

July 16, 2020

***Via Email Only***

Caroline Thomas Jacobs  
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**Subject: 2020 Safety Certification Request – Southern California Edison  
Company Reply Comments**

Dear Ms. Thomas Jacobs:

Southern California Edison Company (“SCE”) submitted its 2020 Request for Safety Certification (“Request”) on June 19, 2020. Several stakeholders<sup>1</sup> (“Protestors”) submitted comments on the Request, asserting, among other things, that the Wildfire Safety Division (“WSD”) should withhold issuance of safety certification until the resolution of certain conditions. Pursuant to the WSD’s Guidance Letter dated June 25, 2020 (“Guidance Letter”), SCE hereby submits its Reply to Protestors’ comments.

A. The WSD Does Not Need to Wait for Resolution of Conditions Prior to Issuing a Safety Certification

In the Guidance Letter, the WSD explicitly stated that the Commission’s ratification of the WSD’s conditional approval of a Wildfire Mitigation Plan (“WMP”) “constitutes documentation of an approved WMP pursuant to Pub. Util. Code § 8389(e)(1).” The statute provides that one of the requirements for granting a safety certification is that “[t]he electrical corporation [have] an approved wildfire mitigation plan.”<sup>2</sup> The WSD approved SCE’s WMP and the Commission ratified the approval. Accordingly, SCE currently has an approved WMP for purposes of a safety certification determination.

Protestors, however, seek to push beyond the statutory language of 8389(e)(1) and the Guidance Letter by arguing that utilities should first satisfy the Conditions specified in the WSD’s Resolutions before the WSD makes a determination on safety certification. This position fundamentally misunderstands the very nature of the Conditions. SCE’s recently approved WMP covers three years. The Conditions, combined with the WMP Annual Updates, are part of an

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<sup>1</sup> The Public Advocates Office (“Cal Advocates”), the Protect our Communities Foundation (“POC”), and the Utility Reform Network (“TURN”). Bear Valley Electric also submitted comments but did not join in this assertion.

<sup>2</sup> Public Utilities Code Section 8389.

iterative process to refine and improve the WMP. Class A Conditions require the submission of remedial compliance plans (“RCPs”), which, as plans, inherently set forth future actions to implement. For example, Condition SCE-12 requires SCE to submit an RCP to compare “areas with and without enhanced post-trim clearances to measure the extent to which post-trim clearance distances affect probability of vegetation caused ignitions and outages.” This is a plan for prospective action. Some of the Class B Conditions include an ongoing requirement that extends past the initial submittal of the Class B Condition. Class C conditions are for the 2021 WMP Annual Update. Therefore, none of the conditions precludes SCE from implementing its approved WMP.

TURN and Cal Advocates argue that Class A Conditions should be completed prior to issuance of a safety certification.<sup>3</sup> However, the WSD did not single out Class A Conditions as a pre-requisite for approval of a utility’s WMP for safety certification determination. Furthermore, the very existence of Class B and Class C Conditions, which cannot be resolved prior to the 2020 safety certification deadline, suggests that the WSD did not predicate the 2020 safety certification determination on the completion of the Conditions.

Given that the WSD has already stated that a CPUC-ratified WSD conditional approval is considered an approved WMP for safety certification purposes and that this is consistent with the statutory language and the Deficiency/Condition framework established by the WSD, the WSD should disregard Protestors’ attempts to force a retraction. That being stated, SCE of course intends to comply with all of the identified deadlines for the Conditions described in WSD-002 and WSD-004.

#### B. SCE Actively Addresses Emergent Safety Issues

TURN asserts that the number of employee and contractor serious injuries and fatalities (SIFs) should raise serious questions about whether SCE can be found in good standing as a safe utility. TURN also identified that half of the injuries and fatalities in the last year occurred in March, April, and May of 2020. SCE does not take these incidents lightly. SCE investigates each one thoroughly and identifies, evaluates, and addresses physical and behavioral issues that challenge safe and reliable work activities. While the incidents that occurred in March-May 2020 had varied circumstances (e.g. falling objects, electrical flashes, and falls from height), based on our preliminary analysis, a common contributing factor appeared to be worker distraction. In March and April, the COVID-19 pandemic started having serious impacts on our lives. During this timeframe schools closed and parents were overseeing and educating their children at home;

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<sup>3</sup> TURN highlights the Class A Condition concerning Near Misses as raising serious doubts about SCE’s ability to learn from such incidents. As discussed in SCE’s May 27, 2020 comments on WSD’s Draft Resolutions, the near misses category “Other” did not mean “unknown.” Rather, SCE placed certain types of faults in the “Other” category that are generally not considered a key driver of ignition risk, such as underground or substation equipment failure. SCE’s “Other” category also included faults that did not fit into one of the table categories, such as faults caused by lightning or dig-ins. And while a subset of SCE’s “Other” category were “No Cause Found,” a significant number of these were momentary faults where the circuit was only momentarily de-energized. SCE will provide a full explanation and clarification in its response to this Class A Condition.

