September 17, 2025

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

NOTICE OF VIOLATION

Mr. Marsh:

Pursuant to Public Utilities Code section 326 and Government Code section 15475.1, the Office of Energy Infrastructure Safety (Energy Safety) has conducted an inspection of work completed by Liberty Utilities (LU) in accordance with its 2024 Wildfire Mitigation Plan (WMP) and determined the existence of a violation. Energy Safety therefore issues LU a Notice of Violation (NOV), identifying noncompliance with an approved WMP or any law, regulation, or guideline within the authority of the Office.¹

On May 6, 2025, Energy Safety conducted an inspection of Liberty Utilities' WMP initiatives in the vicinity of the city of Tahoe City, California. The inspection report is enclosed herewith. Energy Safety found the following violation(s):

Violation 1. Energy Safety observed that in implementing 2024 WMP initiative 8.1.2.12 -Tree attachment Removals, LU failed to adhere to completeness on pole ID 61336, Grid Hardening ID af2ba818-d441-4fb8-a98c-8c37ba465da5 at coordinates 39.1482635800288, -120.148659119704. Energy Safety considers this completeness violation to be in the Minor risk category.

¹ Cal. Code Regs., tit. 14, section 29302(b)(2)

Response Options

Energy Safety may prescribe a timeframe for resolution of a violation associated with the assigned risk category.² Within 30 days from the issuance date of this NOV, the electrical corporation must provide a response advising Energy Safety of corrective actions taken or planned to remedy the above identified violation(s) and prevent recurrence. Alternatively, the electrical corporation must advise Energy Safety that it will not correct the violation, including the reasoning or justification for inaction and all supporting documentation.³

This response shall be filed in the Energy Safety e-Filing system under the 2024 NOV Docket⁴ and the associated file name(s) must begin with the NOV identification number provided above.

Pursuant to Government Code section 15475.4, if the electrical corporation intends to request a hearing "to take public comment or present additional information," it must also do so within the 30-day timeframe. If a petition for hearing is not received by the deadline, then the determination and conditions set forth in this NOV become final.

Prior to its response or request for hearing, the electrical corporation may also request an informal conference with Energy Safety's Compliance Assurance Division for the purpose of disputing any issues raised in this NOV no later than five (5) business days before the response deadline.⁵ Requests for informal conference with Energy Safety must be e-mailed to compliance@energysafety.ca.gov, with a copy sent to all Energy Safety Compliance Assurance Division staff identified in the NOV.

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

Sincerely,

Patrick Doherty

Patrick Doherty

Program Manager | Compliance Assurance Division

Office of Energy Infrastructure Safety

Patrick.Doherty@energysafety.ca.gov

Cc:

Peter Stoltman, Liberty Utilities

<u>Peter.Stoltman@libertyutilities.com</u>

² Energy Safety Compliance Guidelines, pp. 3

³ Energy Safety Compliance Guidelines, pp. 4-5

⁴ https://efiling.energysafety.ca.gov/EFiling/DocketInformation.aspx?docketnumber=2024%20NOV

⁵ Energy Safety Compliance Guidelines, p. 4

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INSPECTION REPORT

Overview

Inspection Categories

The Office of Energy Infrastructure Safety (Energy Safety) conducts inspections to verify the work performed by an electrical corporation as reported in an approved Wildfire Mitigation Plan (WMP) or subsequent filing, and to assess general conditions of electrical infrastructure that may adversely impact an electrical corporation's wildfire risk.

A Notice of Violation (NOV) is issued for any instances of noncompliance discovered during an inspection related to an electrical corporation's execution of its WMP initiatives.

Correction Timelines

Violations must be corrected in a timely manner. Energy Safety may prescribe a timeframe for resolution of a violation. If Energy Safety assigns a risk category to a violation, an electrical corporation must correct the violation as required per the timelines provided in Table 1.⁶

Table 1. Risk Category and Correction Timelines

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

⁶ Energy Safety Compliance Guidelines, p. 3

Inspection Summary

Table 2 provides a summary of the selection of the WMP inspection location and initiative. Table 3 provides a summary of the violation(s) found during the inspection. Details regarding the inspection that identified the violation(s) are provided in the Inspections Details Section below.

Table 2: Inspection Location and Initiative Summary

| Electrical Corporation: | Liberty Utilities | | | | |
|---|---|--|--|--|--|
| Report Number: | CAD_LU_IAG_20250506_1140 | | | | |
| Inspector: | Ivan Garcia | | | | |
| WMP Year Inspected: | 2024 | | | | |
| Quarterly Data Report (QDR) Referenced: | Quarter (Q4) | | | | |
| Inspection Selection: | Energy Safety viewed the contents of the Q4 QDR and performed an analysis that resulted in the selection of | | | | |
| | the WMP initiatives and locations referenced in this report. | | | | |
| Relevant WMP Initiative(s): | 8.1.2.12 - Tree attachment removals | | | | |
| Date of inspection: | May 6, 2025 | | | | |
| City and/or County of Inspection: | Tahoe City, Placer County | | | | |
| Inspection Purpose: | Assess the accuracy of Liberty Utilities' QDR data, completeness of its work, compliance with WMP | | | | |
| | requirements, and compliance with its protocols. | | | | |

Table 3: WMP Inspection Violation(s)

| Violation # | Structure ID | Grid Hardening ID | Lat/Long | HFTD | Initiative Number | Violation Type | Severity | Violation Description |
|-------------|-----------------|--|--|--------|---|----------------|----------|--|
| Violation 1 | 61336 | af2ba818- d441-4fb8- a98c- 8c37ba465da5 | 39.1482635800288, -120.148659119704 | Tier 2 | 8.1.2.12 - Tree attachment removals | Completeness | Minor | Failed to complete work on tree attachment removal |

Inspection Details

Violation 1

Relevant Requirement:

LU's WMP states the following regarding initiative number 8.1.2.12 - Tree attachment removals:

 "Liberty is removing conductors from trees and resetting to a new pole with modern materials and specifications. This initiative reduces ignition risk by removing conductors from trees and providing proper insulation."

Finding:

On pole ID 61336, Grid Hardening ID af2ba818-d441-4fb8-a98c-8c37ba465da5 at 1290-1298 Sequoia Ave, Tahoe City, CA, 96145, USA, 39.1482635800288, -120.148659119704, the inspector observed that the tree attachment was not removed from the tree. The inspector's observation is documented in Violation 1 photographs, which are attached to this report. Photo numbers Item1IA1Img1 and Item1IA1Img2 depict incomplete removal of a tree attachment. LU reported that work on 8.1.2.12 – Tree attachment removals were completed at this location.

Energy Safety concludes there is a violation because of these facts:

- 1. A tree attachment was observed on the tree.
- 2. The conductor is present at the tree attachment point.
- 3. A new pole with modern materials and specifications was not observed at this location.

Exhibits

Exhibit A: Photo Log

Structure ID: 61336

Violation 1



Item1GImg1: Pole ID



Item1IA1Img1: Tree attachment



Item1GImg2: Overall pole



Item1IA1Img2: Conductor installed to tree attachment