



September 30, 2022

To: Liberty Utilities (Liberty)  
Dan Marsh, Senior Manager, Rates and Regulatory Affairs

SUBJECT: Office of Energy Infrastructure Safety's Report on Liberty's 2020 Substantial Vegetation Management Audit

Pursuant to the requirements of California Public Utilities Code Section 8386.3(c)(5)(C), the Office of Energy Infrastructure Safety (Energy Safety) has completed its final report on Liberty's 2020 Substantial Vegetation Management (SVM) audit.

The attached report follows Energy Safety's publication of the SVM audit on August 11, 2022, and Liberty's subsequent response on September 12, 2022. Pursuant to statutory requirements, a copy of this report is issued to Liberty, published on Energy Safety's website,<sup>1</sup> and provided to the California Public Utilities Commission (CPUC).

Sincerely,

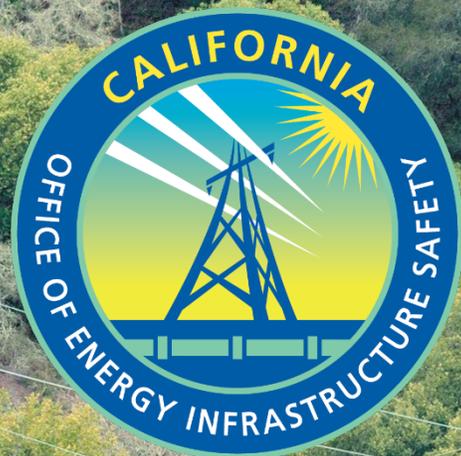
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Attachment: Liberty 2020 SVM Audit Report

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<sup>1</sup> All documents related to Liberty's 2020 SVM audit are available on Energy Safety's e-filing system under the "[2020-SVM](#)" docket number.



**OFFICE OF ENERGY INFRASTRUCTURE SAFETY'S  
REPORT ON 2020 SUBSTANTIAL  
VEGETATION MANAGEMENT AUDIT  
LIBERTY UTILITIES**

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# 1. BACKGROUND

Pursuant to Public Utilities Code section 8386.3(c)(5), Energy Safety must audit the vegetation management work performed by, or on behalf of, the electrical corporation. The audit shall specify any failure of the electrical corporation to fully comply with the vegetation management requirements in the wildfire mitigation plan. Energy Safety then grants the electrical corporation a reasonable time to correct and eliminate any deficiency specified in the audit. After evaluation of the electrical corporation's response correcting or eliminating the deficiencies, Energy Safety must issue a report specifically describing any failure of the electrical corporation to substantially comply with the substantial portion of the vegetation management requirements in the electrical corporation's wildfire mitigation plan. This document is Energy Safety's final vegetation management report.

To conduct the 2020 Substantial Vegetation Management (SVM) audit, Energy Safety reviewed the vegetation management section and initiatives in Liberty Utilities (Liberty) 2020 Wildfire Mitigation Plan (WMP). For each of the 20 vegetation management WMP initiatives, Energy Safety evaluated Liberty's quantitative commitments<sup>1</sup> and verifiable statements.<sup>2</sup> Energy Safety then reviewed available information and requested additional documentation to support the assessment of whether Liberty fully met its quantitative commitments and executed its verifiable statements.

Out of the approximately 50 commitments and verifiable statements evaluated, Energy Safety found Liberty noncompliant with two commitments and verifiable statements, resulting in two of the 20 vegetation management initiatives being non-compliant in its 2020 WMP.

On August 11, 2022, Energy Safety published its 2020 SVM Audit<sup>3</sup> identifying Liberty's vegetation management failures, specifying Corrective Actions required to resolve or explain the failures, and requiring Liberty to provide a Corrective Action response. On September 12,

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<sup>1</sup> E.g., miles of lines to inspect, minimum work quality thresholds, etc.

<sup>2</sup> E.g., holding public meetings with communities regarding future vegetation management activities, training personnel on utilities protocols, etc.

<sup>3</sup> Liberty 2020 SVM Audit is published on Energy Safety's e-filing system in the 2020 WMP Substantial Vegetation Management Audits docket and available here: <https://efiling.energysafety.ca.gov/EFiling/DocketInformation.aspx?docketnumber=2020-SVM> (accessed on September 29, 2022).

2022, Liberty timely provided its Corrective Action response and included supporting documentation.<sup>4</sup>

## 2. 2020 SVM AUDIT FINDINGS

Table 1 below summarizes Energy Safety’s findings from Liberty’s 2020 SVM Audit.

*Table 1: Noncompliant 2020 WMP Vegetation Management Initiatives and Corresponding Findings*

Noncompliant Initiative Number	Finding
5.3.5.5	<b>1.</b> Liberty failed to provide either a list of attendees or the dates of the workshops it hosted in 2020, beyond one annual Tahoe Fire and Fuels Team Workshop, to assist in the development of a fuel reduction and wood removal program that will reduce fire risk and benefit the local community and surrounding forest.
5.3.5.15	<b>2i.</b> Liberty targeted treating 380 miles under this initiative in its approved 2020 WMP, but Liberty’s fourth quarter QIU for 2020 stated Liberty targeted 230 miles.
5.3.5.15	<b>2ii.</b> Liberty failed to provide documentation supporting completion of 380 miles under this initiative in its 2020 WMP.

<sup>4</sup> Liberty 2020 SVM Audit Corrective Action Plan is published on Energy Safety’s e-filing system in the 2020 WMP Substantial Vegetation Management Audits docket and available here: <https://efiling.energysafety.ca.gov/EFiling/DocketInformation.aspx?docketnumber=2020-SVM> (accessed on September 29, 2022).

