

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 21, 2020
CPUC-WSD ID: 2020-QR_LIB-01

Daniel W. Marsh
Manager of Rates & Regulatory Affairs
Liberty Utilities (CalPeco Electric) LLC
9750 Washburn Road
Downey, CA 90241

SUBJECT: Notice of Non-Compliance Identified During
2020 Wildfire Mitigation Plan Quarterly Report Review

Dear Mr. Marsh:

On behalf of the California Public Utilities Commission (CPUC or Commission), Wildfire Safety Division (WSD) staff reviewed Liberty's Quarterly Report (QR) submitted on September 9, 2020. The QR filing is a requirement of Liberty's conditionally approved 2020 Wildfire Mitigation Plan (WMP), pursuant to Ordering Paragraph (OP) 7 of Resolution WSD-002. Liberty's QR filing must address the Class B Deficiencies identified in Resolutions WSD-002 and WSD-007. Class B Deficiencies are defined as aspects of the WMP that are insufficient in detail or justification.¹

Resolution WSD-002, Section 5.3.2 at p. 18 states:

"Class B deficiencies are of moderate concern and require reporting on a quarterly basis by the electrical corporation to provide missing data or update its progress in a quarterly report. Such information shall be submitted either one time in the first quarterly report or on an ongoing basis as specified by each condition. The quarterly reports shall be named "[Name]'s Quarterly Report on 2020 Wildfire Mitigation Plan for [period covered]." Each electrical corporation shall submit its initial quarterly report 90 days after the Commission ratifies the WSD Resolutions, and every three months thereafter. In some cases, individual Resolutions impose other additional reporting requirements, and the Resolutions contain relevant detail for those reports."

¹ Resolution WSD-002 at p.17.

All Class B Deficiencies identified in WSD-002 and WSD-007 are accompanied by corresponding Conditions intended to resolve the deficiencies. On July 17, 2020, the WSD issued a letter titled, “Guidance on the Remedial Compliance Plan & Quarterly Report Process Set Forth in Resolution WSD-002” (RCP & QR Guidance Letter).² The RCP & QR Guidance Letter details the WSD’s approach to assessing QRs, and outlines a set of criteria used to evaluate the sufficiency of Liberty’s QR.

RCP & QR Guidance Letter at pp. 5–6 states:

“Upon review of an electrical corporation’s QR, the WSD will issue one of the following determinations:

- *Sufficient – The QR is sufficient and no additional action is required;*
- *Insufficient – The QR is insufficient. The WSD may issue further guidance concurrent with a finding of insufficiency.”*

“If a QR is determined to be ‘Insufficient,’ the electrical corporation will be required to include supplementary documentation and clarifications, as provided by WSD guidance, in its subsequent QR. Repeated determinations of insufficiency will require the electrical corporation to remedy the issue in the 2021 WMP Update, and the WSD may recommend that the Commission take further action”

In accordance with WSD-002 OP 6, Liberty must comply with Class B Conditions for its WMP to be deemed in compliance with Public Utilities Code Section 8386 and the WSD’s WMP Guidelines. In order to remedy any of the insufficiencies identified, Liberty must supply additional information as part of its 2021 WMP Update.

California Code, Public Utilities Code - PUC § 8386(c)(22) states that the wildfire mitigation plan shall include:

“Any other information the Wildfire Safety Division may require.”

As detailed in Table 1 below and outlined in WSD-002 and WSD-007, Liberty is required to resolve the following Class B Deficiencies.

²https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/About_Us/Organization/Divisions/WSD/WSD%20Guidance%20Statement%20on%20RCP%20QP%2020200717.pdf

Table 1: Class B Deficiencies from Liberty's 2020 WMP

#	Deficiency/ Condition No.	Deficiency Title	Sufficiency Finding
1	Guidance-1	Lack of risk spend efficiency (RSE) information	Insufficient
2	Guidance-2	Lack of alternatives analysis for chosen initiatives	Sufficient
3	Guidance-4	Lack of discussion on PSPS impacts	Insufficient
4	Guidance-5	Aggregation of initiatives into programs	Sufficient
5	Guidance-6	Failure to disaggregate WMP initiatives from standard operations	Insufficient
6	Guidance-7	Lack of detail on effectiveness of “enhanced” inspection programs	Sufficient
7	Guidance-9	Insufficient discussion of pilot programs	Insufficient
8	Guidance-10	Data issues - general	Sufficient
9	Guidance-11	Lack of detail on plans to address personnel shortages	Insufficient
10	Guidance-12	Lack of detail on long-term planning	Sufficient
11	LIB-1	Liberty did not describe methods for tracking effectiveness of its covered conductor initiative	Insufficient
12	LIB-2	Liberty reports inspection frequencies that raise concerns about effectiveness	Insufficient
13	LIB-4	Liberty notes the challenge of attracting and retaining employees in the high-cost Lake Tahoe area	Sufficient
14	LIB-5	Data governance	Sufficient

While Liberty timely filed a QR, upon review by the WSD, seven of its 14 responses to Class B Deficiencies were found to be insufficient. The WSD determined that Liberty failed to adequately provide the required information needed to properly inform and sufficiently address its Class B Deficiencies. Accordingly, the WSD has determined that Liberty is out of compliance with California Public Utilities Code Section 8386, Resolution WSD-002, and Resolution WSD-007 for failure to adequately meet all of the requirements to address its Class B Deficiencies. The WSD may use this Notice of Non-Compliance (NONC) or future such notices to support recommendations of enforcement action to the Commission.

Please refer to the QR Action Statement for more details on the insufficiencies for each individual Class B Condition, as well as guidance on how to respond to the NONC, including Action Items required to meet compliance. If you have any questions concerning this NONC, please contact Nathan Poon at (415)-660-8120 or nathan.poon@cpuc.ca.gov.

Sincerely,



Koko Tomassian
Program and Project Supervisor
Mitigation Branch
Wildfire Safety Division
California Public Utilities Commission

Cc: Caroline Thomas Jacobs, Director, Wildfire Safety Division, CPUC
Melissa Semcer, Program Manager, Mitigation Branch, WSD, CPUC
Nathan Poon, Wildfire Safety Analyst, Mitigation Branch, WSD, CPUC