State of California – A Natural Resources Agency
Gavin Newsom, Governor

OFFICE OF ENERGY INFRASTRUCTURE SAFETY
715 P Street, 20th Floor | Sacramento, CA 95814
916.902.6000 | *www.energysafety.ca.gov*

Caroline Thomas Jacobs, Director

TRANSMITTED VIA ELECTRONIC MAIL

March 11, 2022

Dan Marsh
Senior Manager, Rates and Regulatory Affairs
Liberty Utilities
701 National Ave
Tahoe Vista, CA 96148

NOD_LU_QAP_ 20211207-01

NOTICE OF DEFECT

Mr. Marsh,

Pursuant to Government Code Section 15475.1, the Office of Energy Infrastructure Safety (Energy Safety) has completed a compliance assessment of Liberty Utilities (Liberty) and determined the existence of one or more defects. In accordance with Government Code Section 15475.2 and the California Code of Regulations, Title 14, section 29302(b)(2), a deficiency, error, or condition increasing the risk of ignition posed by electrical lines and equipment is considered a defect.

Quang Pham, Energy Safety staff, conducted a walking inspection near the town of Truckee on December 7, 2021, and discovered the following defect(s):

1. Defect 1: Energy Safety notes the conductor at Structure ID 294704 is not mechanically secured to the insulator. The conductor is resting on the insulator but should be secured within the vise of the vise top insulator. An unsecured conductor can fall off or pull out of the insulator or support structure, increasing the risk of a wire down event or potential ignition. Energy Safety considers this defect to be in the Moderate risk category.

In accordance with the Energy Safety Compliance Process, outlined in Table 1 below are the correction timelines for identified defects relative to their risk category. Within 30 days from the issuance date of this notice of defect (NOD), April 11, 2022, advise Energy Safety of corrective actions taken or planned by Liberty to remedy the above identified defect(s) and prevent recurrence. Liberty shall note in its response to NOD_LU_QAP_20211207-01, when the insulator was installed, the make and model of the insulator, and a copy of Liberty's protocols and construction standards for the installation of this insulator. This response shall be filed in the Energy Safety e-Filing system under the 2021-NOD docket and the associated file name(s) must begin with the NOD identification number provided above.

March 11, 2022 NOD_LU_QAP_20211207-01

Table 1 Energy Safety Defect Correction Timeline by Risk Category

Risk Category	Violation and defect correction timeline
Severe	• Immediate resolution
Moderate	• 2 months (in HFTD Tier 3) • 6 months (in HFTD Tier 2) • 6 months (if relevant to worker safety; not in HFTD Tier 3)
Minor	• 12 months or resolution scheduled in WMP update

Pursuant to Government Code Section 15475.4(b), this NOD is served electronically, and Liberty may request a hearing to take public comment or present additional information. Per statute, the deadline to request a hearing is within 30 days from the issuance date of this NOD – April 11, 2022. If a petition for hearing is not received by the deadline, then the determination and conditions set forth in this NOD become final.

Pursuant to Public Utilities Code Section 8389(g), following receipt of Liberty's response to this NOD and resolution of any disputes, this matter may be referred to the California Public Utilities Commission (CPUC) for its consideration of potential enforcement action, as the CPUC deems appropriate.

Sincerely,

Koko Tomassian
Compliance Program Manager
Compliance Assurance Division
Office of Energy Infrastructure Safety

Cc:
Eliot Jones, Liberty Utilities
Jordan Parrillo, Liberty Utilities
Melissa Semcer, Energy Safety
MaryBeth Farley, Energy Safety
Quang Pham, Energy Safety

Energy Safety Inspection Report

CALIFORNIA
OFFICE OF ENERGY
INFRASTRUCTURE
SAFETY

Table of Contents

Report Name: QAP_LU_20211207-01
Date(s): December 7, 2021
Inspector: Quang Pham
Utility: Liberty Utilities
Attention: Dan Marsh, Senior Manager, Rates and Regulatory Affairs

I. BACKGROUND

While wildfires are a natural part of California's ecosystem, the “fire season” in California and throughout the West is beginning and finishing earlier and later each year. Climate change and drought are believed to be a major contributor to this unsettling pattern. Utility-ignited wildfires are also a significant contributor to the wildfire risk in the Golden State, as this ignition cause category represents a disproportionate amount of the largest and most destructive fires in state history. Consequently, the Office of Energy Infrastructure Safety (Energy Safety) was established per the California Energy Infrastructure Safety Act (Government Code Sections 15470 – 15476) with the primary purpose of ensuring electrical corporations are reducing wildfire risk and complying with energy infrastructure safety measures. One such method for Energy Safety meeting its objective is to conduct detailed visual inspections of electrical infrastructure.

