



May 27, 2020

Wildfire Safety Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Email: wildfiresafetydivision@cpuc.ca.gov

Re: Comments of Bear Valley Electric Service, a division of Golden State Water Company, on Draft Resolution WSD-006

In accordance with Rule 14.5 of the California Public Utilities Commission (“Commission”) Rules of Practice and Procedure and the May 7, 2020 Comment Letter for Draft Resolution WSD-006, Bear Valley Electric Service (“BVES”), a division of Golden State Water Company, submits these comments on Draft Resolution WSD-006. As described more fully below, BVES submits these comments with recommended changes to Draft Resolution WSD-006. Certain recommended changes are intended to correct errors in Draft Resolution WSD-006. After submitting its Wildfire Mitigation Plan (“WMP”), BVES discovered inadvertent errors in certain data tables in the WMP, which are referenced in Draft Resolution WSD-006. While the Commission and the Wildfire Safety Division (“WSD”) were unaware of such errors at the time Draft Resolution WSD-006 was issued, BVES requests that Draft Resolution WSD-006 be updated to reflect correct data provided in BVES’ May 22, 2020 errata to its WMP.

I. Comments on and Recommended Modifications to Draft Resolution WSD-006

A. Estimated WMP Costs Should be Corrected

On May 22, 2020, BVES submitted errata to its WMP to the WSD, Department of Forestry and Fire Protection, and the service list for Rulemaking (“R.”) 18-10-007. The errata was intended to correct errors BVES discovered in certain data tables within its WMP. Some of the inadvertent errors included in BVES’ uncorrected WMP are reflected in Draft Resolution

WSD-006. While the Commission and the WSD were unaware of such errors at the time Draft Resolution WSD-006 was issued, BVES requests that Draft Resolution WSD-006 be revised to reflect the most accurate and correct information.

With respect to Tables 22 – 26 in BVES’ WMP, BVES included costs that should not have been listed, which resulted in significantly higher proposed costs than expected. For example, many tables erroneously used circuit miles versus line miles, causing the estimated costs per circuit mile to appear triple the actual predicted cost. Further, a table erroneously included undergrounding projects for BVES’ entire system, when BVES has no intention of undergrounding all of its assets. These errors resulted in a significant overestimate of WMP costs. To correct this error, BVES requests that Table 11, on page iv of Draft Resolution WSD-006 be corrected as follows (proposed additions are shown in underline and proposed deletions are shown in strikethrough):

Table 11: Proposed WMP costs

Proposed WMP costs	
Total costs 2020-2022	\$247 million <u>\$46 million</u>
Subtotal: 2020	\$84 million <u>\$20 million</u>
Subtotal: 2021	\$79 million <u>\$13 million</u>
Subtotal: 2022	\$79 <u>\$13 million</u>

These proposed changes are consistent with the corrected tables in BVES’ WMP, provided on May 22, 2020.

1. Based on BVES’ Correct WMP Costs, Proposed WMP Spending is Not Disproportionate Compared to other Utilities

Draft Resolution WSD-006 alleges that BVES’ proposed WMP includes “*Disproportionate spending when compared to other electrical corporations,*” basing this concern on incorrect numbers in BVES’ WMP.¹ Given the incorrect numbers in the assessment, Draft Resolution WSD-006 concludes that BVES “is spending three times the amount per circuit

¹ Draft Resolution WSD-006, p. 7, emphasis in original.

mile as the large electrical corporations on wildfire mitigation and many times more than its peer small and multijurisdictional electrical corporations.”² As described above, BVES’ corrected WMP and corrected proposed costs are significantly lower (\$46 million for 2020-2022 compared to \$247 million) than the incorrect numbers referenced and relied upon in Draft Resolution WSD-006. While the Commission and WSD were unaware of the correct numbers at the time Draft Resolution WSD-006 was issued, based on the correct cost estimates, BVES’ proposed costs are not disproportionate compared to other utilities, including its peer small and multijurisdictional utilities.

2. Proposed Undergrounding Projects are Overestimated in Draft Resolution WSD-006

As described above, BVES incorrectly completed Tables 22 – 26 of its WMP by including alternate projects such as undergrounding that were not selected. This error not only resulted in an overestimate of proposed WMP costs as described above, but significantly overestimated BVES’ plans to underground certain assets. This overestimate presumably led to a deficiency noted in Draft Resolution WSD-006:

Deficiency (BVES-12, Class B): Undergrounding (Related to BVES-1).

BVES plans to underground most of its assets even though it has had no ignitions, fires or PSPS events and has seen a decreasing trend in near miss incidents in recent years.³

Based on BVES’ corrected tables and accurate proposal for undergrounding, BVES does not have plans to underground most of its system. The only undergrounding project that BVES is contemplating is its proposed undergrounding of the Ute line. However, the Ute line, which is approximately 1.5 miles long, is a Southern California Edison Company asset, and BVES will need to file an application with the Commission to transfer the assets before this project may even be considered.

