set forth "a description of the metrics…to use to evaluate the plan's performance and the assumptions that underlie the use of those metrics,"[22] SDG&E believes that its eleven metrics provided in Section 6.2 of its WMP are appropriate metrics to use to evaluate its Plan's performance. SDG&E identified at least one metric for each of the sub-headings (e.g., Operational Practices, Vegetation Management Plan) in Section IV (Wildfire Prevention Strategy and Programs) and Section V (Emergency Preparedness and Response) put forth in Attachment A, pursuant to the ALJ's Ruling On Wildfire Mitigation Plan Templates, dated January 17, 2019. SDG&E believes that these metrics in addition to the application of previously identified metrics to inform the plan specified in Section 6.3 will enable the establishment of a causal effect between a specific mitigation measure and an anticipated/intended outcome.

[22] P.U. Code § 8386(c)(4).

Metrics for evaluating the Plan's performance will be an iterative process that will be refined over future wildfire mitigations plans. Further, SDG&E will utilize the metric-related information developed in relation to or that results from the independent evaluator's report, in compliance with P.U. Code § 8386 (h)(2)(B) to inform its future Plans. Programs and strategies are tied to evaluation metrics. SDG&E strongly believes that performance metrics should measure what the utility can plan for and control, rather than results tied to, e.g. fire suppression activities.

TURN, CalPA, CEJA, and MGRA suggested that metrics be outcome-based, with TURN specifically arguing metrics such as number of deaths, acres burned, and structures damages be included. SDG&E disagrees. SDG&E's performance can determine how much system hardening it achieves as compared to plan; however, SDG&E cannot control how many structures or acres a fire may burn. These outcomes are driven many external factors such as fire suppression activities, priorities set by the fire agencies, whether prescribed burns or forest thinning has occurred, whether defensible space has been enforced, whether mandatory evacuations were ordered, weather conditions, and so on.

OSA recommended metrics related to wires down, specifically number of wires down, the number of wires down that remain energized, and response time to wires down. CEJA also put forth metrics such as how fast is a line de-energized after an ignition, or how fast is a community notified after an ignition. While these proposed metrics are aimed at post-ignition events and wires down, SDG&E is implementing and proposing additional mitigation activities with the focus of eliminating such events (ignitions and wires down) prior to their occurrence. SDG&E contends that these metrics by themselves do not provide much value as only providing a number does not indicate if the result is good, bad, in line with expectations, or surprising. Rather, these types of metrics require either a baseline comparison or should be viewed as a trend over time. Given that these metrics still have elements that may be out of control of the utility and that they require explanation, the Commission should reject these metrics to evaluate the Plan's performance.

CEJA offers even more metrics categorizing them for purposes of measuring effectiveness. While CEJA claims such metrics are required in SB 901, that requirement is limited to inspections.[23] Effectiveness metrics are more complicated because frequently it is

[23] P.U. Code § 8386(c)(19)(C).

difficult to draw a direct link between a single action and a result - especially given that the typical overhead electrical system is confronted with a large array of external forces on a daily basis. Nonetheless, effectiveness metrics are not required to evaluate the Plan's performance. Effectiveness of mitigations is a requirement in a utility's RAMP showing, to which Wildfire is a risk. As such, effectiveness metrics will be included in SDG&E's upcoming RAMP report.

CEJA stated that SDG&E could develop metrics related to the speed that SDG&E responds to ignitions. CEJA also stated a desire for a metric indicating the percentage of customers in the HFTD who have been communicated with regarding PSPS. SDG&E agrees that metrics like these have merit. SDG&E will consider the use of these types of metrics and try to determine if there are well-defined methods of measuring them consistently for future uses.

The Small Business Utility Advocates (SBUA) suggest (at p. 10) that utility metrics should be broken down by customer size, including residential, larger commercial, and small commercial customers. SDG&E's metrics are not customer-class oriented, and SBUA's suggestion is inapplicable.[24]

The POC states a desire to see more connection between equipment incidents and actual ignitions. SDG&E agrees that identifying and being transparent with causal relationships is beneficial to all parties. Feedback like that provided by the POC helps SDG&E understand the types of information and metrics that can be beneficial to future WMPs. To POC's specific points, there is not a one-to-one relationship between reportable ignitions and wire down incidents. There are many causes of ignitions (ranging from animal, vegetation, human, and equipment failure). Additionally, very few wire down incidents have an associated reportable ignition. Tracking wire down incidents (with associated asset and environmental information) allows SDG&E to understand the likelihood of the wire down event happening as well as the likelihood that the event will lead to an ignition. With this data available, SDG&E can estimate that a certain reduction in wire downs can lead to a similar reduction in ignitions (assuming other factors are consistent). Additional complications exist due to the variability of actual events; for example, wire down incidents won't be consistent from year to year, even when the utility is consistent with its actions. Variability in frequency of wire down incidents is caused by the

[24] The sole exception would be SDG&E's proposed new metric for advanced PSPS notification. While SDG&E does not currently collect the data required to measure this metric, it could investigate doing so on a customer size basis to see if that is feasible.

variability of weather from year to year, the changing average age of equipment, the changing mix of wire type, randomness in manufacturing or workmanship of equipment, etc.

