



Jedediah J. Gibson
jgg@eslawfirm.com

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

Re: Comments of the California Association of Small and Multi-Jurisdictional Utilities on Draft Resolution WSD-002

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-002, Bear Valley Electric Service (“BVES”), a division of Golden State Water Company, Liberty Utilities (CalPeco Electric) LLC (“Liberty CalPeco”), and PacifiCorp, d.b.a. Pacific Power (“PacifiCorp”) (collectively, the California Association of Small and Multi-Jurisdictional Utilities (“CASMU”)), submit these comments on Draft Resolution WSD-002. As described in greater detail below, in order to recognize the small sizes and staff of the CASMU utilities and best allow utilities to focus on implementation of their Wildfire Mitigation Plans (“WMPs”) to reduce wildfire risks, Draft Resolution WSD-002 should be modified as follows:

- The Guidance-3 deficiency should be reclassified as a Class B deficiency;
- WMP filing deadlines should be staggered so that the CASMU utilities file their WMPs after California’s largest utilities;
- Reporting on Class B deficiencies should be required every six months, rather than quarterly; and
- WMP Guidance and Performance Metrics should be issued as early as possible.

I. Introduction and Background

Although the CASMU members are electric utilities, they differ significantly from California’s largest investor-owned utilities, Pacific Gas and Electric Company, Southern California Edison Company (“SCE”), and San Diego Gas & Electric Company (collectively, the “Large IOUs”). The CASMU utilities are significantly smaller than the Large IOUs. As described below, each CASMU member has less than 50,000 customers, and disproportionate administrative costs are a more significant burden for a smaller number of customers.

BVES is a small electric utility in the Big Bear Lake recreational area of the San Bernardino Mountains located about 80 miles east of Los Angeles that provides electric

distribution service to 22,430 residential customers in a resort community with a mix of approximately 40% full-time and 60% part-time residents. Its service area also includes 1,519 commercial, industrial and public-authority customers, including two ski resorts and the local waste-water treatment facility. BVES' service territory is connected to the California Independent System Operator ("CAISO") via SCE's system.

Liberty CalPeco serves approximately 49,000 electric customers in California, in and around the Lake Tahoe Basin. Its service territory is geographically compact and generally encompasses the western portions of the Lake Tahoe Basin. Liberty CalPeco's customers are located in portions of Placer, El Dorado, Nevada, Sierra, Plumas, Mono, and Alpine Counties. Almost 80% of Liberty Utilities' customers are located in the Lake Tahoe Basin. The biggest population center is the City of South Lake Tahoe. The Liberty CalPeco service territory extends from Portola in the north to Markleeville and Topaz Lake in the south.

PacifiCorp serves approximately 45,000 retail customers in the northernmost areas of California.¹ PacifiCorp's California service territory includes most of the area north of Shasta Lake to the Oregon border. PacifiCorp's California customers and its electric facilities are geographically dispersed, with only approximately four customers per square mile. The main population centers in PacifiCorp's California service territory are Crescent City, Yreka, and Mount Shasta

Utility planning efforts as well as participation in Commission proceedings is conducted and handled by significantly smaller staff for the CASMU members than at the Large IOUs. For example, BVES currently has 52 employees and approximately 24,000 customers, and Liberty CalPeco has approximately 100 employees and approximately 49,000 customers. Compared to SCE's 12,720 employees for its 5.15 million customers,² BVES and Liberty CalPeco, respectively, have approximately 0.4% and 0.8% of the workforce to meet any WMP-related requirements and 0.5% and 1% of the customer base from which to recover administrative costs. PacifiCorp, with approximately 45,000 California customers, has approximately 0.9% of SCE's customer base from which to recover administrative costs.

The Commission has traditionally recognized the significant differences between the CASMU utilities and the Large IOUs and has routinely found that "the small size of [CASMU members] and the nature of their operations" make it inappropriate and burdensome for the Commission to impose certain requirements on CASMU members or require that the Commission allow CASMU members to take a more limited approach than that required for the

¹ PacifiCorp is a multi-jurisdictional utility providing electric retail service to approximately 1.8 million customers in six western states (including California, Idaho, Oregon, Utah, Washington and Wyoming). PacifiCorp does not operate within the CAISO balancing authority area, but rather operates two balancing authority areas that encompass its six-state service territory.

² These numbers are based on SCE's 2019 Financial & Statistical Report, available at <https://www.edison.com/content/dam/eix/documents/investors/sec-filings-financials/2019-financial-statistical-report.pdf>.