² Draft Resolution WSD-006, p. 7; *see also* p. 22 (“BVES plans to spend more than three times as much per circuit mile as the large electrical corporations.”).

³ Draft Resolution WSD-006, p. 34.

Given BVES' corrected WMP and limited undergrounding proposal, Draft Resolution WSD-006 should be modified to remove the undergrounding deficiency and related condition.

B. Wildfire Mitigation Activity

1. BVES Has Made Considerable Progress Implementing 2019 WMP Mitigation Measures

Draft Resolution WSD-006 expressed concern about BVES' ability to complete 2019 WMP mitigation measures:

BVES reports limited progress on certain mitigation promised in its 2019 WMP. For example, BVES is off target on [Light Detection and Ranging] LiDAR surveys (vegetation management), removal of conductor strung on live trees and replacement of expulsion fuses that spark and cause ignition (system hardening).⁴

With respect to LiDAR, Draft Resolution WSD-006 notes that "BVES shows zero circuit miles actually surveyed."⁵ In fact, the LiDAR survey was physically completed in October of 2019. However, BVES did not want to consider the survey "done" for the purpose of reporting in the WMP until the data was fully processed and provided to BVES. This was the first time a LiDAR survey had been conducted in BVES' service area and the contractor needed additional time to process the data due to the density of vegetation found. The data has taken several months to process and is now being provided to BVES and proving valuable. Based on experience gained and lessons learned with the initial LiDAR survey, BVES fully expects the data turnaround from future surveys to be much quicker. BVES has another complete system LiDAR inspection scheduled for June 2020. BVES will comply with Condition (BVES-4, Class B) related to LiDAR in its first quarterly report.⁶

Draft Resolution WSD-006 also describes how BVES failed to meet other program targets:

⁴ Draft Resolution WSD-006, p. 7.

⁵ Draft Resolution WSD-006, p. 25.

⁶ Draft Resolution WSD-006, p. 25.

For example, for tree attachments (power lines connected to live trees), BVES only removed 43 of 75 attachments (57% complete). Its number of conventional fuses replaced with current-limiting fuses is 285 of 500 (57% complete). Its number of conventional fuses replaced by fused trip savers is 8 of 100 (8% complete). Additionally, for some 2019 targets BVES did not specify the amount of work it would do, so it is not possible to assess whether it met its own internal goals. For example, BVES gives the number of poles it replaced, but does not compare the number to a goal.⁷

BVES disagrees with Draft Resolution WSD-006's assessment that BVES is behind target. Draft Resolution WSD-006 assumes a linear progression toward the target for each project. This is not the case in most projects, particularly as ordering necessary materials can be a long lead item. As BVES' service territory is located entirely above 6,000 feet, BVES also faces seasonality restrictions (mid-October to April) as snow and winter weather conditions often limit or prevent certain construction activities. For example, the reference that BVES had only replaced 285 conventional fuses with current-limiting fuses is based on data from January 2020. As of May 1, 2020, BVES has replaced 1,171 conventional fuses with current-limiting fuses. Similarly, while Draft Resolution WSD-006 notes that BVES only removed 43 tree attachments (again based on January 2020 data), as of May 1, 2020 BVES has removed 147 tree attachments during the period of its current WMP, with a target of 150 for the current WMP, and BVES assesses it will exceed this target within the WMP planning window. Project progress should not be assumed to be a linear function, especially, when the long lead milestone is materials and equipment.

Accordingly, BVES notes that by all metrics it is on target with all projects except the Radford Line Covered Conductor Replacement Project. BVES identified to the Commission that it would be delaying this project due to higher than planned costs in August 2019⁸ and submitted

⁷ Draft Resolution WSD-006, p. 22.

⁸ On August 26, 2019, BVES met with Energy Division Director Randolph and discussed the cost issues with the Radford Line Covered Conductor Replacement Project. That same day BVES met separately with the Commission's Public Advocates Office and discussed the cost issues with the Radford Line Covered Conductor Replacement Project. On August 27, 2019, BVES had a phone meeting with the Commission's Safety and Enforcement Division to discuss the cost issues with the Radford Line Covered Conductor Replacement Project.

Advice Letter No. 374-E on November 20, 2019 reporting the delay as a possible off ramp from its WMP in compliance with D.19-05-036.

2. BVES Conducts Robust Vegetation Management and Inspections

According to Draft Resolution WSD-006:

BVES' vegetation management practice is based around following minimum regulations and requirements, and any additional analysis and initiatives are not discussed. Further, the plan is very general in its description of the vegetation management program and not clear on how often inspections occur. It simply states a contractor completes work under company direction to meet minimum required regulatory requirements.