California instituted stay at home orders; grocery stores experienced shortages in some food and household items; nursing homes were suffering outbreaks of disease; and people started becoming understandably concerned about their own health and the health of their loved ones. Rather than waiting for final root cause analysis results, SCE conducted safety stand downs companywide and asked our contractors to do the same. In these safety stand downs, SCE and contractor leaders addressed the circumstances for all of the actual and potential life-threatening and life-altering incidents that occurred in the March and April timeframe. The leaders reinforced the risk of distractions in high-hazard work and urged each worker to focus on their mental and physical well-being, and to inform a supervisor or team member if they experience anxiety or other distractions that may jeopardize their ability to safely perform high hazard work. In addition, SCE implemented a Pause and Peer Check process requiring peer verification of personal protective equipment, high-voltage cover/rubber gloves, and testing/grounding of lines/equipment before proceeding with a task that involves a high hazard activity that could result in a SIF. The number of SIF and actual/potential life-threatening and life-altering incidents seen in March and April did not recur in May and June.

We continually monitor both SIF and actual/potential life-threatening and life-altering incidents to identify the need to implement new programs or interventions. For example, SCE recently implemented its Safety Predictive Model, which utilizes a smart algorithm to identify work orders with a higher risk of SIF. SCE also recently launched a Risk Based Safety Program to systematically address the greatest employee SIF exposures and initiated the Critical Observable Action program, which brings together multiple contractors who perform similar work to collectively identify the greatest contractor SIF exposures and the mitigations that must be in place for the work to be performed safely. SCE's safety culture remains strong, but every injury or fatality significantly impacts lives, livelihoods, families and communities, and serves as a reminder that we can, need to, and will continuously improve.

Regarding TURN's request for SCE to provide additional safety metrics, SCE has met AB 1054 statutory guidelines as well as additional WSD guidance issued on May 6, 2020 in its request.

C. The Legislature Has Already Determined That Authority is Vested In The WSD to Issue Safety Certifications

The WSD should reject TURN's recommendation that WSD prepare draft resolutions addressing safety certification requests that would then be subject to voting and approval by the full CPUC. As TURN recognizes, this is not required by the statute governing the safety certification process. Public Utilities Code Section 8389(f) fully vests WSD with the authority to make this determination independently. Further, Section 8389(f) contemplates a streamlined process. Prolonging it with a resolution process would undermine a purpose of the wildfire fund to support "credit worthiness of electrical corporations and provide a mechanism to attract capital for investment in safe, clean, and reliable power for California at a reasonable cost to ratepayers."<sup>4</sup>

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<sup>4</sup> Assembly Bill (AB) 1054 Section 1.

D. SCE's Executive Compensation Program Satisfies the Requirements of Public Utilities Code Sections 8389(e)(4) and 8389(e)(6)

TURN argues that SCE's executive compensation program fails to meet the requirements of Section 8389(e). This directly contradicts the plain language in WSD's letter, dated June 30, 2020, which stated that, "SCE's executive compensation program minimally and conditionally satisfies the requirements of Pub. Util. Code §8389(e)(4) and §8389(e)(6)." TURN does not cite to any language that directly supports its statement, pointing only to the WSD finding some "merit" in TURN's comments submitted to the WSD on February 5, 2020. SCE's February 11, 2020 letter to the WSD addressed the concerns raised by TURN and the California Environmental Justice Alliance and supplemented SCE's initial submission to more fully explain why SCE's 2020 executive compensation structure fully complies with the requirements of Section 8389(e). SCE looks forward to participating in stakeholder processes for developing 2021 executive compensation structures as proposed by WSD in its June 30, 2020 approval letter.<sup>5</sup>

E. SCE Has Demonstrated Compliance with Section 8389(e)(5)

TURN places undue focus on SCE's reference to "meet and greet" meetings between SCE executives and CPUC Commissioners. SCE mentioned these meetings in its Request to demonstrate its commitment to regular communication with the Commission on non-*ex parte* safety matters. TURN further states, in order to satisfy the requirements of Section 8389(e)(5), "it should be sufficient for the utility to designate a Board-level contact with the commission on safety issues and to meet any other requirements that WSD or the Commission may establish." As detailed in its request, SCE has designated Mr. Kevin Payne, President and CEO of SCE, and a director sitting on the SCE board, as a Board-level contact with the Commission on safety issues. SCE remains ready to establish formal protocols at the Commission's or WSD's direction.

Sincerely,

/s/ Carla Peterman

**Carla Peterman**  
Senior Vice President  
Regulatory Affairs

CP/gc

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R.18-10-007 Service List

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<sup>5</sup> Wildfire Safety Division Action Approving Southern California Edison Company's 2020 Executive Compensation Program Pursuant to Public Utilities Code §§ 8389(e)(4) and 8389(e)(6), June 30, 2020.