Large IOUs.³ The Commission has noted that imposing certain planning requirements on CASMU members “would only impose costs and inefficiencies on these small IOUs.”⁴ Similarly, the Commission has recognized that CASMU members may be at different stages than the Large IOUs with regard to infrastructure deployment or other initiatives and so meeting certain standards “could be overly burdensome on [a CASMU member’s] small ratepayer base.”⁵

As described more fully below, CASMU believes that these differences from the Large IOUs, which have been historically recognized and addressed by the Commission, justify that the Wildfire Safety Division (“WSD”) adopt a staggered schedule and otherwise modify the WMP schedule to ensure that the CASMU utilities can appropriately focus on WMP implementation and reducing risks of wildfire.

II. Recommended Modifications to Draft Resolution WSD-002

a. The Lack of Risk Modeling Detail Identified in Deficiency (Guidance-3) Should be Re-Classified as a Class B Deficiency

CASMU recommends that the Class A deficiency identified in Draft Resolution WSD-002 be reclassified as a Class B deficiency. As described in Draft Resolution WSD-002, Class A deficiencies are identified if “aspects of the WMP are lacking or flawed” whereas Class B deficiencies are identified if there is “insufficient detail or justification provided in WMP.”⁶ The single Class A deficiency identified in Draft Resolution WSD-002 (Deficiency (Guidance-3, Class A), provides:

Electrical corporations *do not provide sufficient detail* in their 2020 WMPs to demonstrate how they are leveraging risk models to target the highest risk portions of the grid. While most utilities indicate current progress and work on developing models to estimate risk across their service territories, there is a lack of focus on how these models can be used in practice to prioritize initiatives to address specific ignition drivers and geographies. Specifically, utilities fail to outline in detail how they determine where to prioritize to improve asset management or determine portions of circuits that would benefit the most from hardening and vegetation management.⁷

³ See, e.g., D.09-12-0465, at 2 (exempting CASMU members from certain smart grid-related requirements).

⁴ D.09-12-046, at 27; see also D.08-05-028 (granting CASMU members the ability to file less complex annual procurement plans or to use the integrated resource plans they file in other states).

⁵ D.09-12-046, at 50; see also D.04-02-044 and D.03-07-011 (decisions granting Sierra Pacific Power Company, now Liberty Utilities, and PacifiCorp, an exemption from filing long-term procurement plans).

⁶ Draft Resolution WSD-002, pp. 15, 32.

⁷ Draft Resolution WSD-002, p. 19, emphasis added.

Deficiency (Guidance-3, Class A) is described as lacking “sufficient detail,” “lack of focus,” and failure “to outline in detail” how priority is determined. Based on this description, CASMU believes the deficiency should be classified as a Class B deficiency for failing to provide sufficient detail rather than a Class A deficiency for flawed or lacking analysis. Accordingly, Draft Resolution WSD-002 should be modified to reclassify the Guidance-3 deficiency as a Class B deficiency.

b. Recommended Modifications to the WMP Schedule

i. The WSD Should Adopt a Staggered WMP Schedule as Soon as Practical

As contemplated by Public Utilities Code Section 8386(b) and described in Draft Resolution WSD-002, the WSD “may stagger the electrical corporations’ [WMP] submissions to give the WSD and stakeholders more time to review each update.”⁸ CASMU supports a staggered schedule for WMP filings. CASMU believes that a staggered approach wherein the largest utilities file their WMPs during the first cycle followed by the CASMU utilities filing their WMPs in the second cycle is appropriate.

Similar staggered approaches where the largest utilities file before the CASMU utilities have been utilized in other Commission proceedings. Normally where the Commission develops specific guidelines for CASMU members on a separate track than for the Large IOUs, the Commission begins the CASMU track after completion of the Large IOU track. This approach allows the Commission and CASMU members to benefit from the significant work and analysis conducted in developing the guidelines for the Large IOUs and ensuring coordination between the tracks.⁹

In line with other Commission proceedings, CASMU recommends a staggered approach be adopted for WMP filings. This recommendation is based largely on the small size and limited resources of the CASMU members and the nature of their operations. As described above, these major differences between the CASMU utilities and the Large IOUs have historically been recognized by the Commission, and additional flexibility is necessary to account for the CASMU utilities’ limited customer bases and staff. Furthermore, by staggering deadlines for WMPs, the Commission can help alleviate the “three-month window for Commission approval of the wildfire mitigation plans for all respondents,” a timeframe the OIR deems “extremely ambitious for a matter of this magnitude and far shorter than typical deadlines applicable to Commission

⁸ Draft Resolution WSD-002, p. 29; *see also* Public Utilities Code Section 8386(b) providing that wildfire mitigation plans shall be submitted at a date “established by the commission, which may allow for the staggering of compliance periods for each electrical corporation.”