# 3. ANALYSIS OF LIBERTY'S RESPONSE

Energy Safety reviewed Liberty's Corrective Action response and determined Liberty sufficiently addressed one of the three Corrective Actions. See Table 2 below for additional details on Energy Safety's analysis and determination.

Table 2 Summary of Energy Safety's Analysis of Liberty's Response and Corrective Action

Corrective Action	Energy Safety's Analysis of Response
<p><b>1.</b> Liberty shall a) confirm whether it hosted any workshops besides the annual Tahoe Fire and Fuels Team Workshop provided, b) provide an explanation why it failed to provide the list of attendees and the dates of the workshop(s) it hosted in 2020, and c) detail Liberty's process to ensure vegetation management operations are consistent with statements made in this initiative of the WMP.</p>	<p><b>Insufficient-</b> Liberty's response stated it was constrained in the ability to host additional workshops due to the COVID-19 pandemic and subsequent lock-down orders sufficient.<sup>5</sup> Energy Safety finds this response sufficiently addressed part a) of the Corrective Action. However, Liberty did not address why it failed to provide a list of attendees for the singular workshop it hosted in 2020 as requested in part b) of the Corrective Action. Instead, Liberty reiterated that it "did not host additional workshops... and thus does not have a list of attendees..."<sup>6</sup> Additionally, Liberty's response to part c) of the Corrective Action failed to provide a detailed process to ensure consistency beyond its stated commitment to update the subsequent WMP.<sup>7</sup> <b>Energy Safety finds that Liberty's response did not sufficiently address the Corrective Action.</b></p>
<p><b>2i.</b> Liberty shall a) explain why there is a discrepancy between Liberty-submitted documents, the 2020 WMP and the fourth quarter 2020 QIU regarding the applicable</p>	<p><b>Sufficient-</b> In Liberty's response it stated that per Resolution WSD-002, Liberty resolved condition Guidance-5 (Class B) by disaggregating initiatives as</p>

<sup>5</sup> Liberty 2020 SVM Audit Corrective Action Plan.pdf, page 2

<sup>6</sup> Liberty 2020 SVM Audit Corrective Action Plan.pdf, page 2

<sup>7</sup> Liberty 2020 SVM Audit Corrective Action Plan.pdf, pages 2 and 3

Corrective Action	Energy Safety’s Analysis of Response
<p>target for this initiative, b) specify whether Liberty followed Energy Safety’s established “Change Order” process to initiate such a target change, and if not, explain why, and c) detail Liberty’s process to ensure the initiative targets claimed are consistent across all reporting documents such as, but not limited to, the WMP and the QIU.</p>	<p>reflected in the fourth quarter QIU.<sup>8</sup> Liberty did not interpret the correction of this deficiency to require a “Change Order.”<sup>9</sup> Additionally, Liberty committed to updating reporting documents per Energy Safety guidance if there is a change in vegetation management initiative targets.<sup>10</sup> <b>Energy Safety finds this response sufficiently addressed the Corrective Action.</b></p>
<p><b>2ii.</b> Liberty shall a) provide an explanation why it was unable to provide supporting documentation in a way that allowed Energy Safety to confirm target completion, and b) detail Liberty’s process to ensure vegetation management record keeping practices (for Liberty staff and its contractors) allow for cross-confirmation against targets claimed in documents and reports provided to Energy Safety.</p>	<p><b>Insufficient-</b> Liberty’s reasoning for not providing supporting documentation to confirm target completion was because Liberty presumed data requirements had previously been met as provided to Energy Safety in its Quarterly Report pursuant to Resolution WSD-002, condition Guidance-5.<sup>11</sup> Energy Safety issued its review of Liberty’s first Quarterly Report on January 21, 2021 and determined Liberty’s response to condition Guidance-5 to be sufficient.<sup>12</sup> Energy Safety acknowledges the potential for confusion in requiring additional quarterly data pursuant to the Quarterly Initiative Update (QIU) in Energy Safety’s Compliance Operational Protocols. Therefore, Energy Safety finds Liberty’s response to part a) of this Corrective Action sufficient. Despite having a sufficient response to part a), Liberty’s response to part b) of the Corrective Action failed to provide a detailed process to ensure consistency beyond its stated commitments to “evaluate and update its record keeping practices to better allow for tracking progress against targets.”<sup>13</sup> <b>Energy Safety finds Liberty’s response did not sufficiently address the Corrective Action.</b></p>

<sup>8</sup> Liberty 2020 SVM Audit Corrective Action Plan.pdf, page 4  
<sup>9</sup> Liberty 2020 SVM Audit Corrective Action Plan.pdf, page 4  
<sup>10</sup> Liberty 2020 SVM Audit Corrective Action Plan.pdf, page 4  
<sup>11</sup> Liberty 2020 SVM Audit Corrective Action Plan.pdf, page 3  
<sup>12</sup> Liberty QR Action Statement.pdf, page 2  
<sup>13</sup> Liberty 2020 SVM Audit Corrective Action Plan.pdf, page 5

## 4. CONCLUSION

In the SVM Audit, Energy Safety found Liberty compliant in 18 of the 20 vegetation management initiatives. After reviewing Liberty's Corrective Action response, Energy Safety finds that Liberty sufficiently addressed one of the three Corrective Actions. Since the remaining two insufficient corrective actions are related to reporting requirements, Energy Safety finds these do not rise to the level of substantial noncompliance. However, Energy Safety expects Liberty to continue to improve in the insufficient areas. Considering the sufficiency of the compliant initiatives, Energy Safety finds Liberty substantially compliant with the substantial portion of the vegetation management requirements in their approved 2020 WMP.<sup>14</sup>

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<sup>14</sup> Pub. Util. Code, § 8386.3(c)(5)(C).

# DATA DRIVEN FORWARD-THINKING INNOVATIVE SAFETY FOCUSED



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