Abrams advocates for the inclusion of a risk scoring method to be includes in the WMPs in order to justify the utilities' activities. His proposed "risk ratios" are similar to RSEs. As discussed above in Section 3, SDG&E will provide RSEs in its upcoming RAMP filing.

SDG&E agrees with TURN that metrics should be objective and auditable. SDG&E has taken note of the suggestions being made regarding which metrics will assist parties understand fire risk better.

Should the Commission decide to add additional metrics, SDG&E suggests tracking such data, but not using it to evaluate the Plan's performance.

Recommendations for Future WMPs

The CPUC's review and comment process for WMPs needs to be refined since it will recur annually. To discuss potential refinements to the WMP process, many parties, such as OSA (at 27) and TURN (at 30), recommend keeping this proceeding open and perhaps opening a Phase 2. SDG&E does not oppose a Phase 2 so long as it is appropriately scoped to not re-litigate the utilities' first WMP submissions following CPUC approval. If the CPUC believes a subsequent phase of this proceeding is necessary, such recommendations should apply to future WMP submissions.

For future considerations, SDG&E recommends more public input from CalFire during the review process, and as early as possible. MGRA has commented that the CPUC should adopt a process by which all intervenors file suggested changes to utility WMPs, and IOUs would have to file responses. This is not consistent with SB 901, nor with the fact that utilities have the burden of proof and the cost exposure for Wildfire Mitigation Plans. Intervenors are of course allowed to participate in reasonableness reviews and GRCs. SB 901 even requires the Commission to accept their comments on WMPs. *See*, P.U. Code § 8386(d). However, per P.U. Code § 8386(h) the CPUC itself will approve and review compliance with the plans, with the assistance of independent evaluators and its own the Safety and Enforcement Division. The Legislature could have adopted provisions allowing intervenors to revise WMPs, but it did not, and for good reasons, including lack of expertise.

Future WMPs should build on the initial Plan approved this year and not start from scratch. The scope of the WMP review process needs to be as narrow and focused as possible,

given the limited statutory time period. In future WMP reviews, issues that can be deferred to other related proceedings should be. The Commission needs to resolve how it will better integrate WMPs with other ratemaking and risk assessment proceedings. More CPUC direction is needed regarding cost estimates and their uses. Best practices and results of technological innovations should be shared, and the CPUC may wish to evaluate a task force approach to these tasks. SDG&E recommends that a workshop process utilized for improvements, e.g. choice of topics could be addressed in a comment procedure early in the proceeding or Phase 2 (or using a task force approach).

SDG&E recommends that the Commission revert to normal discovery deadlines for future WMP-related proceedings. The three-business day turnaround was very difficult and disruptive to normal operations.

TURN's recommendations for future WMPs include requiring the utilities to "avoid duplicating reduction of the same risk with different technologies/investments." SDG&E disagrees with the premise of TURN's recommendation; to the extent wildfire risk can be reducing using multiple tools, it makes sense to do so.

VII. Other Issues

a. CPUC Information (Including Potential Cost Implications)

As noted in Appendix B[25] of SDG&E's WMP, SDG&E filed Advice Letter 3333-E to establish the Fire Risk Mitigation Memorandum Account (FRMMA). SDG&E notes that on March 12, 2019 the Commission approved this memorandum account.[26] Incremental costs (not in current rates) are being recorded in the FRMMA, and as SDG&E's WMP makes clear, cost recovery is not being sought in this proceeding. TURN's comments urge the Commission to reject incremental spending. TURN's request is inconsistent with SB 901 as shown by the statutory requirement of a memorandum account solely for incremental spend. SDG&E urges the Commission to adopt its Wildfire Mitigation Plan, including incremental programs and

[25] Appendix B also sets forth a summary of the required cost estimates for SDG&E's Plan, including incremental spending above GRC authorized (which is also only an estimate until SDG&E's GRC decision is approved). Appendix A of SDG&E's Wildfire Mitigation Plan contains workpapers with cost estimates for incremental O&M expenses and/or capital.

[26] On March 198, 2019, SDG&E filed Advice Letter 2747-G to establish the gas FRMMA. Because this advice letter was submitted as a Tier 1 filing, SDG&E's gas FRMMA was effective upon filing.

activities. The costs of these incremental programs and activities will be addressed in future proceedings.