⁹ Recently, in R.18-04-019, in recognition of the unique characteristics of the CASMU utilities, the Commission deferred addressing the CASMU utilities until Phase 2 of the proceeding. (*See* the October 10, 2018 Assigned Commissioner’s Scoping Memo and Ruling in R.18-04-019, p. 9.) Similarly, with respect to SB 350 transportation electrification applications, the Commission had the CASMU utilities file applications on a later schedule than the Large IOUs.

proceedings.”¹⁰ More importantly, however, the staggered approach proposed by CASMU will provide the Commission, the public, and the CASMU utilities with additional time to adequately address WMP requirements while also allowing the Commission and the CASMU utilities to tailor, apply, and incorporate lessons learned and best practices from the planning processes of the Large IOUs into the planning requirements for the CASMU members.

ii. Utilities Should Report Every 6-Months, Rather than Quarterly

Draft Resolution WSD-002 contemplates that regular quarterly reports be submitted by the utilities.¹¹ CASMU is concerned that quarterly reporting could prove overly burdensome, particularly on smaller, more resource-constrained utilities like the CASMU members. As acknowledged in Draft Resolution WSD-002, such quarterly reports are “in addition to Tier 1 advice letters filings mandated in Public Utilities Code § 8389(e)(7)”¹² as well as “other additional reporting requirements.”¹³ It should also be noted that in addition to drafting WMPs and implementing WMP mitigation measures, utilities are also subject to ongoing discovery requests. Many of the reporting elements contemplated in Draft Resolution WSD-002 are duplicative to other reporting and discovery requirements. Spending time addressing duplicative and burdensome requirements will detract utilities, and particularly the smaller staff of the CASMU utilities, from focusing on actual wildfire mitigation and implementation of WMP programs and requirements. To help minimize some of the reporting burdens and ensure the limited staff of the CASMU utilities can focus on pressing fire mitigation matters, CASMU recommends that Draft Resolution WSD-002 be modified so that quarterly reports need only be provided every six months.

iii. WMP Guidelines and Performance Metrics Should be Issued as Early as Possible to Provide Utilities Sufficient Time to Review, Address, and Incorporate Such Direction for Their WMPs

Draft Resolution WSD-002 provides:

WSD will issue updated Guidelines and Performance Metrics by October 31, 2020 for adoption and approval by the Commission by December 1, 2020, as required by Pub. Util. Code § 8389(3)(c-d).¹⁴

While CASMU recognizes the statutory deadlines established in Public Utilities Code Sections 8389(c) and 8389(d), to ensure that utilities have sufficient opportunity to review, address, and incorporate Guidelines and Performance Metrics into their WMPs, CASMU requests that the WSD and Commission strive to provide updated Guidelines and Performance Metrics as early as possible, and before the October 31 and December 1, 2020 statutory deadlines, if feasible.

¹⁰ R.18-10-007, p. 5.

¹¹ Draft Resolution WSD-002, p. 16.

¹² Draft Resolution WSD-002, Finding 10, p. 33.

¹³ Draft Resolution WSD-002, p. 16.

¹⁴ Draft Resolution WSD-002, p. 30.

III. Conclusion

CASMU appreciates this opportunity to comment on Draft Resolution WSD-002. As described above, Draft Resolution WSD-002 should reclassify the Guidance-3 deficiency as a Class B deficiency, stagger the WMP filing deadlines so that the CASMU utilities file their WMPs after the Large IOUs, only require utilities to report every six months rather than quarterly, and issue WMP Guidance and Performance Metrics as early as possible.

Respectfully Submitted,



Jedediah J. Gibson
Ellison Schneider Harris & Donlan LLP

Attorneys for the California Association of Small
and Multi-Jurisdictional Utilities

Cc: Caroline Thomas Jacobs, Director, Wildfire Safety Division (ctj@cpuc.ca.gov)
Department of Forestry and Fire Protection (Mike.Wilson@fire.ca.gov)
Service List for R.18-10-007