

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 2, 2016

SA2016-05

Ken Wittman
Finance, Accounting & Regulatory Manager
Liberty Utilities (CalPeco Electric) LLC
PO Box 107
Tahoe Vista, CA 96148

SUBJECT: Substation Audit of Liberty Utilities

Mr. Wittman:

On behalf of the Electric Safety and Reliability Branch (ESRB) of the California Public Utilities Commission (CPUC), Ivan Garcia of my staff conducted a Substation audit of Liberty Utilities on July 19, 2016 to July 21, 2016. The audit included a review of Liberty's records and field inspections of its substation facilities.

During the audit, my staff identified violations of General Order 174. A copy of the audit findings itemizing the violations is enclosed. Please advise me no later than September 2, 2016, by electronic or hard copy, of all corrective measures taken by Liberty Utilities to remedy and prevent such violations.

If you have any questions concerning this audit, please contact Ivan Garcia at (916) 928-5875 or ivan.garcia@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Fadi Daye".

Fadi Day, P.E.
Program and Project Supervisor
Electric Safety and Reliability Branch
Safety and Enforcement Division
California Public Utilities Commission

Enclosures: CPUC Audit Findings

Cc: Elizaveta Malashenko, Director, Safety and Enforcement Division, CPUC
Charlotte TerKeurst, Program Manager, Electric Safety and Reliability Branch, CPUC
Ivan Garcia, Utilities Engineer, CPUC

AUDIT FINDINGS

I. Records Review

During the audit, my staff reviewed the following records:

- Liberty Utilities Substation Inspection Procedures
- Quarterly inspection records from January 2014 to July 2016
- Maintenance records for the Substations
- Substation equipment testing results

II. Records Review – Violations List

GO 174, Rule 31, Frequency, states:

31.1 Substations shall be inspected as frequently as necessary.

- *Time intervals or other bases shall be specified in the Inspection Program*

Liberty Utilities Substation Inspection Program states that all Substations will be inspected on a quarterly basis in 2015. Liberty Utilities did not inspect the Hobart Substation in Quarter 3 (due 9/30/2015) and Quarter 4 (due 12/31/2015). In addition, Liberty Utilities did not inspect the Stampede Substation in Quarter 1 (due 3/31/2015), Quarter 2 (due 6/30/2015) and Quarter 4 (due 12/31/2015).

GO 174, Rule 33.1, Records, states:

Electronic or hard copy records of completed Inspections shall include, at a minimum:

- *Inspector name or identification*
- *Inspection date*
- *Brief description of identified discrepancies*
- *Condition rating (where applicable)*
- *Scheduled date of corrective action (where applicable)*

Liberty Utilities does not document the scheduled date of corrective actions as a result of its substation inspections or trouble calls.

Field Inspection

The following are the facilities we inspected during the field inspection:

Name of Substation	Highest Operating Voltage	Address
Brockway	14.4 kV	8303 Cutthroat Ave., Kings Beach
Kings Beach	14.4 kV	799 Deer St., Kings Beach
Meyers	14.4 kV	2548 Garbage Dump Rd., South Lake Tahoe
Stateline	14.4 kV	3760 Montreal Rd., South Lake Tahoe
Hobart Mills	14.4 kV	15702 Dog Valley Rd., Truckee
Northstar	14.4 kV	495 Northstar Dr., Truckee
Glenshire	14.4 kV	495 Northstar Dr., Truckee

III. Field Inspection – Undocumented Violations List

We observed the following violations during the field inspection. None of the violations were documented and/or addressed by Liberty Utilities during its last inspections:

GO 174, Rule 12, General, states in part:

Substations shall be designed, constructed and maintained for their intended use, regard being given to the conditions under which they are to be operated, to promote the safety of workers and the public and enable adequacy of service.

Stateline Substation

- The newer green fence in the substation was not grounded.
- There was corrosion on Battery #12.

VI. Field Inspection – Documented Violations List

We observed the following violations during the field inspection that were documented and/or addressed by Liberty Utilities during its last inspections:

GO 174, Rule 12, General, states in part:

Substations shall be designed, constructed and maintained for their intended use, regard being given to the conditions under which they are to be operated, to promote the safety of workers and the public and enable adequacy of service.

Brockway Substation

- B and C phase lightning arrestors for Transformer #2 were damaged
- Broken bell on north bus of Capacitor Bank #2
- Abnormal sound patterns heard on Transformer #2
- Evidence of oil seepage on Transformer #1 and Circuit Breaker 5200

Kings Beach Substation

- Circuit Breaker 625A was leaking air from the plumbing between the air tank and air valve
- Circuit Breaker 650 bushing #4 was leaking oil from the seal between the upper porcelain and the bushing flange
- A broken and exposed underground cable splice box was found near Circuit Breaker 625A

Meyers Substation

- Broken bells on Regulator #3, C switch
- Broken bells on Circuit Breaker 3400
- Broken disconnects on Circuit Breaker 3500
- Switchboard lights on control panel not working for the capacitor bank
- The control panel for Regulator #2 is broken