



The Center of What's Possible

February 14, 2024

California Public Utilities Commission (CPUC)  
SED/Electric Safety and Reliability Branch (ESRB)  
Attn: Rickey Tse, Program and Project Supervisor  
505 Van Ness Avenue  
San Francisco, CA. 94102-3298

Re.: SVP 2023 Electric Facilities Audit Report

Dear Mr. Tse,

We have received and reviewed your letter (“Audit Letter”) dated January 17, 2024 regarding the CPUC’S electric audit of Santa Clara Electric Department, dba “Silicon Valley Power” (SVP). As we said in our initial response to the CPUC, SVP views this audit as an opportunity to further improve our safety and reliability; therefore, SVP will carefully review and address each CPUC finding and, to the extent SVP confirm the accuracy of such findings, SVP will take any and all appropriate measures consistent with industry practice.

Below you find the actions which SVP will take regarding the proposed SVP findings. However, it is important to address some of the Audit Letter’s mischaracterizations so that the record is absolutely clear regarding the CPUC’s access to SVP’s records and facilities.

The Audit Letter states that “*ESRB Staff . . . conducted its records review onsite as SVP failed to submit copies of its records.*” Prior to the audit, SVP communicated that in lieu of sending records electronically, records would be made available on-site to protect sensitive utility information. Your characterization as a “failure” by SVP to submit copies is misleading. As much as possible, SVP provided the CPUC access to our records in a manner that facilitated inspection by the CPUC audit team without unduly compromising the integrity of highly sensitive critical infrastructure information. This access is consistent with, and no less restrictive than, the standard practice of other publicly owned utilities in their CPUC audits; therefore, SVP is disappointed by the CPUC’s assertions, especially since SVP accommodated the CPUC even though it is not subject to CPUC

jurisdiction.

The Audit Letter also asserts that “. . . *ESRB staff were restricted from taking photos of substation and/or enclosed equipment during its field inspection.*” Again, SVP did not restrict CPUC access beyond what was necessary to protect critical infrastructure information. In light of heightened security concerns relating to electric infrastructure in the United States, it is necessary to protect as much as possible critical infrastructure information from being collected and released by third parties, including the CPUC. Again, SVP’s actions were consistent with industry practice, so SVP is quite surprised by the CPUC’s assertions. Overall, SVP’s security conditions may have lengthened the audit process, but they certainly did not hinder the audit’s progress. Further, the CPUC did not raise such issues during the audit, so SVP naturally concluded that this reflected the CPUC’s acknowledgement of SVP’s well-founded security concerns.

In addition to the above clarifications, please see Attachment A, which sets forth SVP’s response to the audit report, its finding, and the alleged violations. SVP reasserts that the CPUC has no jurisdiction over SVP, including authority to cite SVP for violations of its General Orders; that said, we believe it is important to provide you a response. As we have reiterated throughout this audit process, SVP places safety and reliability of its electrical infrastructure as a paramount concern, and the CPUC can rest assured that SVP will carefully evaluate these findings in an effort to improve our system.

Sincerely,

*Chris Karwick*

Chris Karwick  
Assistant Director, Electric Utility  
City of Santa Clara/Silicon Valley Power  
(408) 615-6554  
[CKarwick@santaclaraca.gov](mailto:CKarwick@santaclaraca.gov)

## **Attachment A**

### **2023 CPUC Audit Report: SVP Response to Offenses**

#### **Response to Alleged Records Review Violations (Report Sections I-II)**

**Work Orders & Patrol Inspections:** Priority Coding and Alignment with Documented Procedures; Timeliness of Work Order Completion; Recordkeeping.

**A. General Order 128, Rule 17.2 (Inspections)**

SVP appreciates the CPUC's notification of these issues, but the CPUC does adequately not demonstrate how SVP fails to observe these rules. The CPUC cites SVP for violating General Order 128, Rule 17.2; however, there is no evidence to support it. Admittedly, as mentioned further below, SVP is improving its work order and patrol inspection processes, which will allow the CPUC to better confirm SVP's compliance.

**B. General Order 128, Rule 17.1 and General Order 95 Rule 31.1 (Underground & Overhead Design, Construction and Maintenance)**

SVP appreciates the CPUC's notification of these issues, but the CPUC does adequately not demonstrate how SVP fails to observe these rules. First, SVP does design, construct, and maintain its electric system to ensure it is furnishing safe, proper, and adequate service to its customers, and such design, construction, and maintenance is done with accepted good practices. As we mention below, SVP is improving its work order process which will allow the CPUC to better confirm SVP's compliance.

**C. Current Improvement to Work Order Process and Patrol Inspection (GO 95, Rule 18-B and GO 165, Rule III.B.)**

SVP recognizes that work order processing and response are an important facet of electric reliability and safety, and as such, SVP has migrated from a completely paper-based work order tracking process to a hybrid paper/computerized system. This hybrid system will be phased out once SVP fully implements more efficient tools to manage work orders, such as a CMMS (Computerized Maintenance Management System).

Along with the complexities that are inherent in a hybrid work order system, such as the additional manpower needed to manage work order data, the COVID-19 pandemic brought significant staffing challenges from 2020 to 2022. Since that period, SVP has been making steady progress in both arenas. Most notably, in the past six months SVP took proactive steps to recruit a new T&D division manager with CMMS experience. Also, SVP hired a "Service Coordinator" which is a newly created position with responsibility for, among other things, inspecting electric structures to ensure compliance with construction specifications. These additional resources are working with other SVP teams to implement improved work order process. These improvements include (1) restructuring work order priority codes and ensuring they are aligned with documented work procedures, and (2) creating new managerial controls to facilitate timely and complete work order cycle.

As for Patrol inspections, SVP appreciates the CPUC's notification of these issues, but the CPUC does adequately not demonstrate how SVP fails to observe GO 165, Rule III.B. SVP acknowledges that patrol inspections have been impacted by its hybrid paper/computerized system and COVID-19 as noted above, SVP is taking measure to address them.

## **Response to Alleged Field Inspection Violations (Report Sections III – IV)**

- A. GO 95, Rule 22.8 A (Specs for Ground Wires)  
GO 95, Rule 56.2 (Specs for Guy Wires Providing Load Support on Poles)  
GO 95, Rule 91.3 (Specs for Pole Steps)  
GO 95, Rule 93 (Specs for Climbing Space)**

SVP appreciates the CPUC's notification of these issues. SVP will confirm their existence and, to the extent they require to be corrected, SVP will timely perform the work.

- B. GO 95, Rule 35 (Vegetation Management)  
GO 174, Rule 12 (Substations Design, Construction & Maintenance)  
GO 128, Rule 17.1 (Underground Design, Construction & Maintenance)**

SVP appreciates the CPUC's notification of these issues. SVP will confirm their existence and, to the extent they require to be corrected, SVP will timely perform the work. SVP has a robust vegetation management program, so we will use the CPUC's audit findings to further improve our program.

- C. GO 95 Rule 18-A (Communication of Safety Hazards to Third Parties)**

SVP appreciates the CPUC's notification of these issues. SVP will confirm their existence and, to the extent they require to be corrected, SVP will timely communicate with facility owners so that they can take actions as soon as possible.