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VIA E-MAIL

Caroline Thomas Jacobs  
Director, Office of Energy Infrastructure Safety  
715 P Street, 20th Floor  
Sacramento, CA 95814

**RE: SDG&E Comments to Independent Evaluator Report on 2021 WMP  
Docket #2022-IE**

Dear Director Thomas Jacobs:

SDG&E hereby provides comments to the Independent Evaluator's (IE) Final Independent Evaluator Annual Report on Compliance (Report) on SDG&E's 2021 Wildfire Mitigation Plan (WMP) released on July 15.

## **I. SUMMARY OF COMMENTS AND GENERAL RECOMMENDATIONS**

SDG&E appreciates the IE's efforts during preparation of the 2021 Report and the conclusion that "the IE finds SDG&E[s] approach to QA/QC, commitment to safety, and innovative approach to wildfire mitigation forthcoming progressive and encouraging."<sup>1</sup> The Office of Energy Infrastructure Safety (Energy Safety) continues to refine the scope, process, and implementation of the annual independent evaluator reports. To that end, SDG&E believes that further clarity regarding the scope of the IE review and allowing for sufficient time for the process would improve future evaluation efforts. SDG&E's compliance with its 2021 WMP is detailed in its own Annual Report on Compliance, which outlines that SDG&E met or exceeded the risk reduction intent for 31 of 35 qualitative targets and reduced PSPS impacts to 8,300 customers in 2021.<sup>2</sup>

SDG&E overall disagrees with 96% of the IE's findings, which SDG&E believes result from a misunderstanding of SDG&E's rules, regulations, and wildfire mitigation initiatives. SDG&E also notes that the IE made an error transposing the number of lightning arrestors installed

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<sup>1</sup> Report at 248.

<sup>2</sup> SDG&E 2021 Wildfire Mitigation Plan Annual Report on Compliance (March 31, 2022).

and SDG&E's 2021 WMP goals—SDG&E in fact exceeded the goal by nearly double. The remaining 4% of the IE's findings are under review.

Unfortunately, the IE report did not include details on all of the findings described within the report. SDG&E has requested further information on these findings and has received information regarding these findings in the form of an Excel spreadsheet along with the inspection reports provided as PDF documents. But this process requires a significant manual effort to search through the inspection reports to locate all of the items listed as findings in the Excel spreadsheet. SDG&E has begun its review of all findings utilizing the inspection reports and associated photos, but has not completed field verification of the findings. In future reports, it would be beneficial for all findings to be summarized in one document for ease of review and to expedite completion of any necessary follow-up work.

The Report also identifies that the IE faced challenges in identifying samples to represent the work performed across SDG&E's High Fire Threat District areas, as well as accessibility issues. SDG&E agrees that it is important to exercise caution when extrapolating outcomes from small sample sizes,<sup>3</sup> and agrees that generalizations should not be made on the basis of the extrapolated outcomes presented in the Report.<sup>4</sup>

## II. COMMENTS TO SPECIFIC ITEMS WITHIN THE INDEPENDENT EVALUATOR REPORT

### *Grid Hardening – Lightning Arrestors*

The Report has transposed numbers when reviewing SDG&E's performance as related to the installation of lightning arresters. The IE report states, "SDG&E set the target to remove and replace 1,789 new lightning arresters in 2021. By year-end, however, the effort had fallen short of its target by 865 (48%) coming in at 924 lightning arresters replaced for the year."<sup>5</sup> The numbers for the target and actual replacements were transposed. In fact, SDG&E targeted 924 lightning arresters and installed 1,789, exceeding the initial target by 194%. SDG&E requests that the IE determination for this initiative be changed to "verified" as the IE report did not find any lightning arrester inspections with issues on the lightning arrester itself.

### *Vegetation Management*

The IE notes 305 findings that involve vegetation encroachment out of 336 total findings. While 90% of all findings in the IE report involve vegetation encroachment, SDG&E's initial review has shown that none of these findings represent an infraction of any SDG&E standard or CPUC General Order 95. The IE's findings represent a general misunderstanding of the rules and regulations regarding vegetation clearances. General Order 95 recommends a twelve-foot clearance from energized conductor at time of trim and mandates four feet of clearance from energized primary conductor (750V or greater) within the HFTD at all times. The "vegetation encroachment" identified in the Report and the included photos do not demonstrate instances where vegetation is within the recommended clearances.

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<sup>3</sup> Report at 5.

<sup>4</sup> Id.

<sup>5</sup> Report at 51.

The findings of vegetation encroachment within the IE report identify vegetation encroachment on the pole itself, on telecom wires, and on covered secondary (<750V) wire but never an encroachment of four feet or less on primary voltage conductor. The IE findings may be the result of a misunderstanding of SDG&E's WMP pole brushing initiative which removes fuel in a ten-foot radius around applicable poles. The applicable poles are defined by California Public Resource Code 4292 and are not inclusive of all poles within the HFTD. SDG&E disagrees that these vegetation encroachment items should be considered as findings by the IE and disagrees with the IE's decision to extrapolate these erroneous findings.

#### *Advanced Protection*

The IE report has a fundamental misunderstanding of SDG&E's initiative 7.3.3.9-Installation of System Automation Equipment – Advanced Protection. This initiative installs equipment within the substation as well as at certain key locations on the circuit that implement Falling Conductor Protection across the entire circuit. When reporting on this initiative in the Quarterly Data Reports (QDR), SDG&E represents completion of this initiative with a line feature within the geodatabase showing the full circuit where Falling Conductor Protection has been implemented. Therefore, all locations on the circuit were presented to the IE within SDG&E's data. It is not a correct assumption that all points within the dataset contained system automation equipment. SDG&E disagrees with characterizing these twenty items, which make up 6% of the total, as findings.