Inspections are carried out by Energy Safety’s Compliance Division on a regular basis to verify the work performed by utilities, as reported in approved wildfire mitigation plans (WMPs) or subsequent filings and assess general conditions of electrical infrastructure that may adversely impact an electrical corporation’s wildfire risk. Accordingly, Energy Safety inspections are distinguished into two lines of effort. Inspections related to an electrical corporation’s execution of its WMP initiatives is referred to as “WMP Initiative Inspections,” findings of which are detailed in Table 2. Issues discovered during these inspections are categorized as violations and are accompanied by a notice of violation (NOV). In addition to assessing compliance with WMP initiatives, Energy Safety inspectors also visually assess the electrical infrastructure and surrounding vegetation to determine whether conditions are present which increase an electrical corporation’s ignition and wildfire risk. These

inspections are referred to as “General Wildfire Safety Inspections” and findings are detailed in Table 3 below. Issues discovered during these inspections are categorized as defects and are accompanied by a notice of defect (NOD).

This report details the findings of a recent Energy Safety inspection.

Section 15475.1. of the Government Code states that:

(a) The office may determine that a regulated entity is not in compliance with any matter under the authority of the office. If necessary, the office may undertake an investigation into whether the regulated entity is noncompliant with its duties and responsibilities or has otherwise committed violations of any laws, regulations, or guidelines within the authority of the office.
(b) The office’s primary objective is to ensure that regulated entities are reducing wildfire risk and complying with energy infrastructure safety measures as required by law.

On December 7, 2021, at approximately 0915 hours, I performed a walking inspection of Liberty’s pole replacement work, 2021 WMP initiative number 7.3.3.6, work near the city of Truckee. Detailed findings from this field inspection are laid out in Section II below.

II. RESULTS

In accordance with Energy Safety’s Wildfire Mitigation Plan Compliance Process, violations and defects discovered by Energy Safety must be corrected in a timely manner. The timeline for corrective action is dependent on the risk category, location, and potential impact to worker safety of the violation or defect discovered. Risk categories range from severe to minor, and locational risks are determined with tier levels in the California Public Utility Commission’s High Fire Threat District (HFTD) map. Table 1 below outlines violation and defect risk categories and their associated correction timelines. The correction timelines identified below apply to the results of both WMP initiative inspections as well as general wildfire safety inspections.

Table 1. Risk Category and Correction Timelines

Risk Category	Violation and defect correction timeline
Severe	• Immediate resolution
Moderate	• 2 months (in HFTD Tier 3) • 6 months (in HFTD Tier 2) • 6 months (if relevant to worker safety; not in HFTD Tier 3)
Minor	• 12 months or resolution scheduled in WMP update

Table 2. General Wildfire Safety Inspections

Structure ID	HFTD	Defect Type	Severity	Defect Description
294704	Tier 2	Conductor fastening to insulator unsecure	Moderate	Conductor not mechanically secured on vise top insulator

III. DISCUSSION

During the inspection, Energy Safety discovered that the conductor at structure numbered 294704 was not mechanically secured to the insulator. The subject insulator is a vise top insulator type, which utilizes a clamp mechanism and bolts to secure the conductor to the insulator. Photos labeled Item5CD6Img1 and Item5CD6Img2 show the subject conductor resting on the side of the insulator and not within the vise. The conductor should be secured within the vise of the vise top insulator and bolts tightened to ensure the conductor is mechanically secured to the insulator. An unsecured conductor can fall off or pull out of the insulator or support structure, increasing the risk of a wire down event or potential ignition.

IV. CONCLUSION

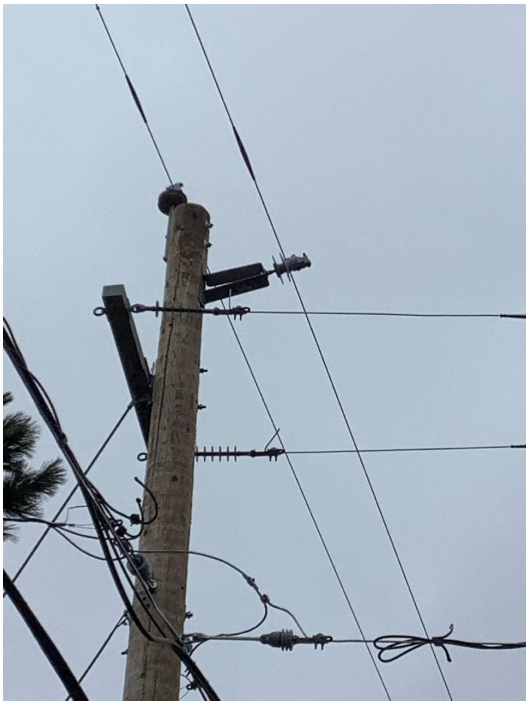
Pursuant to its objectives and statutory obligations, Energy Safety has completed the above referenced inspection and discovered violations and/or defects by Liberty Utilities. Liberty Utilities' required response to these non-compliances and options for hearing are detailed in the associated notice of violation and/or defect, respectively.

V. APPENDICES

APPENDIX A: Photo Log

Structure ID: 294704

Item5CD6Img1: Conductor not secured



Item5CD6Img2: Conductor not secured

Item5CD6Img3: Overall utility pole

Item5CD6Img4: Pole tag