Further, the non-standard disposition letter approving SDG&E's Advice Letter 3333-E, issued by Energy Division on March 12, 2019, states (at 3) that the issue of whether an additional memorandum account should be opened following approval of SDG&E's WMP in accordance with P.U. Code § 8386(e) and whether the FRMMA should at that time be closed may be appropriate to determine in this proceeding. SDG&E requests that the CPUC find that the FRMMA should remain open even when the utilities each establish an additional memorandum account subject to P.U. Code § 8386(e) after approval of their respective WMPs. SDG&E believes that the FRMMA, established pursuant to P.U. Code § 8386(j), was intended to generally track fire risk mitigation costs. Given that this language does not specifically reference the WMP, it is SDG&E's interpretation that the scope of the FRMMA may be broader than the WMP. SDG&E will seek recovery of the balance of the FRMMA in a future GRC or applicable proceeding. By contrast, the memorandum account established pursuant to P.U. Code § 8386(e) does reference the WMP. It is SDG&E's interpretation that this account is intended to only track, not record for cost recovery purposes, costs associated with implementing the WMP. In other words, this account would provide a big picture and would be an ongoing tracking account of all activities put forth in the WMP. For example, in accordance with the January 17, 2019 ALJ Ruling, SDG&E included transmission-related mitigations in its WMP that are beyond CPUC jurisdiction. As such, these mitigations would be tracked in the tracking account pursuant to P.U. Code § 8386(e). Because this tracking account would be associated with the WMP mitigations in its entirety. SDG&E would not seek cost recovery of the balance in this account. Rather, the balance in the FRMMA would be requested in a future GRC, or applicable proceeding. Accordingly, SDG&E contends that the purposes of these two memorandum accounts differ and both should remain open.

b. Cost Recovery

TURN and CalPA have argued that CPUC approval of the WMP would pre-judge cost recovery. SDG&E disagree; approval of the WMPs does not guarantee cost recovery or give the IOUs a blank check. In addition, the CPUC retains its authority to review the costs associated with the implementation of the WMPs and has the authority to issue penalties for failure to comply with the Plans. The CPUC should approve the WMP activities in this proceeding, and

consistent with the law, the CPUC's approval/reasonableness review of the WMP implementation costs will occur in GRC proceedings.

CalPA also suggested (at p. 24) that future WMPs have detailed cost information. As noted above, the costs for the activities approved in the utility's respective WMPs will be tracked in a memorandum account for a future request for cost recovery. By requesting detailed costs in the WMP, CalPA is essentially suggesting that the WMPs become mini GRCs. SDG&E strongly opposes this notion. CalPA's position is clearly inconsistent with the Legislative intent as SB 901 states that the costs of implementing WMPs should be considered in a utility's GRC.[27] CalPA fails to recognize that both the burden of proof required in a WMP and a GRC differ and that many of their requests will be addressed in a utility's RAMP and/or GRC filings.

c. Overlapping Requirements

SDG&E reiterates its recommendation that with the adoption of WMPs, the requirement to file Fire Prevention Plans (currently contained in General Order 166) be removed. SDG&E notes that MGRA (at p. 13) supports this recommendation:

> Finally, SDG&E suggests that the FPP requirement itself be removed from GO 166 once the Wildfire Mitigation Plans are approved. MGRA was the initiator and original proponent of what became the GO 166 requirement for Fire Protection Plans, and we agree with SDG&E on this point. All the key elements of the original FPPs are subsumed into the WMPs, and MGRA doesn't detect any gaps. (footnote omitted).

Conclusion

SDG&E urges the Commission to adopt its Wildfire Mitigation Plan as soon as possible in order to provide guidance on wildfire mitigation activities and programs to be undertaken in 2019, and to do so before peak fire season. As discussed in Section 1, the Commission should clarify that an electric utility will be deemed prudent for cost recovery purposes if the electric utility is found to have substantially complied with its Commission-approved Wildfire Mitigation Plan. If the Commission finds that the utility was not in substantial compliance with its approved Plan, it can penalize the utility. This is not a guarantee of cost recovery. The Commission may deny cost recovery of payments for wildfire claims to the extent that an electric utility's non-compliance with its approved Wildfire Mitigation Plan is found to be the

[27] P.U. Code § 8386(g).

proximate cause of a wildfire and wildfire costs, after assessing the factors listed in P.U. Code § 451.1. Utility conduct that is grossly negligent or that demonstrates reckless disregard for safety, would meet this threshold for denying cost recovery. Unless the Commission addresses this issue, electric utilities will continue to struggle to access capital at reasonable costs for ratepayers, threatening their ability to fund critically-needed wildfire mitigation activities and other priorities.

Respectfully submitted,

/s/ *Keith W. Melville*
Keith W. Melville

Attorney for
San Diego Gas & Electric Company
8330 Century Park Court, CP-32D
San Diego, CA 92123-1530
Telephone: (858) 654-1642
E mail: KMelville@semprautilities.com

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