

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

Order Instituting Investigation Into the  
November 2017 Submission of Pacific  
Gas and Electric Company's Risk  
Assessment and Mitigation Phase.

Investigation 17-11-003  
(Filed November 9, 2017)

**OPENING COMMENTS OF  
THE OFFICE OF THE SAFETY ADVOCATE**

**I. INTRODUCTION**

Pursuant to the Assigned Commissioner's and Administrative Law Judge's Joint Scoping Memorandum and Ruling (Scoping Memo and Ruling), the Office of the Safety Advocate (OSA) files these opening comments on the Risk Assessment Mitigation Phase (RAMP) filing of Pacific Gas and Electric Company (PG&E) as well as the Safety and Enforcement Division's (SED) report reviewing PG&E's RAMP. OSA appreciates the opportunity to provide its input, but regrets that, due to staffing constraints, it is not able to provide a more in-depth review.

In Decision (D.) 16-08-018 or the Decision on the Safety Model Assessment Proceeding, the Commission adopted the ten major components that utilities shall include in RAMP filings. They are as follows: (1) Identify top risks; (2) Describe the controls or mitigations currently in place; (3) Present its plan for improving the mitigation of each risk; (4) Present two alternative mitigation plans that it considered; (5) Present an early stage "risk mitigate to cost ratio" or related "risk reduction per dollar spent;" (6) Identify lessons learned in the current round to apply to future rounds; (7) Move toward probabilistic calculations as much as possible; (8) For those business areas with less data, improve the collection of data and provide a timeframe for improvement; (9) Describe the company's safety culture, executive engagement, and compensation policies; (10)

Respond to immediate or short term crises outside of the RAMP and GRC process.<sup>1</sup> Additionally, PG&E's filing must also show that it is striving for "reasonable rates of steady state replacement...for crucial operating equipment" and to "install equipment necessary or useful in providing reliable service."<sup>2</sup> The Commission directed SED to apply these standards to its review of PG&E's RAMP<sup>3</sup> and SED generally found that PG&E's RAMP filing was in accordance with Commission directives.<sup>4</sup>

## II. DISCUSSION

### A. PG&E should evaluate the effectiveness of mitigation plans from its last GRC and use those results in this RAMP

PG&E includes information on its current mitigation plan in each chapter addressing specific risks, however, OSA found little consideration of the effectiveness of current and prior programs in mitigating risks. PG&E states:

"The RAMP filing addresses the first eight of the 10 Cyclo Steps for Risk-informed Resource Allocation. The two steps this process does not address Step 9: Adjusting mitigations following CPUC decision on allowed resources and Step 10: Monitoring the effectiveness of risk mitigations will be addressed after receiving the GRC decision and in the submission of the Accountability Report, respectively."

It is reasonable to assume that risk management and mitigation will continue to evolve. Development of any risk mitigation plan, however, should BEGIN with a detailed metrics based evaluation of the performance of past mitigation efforts. If PG&E did not use past mitigation performance in developing its current risk mitigation programs in the upcoming rate case, that would represent a significant lost opportunity in developing, optimizing, and presenting risk mitigation programs for Commission review and approval. If it did evaluate past mitigation performance, it should present that data to the Commission now.

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<sup>1</sup> D.16-08-018 at pp. 151-152.

<sup>2</sup> D.17-05-013 at p. 182.

<sup>3</sup> Assigned Commissioner's and Administrative Law Judge's Joint Scoping Memorandum and Ruling at pp. 3-5.

<sup>4</sup> SED, Risk and Safety Aspects of RAMP Report of PG&E at p. 5.

PG&E should support its mitigation proposals with metrics to allow the Commission to consider the effectiveness of current mitigation efforts are effective in mitigating risk. PG&E reports on a limited set of metrics. This provides limited insight into the effectiveness of specific PG&E mitigation programs.

For example, it does not appear that PG&E evaluated the individual effectiveness of its mitigation programs to reduce wires down, including wires down that remain energized, or the other various root cause mitigation programs related to this risk. PG&E does include accountability metrics, which provide targets for PG&E to meet certain mitigation measures; for example, a maximum of wires down for additional overhead conductor replacement.<sup>5</sup> However, there is no indication whether those metrics were met or, more importantly, whether meeting those metrics has reduced risk. It would be useful to present the data that shows how each of the different mitigation efforts individually affect the percentage of wires down which remained energized. Wires that remain energized present both an electrical hazard to the public and a potential wildfire ignition source.

**B. PG&E should include information related to Division of Safety of Dams (DSOD) evaluations regarding its plan to mitigate hydro system safety risks**

In the last GRC, DSOD evaluated PG&E's hydro system safety program and required various improvements.<sup>6</sup> Although PG&E states generally that it addresses issues raised by DSOD,<sup>7</sup> it is unclear from the information provided whether PG&E has met all DSOD requirements it has received to date or whether any of its current or proposed mitigation measures are meant to address those requirements. PG&E should include this information. Additionally, it should also include in its discussion of mitigation measures how those measures met or complement DSOD requirements.

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<sup>5</sup> PG&E, RAMP filing, November 30, 2017 at p. 10-23.

<sup>6</sup> PG&E, Testimony 2017 General Rate Case at pp. 4-46; 4-54.

<sup>7</sup> PG&E, RAMP Report at p. 13-9.

**C. It may not be appropriate to rank risk based on scores derived from varying data sources**

In PG&E's RAMP, it introduced a scoring methodology called the Multi-Attribute Risk Score (MARS), which allows for comparison across risk categories. Using this methodology, PG&E ranked 22 types of risks. However, this ranking seems to be based on three distinct types of data, PG&E's own data, industry-wide statistics, or subjective assessments.<sup>8</sup> Ranking risks which are based on varying types of data may not yield the appropriate prioritization of risks. For example, the chapter entitled, "Failure to Maintain Capacity for System Demands" ranks high in the various MARS risk scores and ranks highest in MARS-TA-Propose Plan-Risk Score Reduction of the RAMP's 22 chapters.<sup>2</sup> However, its score is based on neither national nor PG&E specific data.<sup>10</sup> It is unclear that such a risk, based on mostly subjective assessments, should rank higher than other risks, which are based on PG&E gathered data, or at least, national data.

**D. Wildfire safety may benefit from distinct consideration among the utilities**

SED states that "... it would promote consistency and ease Commission review if future utility RAMP filings by all utilities address wildfire on a similar basis, such as consideration of the same safety risk drivers, similar risk modeling methods, and potential mitigation measures."<sup>11</sup> OSA agrees that there would be benefits to the development of similar models among the utilities' service territories. However, the Commission should also consider geographic disparities and varying population patterns among the utilities' service territories, which could justify varying risk drivers and mitigation methods. Additionally, allowing for some variation may bring forward new modeling methods and mitigation measures that could improve best practices.

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<sup>8</sup> SED, Risk and Safety Aspects of RAMP Report of PG&E at p. 20.

<sup>2</sup> SED, Risk and Safety Aspects of RAMP Report of PG&E at p. 41.

<sup>10</sup> SED, Risk and Safety Aspects of RAMP Report of PG&E at p. 43.

<sup>11</sup> SED, Risk and Safety Aspects of RAMP Report of PG&E at p. 86.

### III. CONCLUSION

OSA appreciates the opportunity to comment and requests that the Commission and PG&E consider the above issues in PG&E's Test Year 2020 GRC Application.

Respectfully submitted,

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May 10, 2018