#### *Asset Management and Inspections – Detailed Inspections*

In its review of initiative 7.3.4.1 – Detailed Inspections of Distribution Lines, the IE report states that 11.1% of the sampled inspections showed missing information. The IE incorrectly misinterpreted these unpopulated fields to mean “no data” and assume that this means the inspection reports were incomplete or that the inspections themselves were not completed. During the IE process SDG&E was never notified of the data issues associated with the inspection reports or provided an opportunity to clarify the issue. SDG&E disagrees with the IE's assumption that the missing data implies that inspection reports are incomplete or the inspections themselves were not completed. SDG&E is confident that all required detailed inspections were completed and this initiative met its targets for 2021.

#### *Forecasted Targets for Initiatives*

SDG&E strives to complete or exceed all targets set forth in its Wildfire Mitigation Plan. As with any forecast of future events, SDG&E expects that there may be variations in ultimate performance and actual results may vary based on numerous factors. SDG&E believes that actual results within five percent of the forecasted target have met the risk reduction intent and considers those initiatives in compliance with targets. Two initiatives in the IE report were considered “not verified” by the IE although the initiatives met 99% of the forecasted target (7.3.5.20 - Pole Brushing) and 95% of the forecasted target (7.3.4.4 - Infrared Inspections of Distribution Electric Lines). SDG&E disagrees with the classification that these initiatives are considered “not verified” as the initiatives were substantially completed and met their intended risk reduction in 2021.

### *GIS Accuracy*

The IE report notes a finding that pole identification numbers reported by SDG&E have a level of inaccuracy of GPS positioning. SDG&E has committed to work on improving the locational proximity going forward but disagrees with this finding. SDG&E is confident that GIS assets are accurately described in SDG&E databases, such as what has previously been submitted to Energy Safety in the QDR. The QDR is thoroughly reviewed to ensure that all initiative work is joined accurately with SDG&E's GIS information. These QDR reports were made available to IE for their assessment. However, the IE was unable to use the QDR geodatabase files for their field inspections and asked for this data to be provided in a different format. This required SDG&E to take on significant additional work to provide the requested data in an Excel document with latitude/longitude coordinates. Due to the quick turnaround requested to allow the IE to perform their inspections, SDG&E was unable to perform their usual level of QA/QC when accommodating this data request. In future engagements SDG&E recommends that the Independent Evaluators become familiar with the QDR reports and utilize this information for any field inspection activities.

### *Financial Review*

The IE determined that SDG&E was the most underfunded in the grid design and system hardening category, which SDG&E had previously reported to Energy Safety in the Annual Report on Compliance. However, with the exception of Microgrids, SDG&E met all of its targets and was able to achieve its anticipated risk reduction for these initiatives. With respect to grid hardening, including the strategic undergrounding initiative, SDG&E was able to operate more efficiently in 2021 to meet its risk reduction targets while spending less than anticipated. SDG&E is cognizant of the ratepayer impacts associated with the cost of wildfire mitigation projects and believes that if a forecasted project is ultimately performed at a lower cost than forecast, this should be viewed as a benefit to ratepayers, and not an instance of non-compliance.

In addition, the IE found that it was not able to access detailed enough WMP accounting data and suggested that a follow-up financial review be conducted. As the Report notes, the IE received over 11,000 rows of raw O&M data, pivoted capital data, and capital data by project and month for a sampling of SDG&E's WMP accounting. The IE found SDG&E's data to be "highly structured, aggregated, and summarized."<sup>6</sup> But instead of focusing on a sampling of data, the IE followed up with a request to meet with SDG&E for several days and for a set of financial data so large that SDG&E could not even export it. The IE further noted that it intended to assess SDG&E's classifications of O&M and capital expenditures as a component of its financial audit.

In addition to being unduly burdensome, SDG&E notes that the independent evaluator reports are a method for Energy Safety to "review and assess the electrical corporations['] compliance" with their WMPs, and observe "whether the electrical corporation failed to fund any activities included in its plan."<sup>7</sup> Energy Safety has alternative vehicles to perform comprehensive financial audits of the electrical corporations' WMP expenditures if deemed necessary, and the IE process should remain limited to a general review of costs to assess compliance. Moreover, much of the data and information requested by the IE did not address compliance but is more

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<sup>6</sup> Report at 224.

<sup>7</sup> Pub. Util. Code §8386.3(c)(2)(b)(1).

appropriately addressed during a cost recovery proceeding at the California Public Utilities' Commission. SDG&E appreciates Energy Safety's recognition that the IE Reports should not "require full-scale audits" but should rather focus on verification of financial targets and requests that this be further clarified in future guidance.<sup>8</sup>

#### *Inspection Accessibility Issues*

According to the IE, 42% of field inspections were inaccessible. SDG&E offered to provide personnel who are familiar with the service territory and have keys that may provide access to facilities behind locked gates. SDG&E personnel were not requested or utilized during the field inspections. In the future SDG&E will continue its offer to provide assistance in gaining access to facilities or assist by reviewing selected locations for access issues to help reduce the number of accessibility issues encountered in the field.

#### **Conclusion**

SDG&E thanks Energy Safety for this opportunity to comment on the Independent Evaluator report, and respectfully requests that Energy Safety and the Independent Evaluator take these recommendations into account when reviewing and finalizing the report.

Respectfully submitted,

/s/ Laura M. Fulton  
Attorney for  
San Diego Gas and Electric Company

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<sup>8</sup> Report at 223.