

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Implement
Electric Utility Wildfire Mitigation Plans Pursuant
to Senate Bill 901 (2018).

Rulemaking 18-10-007
(filed October 25, 2018)

**LIBERTY UTILITIES (CALPECO ELECTRIC) LLC (U 933-E) 2020 WILDFIRE
MITIGATION PLAN REMEDIAL COMPLIANCE PLAN**

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Pursuant to Ordering Paragraph 7 of Commission Resolution WSD-002, Liberty Utilities (CalPeco Electric) LLC (“Liberty CalPeco”) submits its 2020 Wildfire Mitigation Plan (“WMP”) Remedial Compliance Plan. Resolution WSD-002 requires Liberty CalPeco to provide missing information and articulate a plan to address all Class A deficiencies identified in WMP-002 (Guidance Resolution) and WMP-007 (Resolution Conditionally Approving Liberty CalPeco’s 2020 WMP). WMP-007 did not identify any Class A deficiencies specific to Liberty CalPeco. WMP-002 identified one Class A deficiency for all electric utilities. Liberty CalPeco provides its plan to address this deficiency below.

I. DEFICIENCY GUIDANCE-3 - LACK OF RISK MODELING TO INFORM DECISION-MAKING

WSD-002 identified a lack of risk modeling to inform decision-making in all of the WMPs submitted. Liberty CalPeco addresses the five conditions in its Remedial Compliance Plan below.

A. How does Liberty CalPeco intend to apply risk modeling and risk assessment techniques to each initiative in its WMP, with an emphasis on much more targeted use of asset management, vegetation management, grid hardening and PSPS based on wildfire risk modeling outputs?

Liberty CalPeco intends to apply its risk-based decision-making (“RBDM”) framework by evaluating the risk reduction, cost, resource dedication, and timeframe associated with each wildfire risk mitigation looking ahead to 2021 and beyond. The company’s wildfire risk modeling has made significant strides since Liberty CalPeco submitted its 2020 WMP. Liberty CalPeco has been working closely with Reax, an engineering consulting firm specializing in wildfire risk, to develop its analytical models. Liberty CalPeco has also incorporated GIS and Smart M.Apps tools in order to better visualize reported incidents by date, type, asset class, and location from Responder, its outage management system. Liberty CalPeco has classified reportable incidents by circuit and will be able to provide risk-spend efficiencies (“RSEs”) and its portfolio of selected mitigations, as well as two alternatives, on a circuit-level basis.

B. Identify all wildfire risk analyses currently performed (including probability and consequence modeling) to determine which mitigation is targeted to circuits and assets where initiatives will provide the greatest benefit to wildfire risk reduction.

As WSD discusses in WMP-002, Liberty is in the process of developing a more relevant resource allocation methodology, incorporating current aspects of RAMP/S-MAP methodologies, for its 2021 GRC. These methodologies will also be used in the development of Liberty CalPeco’s 2021 WMP submission.

Liberty CalPeco uses its outage management system reporting tool to track the frequency, location, asset type, time, outage duration, and customers affected, among other elements, to provide a historical context of incidents with potential ignition-related effects. Liberty CalPeco examines its historical incidents and associated characteristics at the circuit level, so that a chosen mitigation can target problematic locations on a circuit. By gaining a clear understanding of the historical location,

frequency, and type of incident reported at the circuit level, the company's mitigations can target its most vulnerable areas on its system.

C. Provide a timeline to leverage risk modeling outputs to prioritize and target initiatives and set PSPS thresholds, including at least asset management, grid operations, vegetation management, and system hardening initiatives.

Liberty CalPeco expects its first-generation RBDM model to be completed in late summer 2020. The company will also integrate distribution fault anticipation ("DFA") analysis and its detailed distribution asset inventory results into its RBDM framework in fall 2020 for its next generation model. The company projects to be able to use its RBDM framework results for mitigations to begin in 2021 and beyond. The company is currently preparing its first generation RBDM model to be used for its capital and O&M budgeting process for its next general rate case, meeting the requirement of the Voluntary Agreement set forth by the Commission.

D. How does Liberty CalPeco intend to incorporate future improvements in risk modeling into initiative prioritization and targeting processes?

Liberty CalPeco intends to improve its early generation RBDM models by incorporating data from LIDAR, DFA, asset inventory results, inspection reports, peer utility data, and additional research into its database from which its models are built. Liberty CalPeco expects its second and third generation models to continue to improve over its first generation model, which is a significant improvement over its current risk management process.

E. How does Liberty CalPeco intend to adapt its approach based on learnings going forward?

Liberty CalPeco constantly evaluates and looks to build upon its RBDM framework. The company attends conferences related to the RAMP/S-Map proceedings of the major IOUs, incorporates feedback from the Commission, learns from the larger IOUs' experiences about what has and has not worked well, and takes advantage of all available technologies that can improve its RBDM framework and modeling process.

II. CONCLUSION

Liberty CalPeco appreciates this opportunity to provide additional information regarding its risk modeling.

Respectfully submitted,

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