BVES needs to focus on relying less on contractor opinion, and work to set up internal procedures to ensure consistency across work and allow for evaluation of effectiveness for future improvement. Additionally, to allow for maximum effectiveness and minimize oversight, BVES should perform or adopt "at-risk" species analysis similar to other utilities, based on tree growth rate and failure likelihood.⁹

BVES objects to the characterization in Draft Resolution WSD-006 that vegetation management is based on minimum regulations and requirements. In fact, BVES has a robust and successful vegetation management program that exceeds minimum General Order ("GO") 95 requirements. For example, for BVES' bare conductors operating between 2,400 and 72,000 volts, BVES utilizes a minimum radial clearance of 72 inches between the bare conductors and vegetation, which exceeds the minimum 48 inch radial clearance requirement outlined in GO 95.¹⁰ Additionally, BVES does not simply rely upon contractors, but is involved extensively with the vegetation management practice. Supervisors and management (including BVES' Director) are each personally assigned rotating quality control inspections of vegetation

⁹ Draft Resolution WSD-006, p. 26.

¹⁰ See, e.g., GO 95, Rule 35 and Table 1. Importantly, Reference (ddd) to Table 1 states that "Clearances in this case shall be maintained for normal annual weather variations, rather than at 60 degrees, no wind." Given BVES' location in a fire threat zone in Southern California, Reference (ddd) effectively directs BVES to exceed the 48 inch minimum radial clearance otherwise outlined in Table 1.

management performance. BVES will comply with Condition (BVES-5, Class C) outlined in Draft Resolution WSD-006.¹¹

C. Inputs to the Plan – Levels of Wildfire Risk Exposure and Risk Spend Efficiency (“RSE”) were Carefully Considered

Draft Resolution WSD-006 appears concerned with BVES’ focus on grid hardening, listing a deficiency apparently based on how BVES calculated certain RSE estimates. According to Draft Resolution WSD-006:

BVES is focused almost entirely on grid hardening without much analysis of whether this is the most cost effective and efficacious approach. Without a stated long-term vision, it is not possible to assess why BVES has this singular focus.

BVES does provide RSE estimates for a significant number of initiatives and provides a high-level comparative analysis in Figures 3-4 and 3-5 of its WMP. However, BVES reports that “Underground of the Ute line” has a wildfire RSE of 0.13 in Figure 3-4 and that the same initiative has a PSPS RSE of 0.3. It is not clear how BVES calculated these or what assumptions it made. Therefore, it is unclear specifically how BVES applies these estimates to inform its allocation of resources across initiatives and whether the spend allocated to undergrounding is the most effective use of BVES’ limited resources.¹²

As an initial matter, BVES disagrees with the statement that BVES is focused almost entirely on grid hardening, particularly given the updated and corrected information provided in its WMP. While grid hardening is an important element of BVES’ holistic approach to wildfire mitigation, BVES is focused on other elements as well. For example, BVES is seeking to implement a large-scale, multi-year grid automation system. BVES is also focused on its vegetation management program. However, BVES will comply with Condition (BVES-1, Class B), associated with the alleged deficiency identified above.¹³

¹¹ Draft Resolution WSD-006, p. 27.

¹² Draft Resolution WSD-006, p. 13.

¹³ Draft Resolution WSD-006, p. 13.

BVES also provides additional details as to how it calculated the RSE numbers addressed in Draft Resolution WSD-006. RSE is calculated by dividing risk reduction by cost in dollars. The consequences of a wildfire are significantly higher than the consequences of a loss of supplies. Therefore, when calculating the risk of wildfire using the 7 by 7 logarithmic matrix method (frequency vs. impact values), wildfire risk is significantly higher in value on the plot than loss of supplies. Thus, the overall risk unit reduction achieved by undergrounding the Ute line with respect to wildfire risk is higher than that achieved with respect to a loss of supplies. Since the cost is the same, the RSE for wildfire is higher.

D. Situational Awareness and Forecasting – BVES has Planned for Sufficient Weather Stations

Draft Resolution WSD-006 describes some uncertainty about the number of weather stations planned by BVES, noting:

BVES installed 11 weather stations in 2019 and plans to install 9 more by June 2020. No further installations are discussed so it is unknown whether more are needed. After reviewing BVES' data from Table 14 and GIS data from Appendix 6.2, it appears the utility has good density and distribution of weather stations throughout its service territory.¹⁴

BVES agrees that it has good density and distribution of weather stations. At this time, BVES does not plan on installing additional weather stations in the next 3 years; therefore, no further installations were discussed in its WMP. BVES' service area is 31 square miles and with 20 installed weather stations it will have 0.6 weather stations per square mile. For comparison San Diego Gas & Electric Company ("SDG&E") has 191 weather stations in 4,100 square miles, or 0.05 weather stations per square mile. This density of weather stations will vastly improve BVES' situation awareness for wildfire mitigation.

¹⁴ Draft Resolution WSD-006, p. 17.

