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Exhibit HYM-4

Decision 06-04-055 April 27, 2006

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Joint Application of Pacific Gas and Electric Company (U 39 E), Southern California Edison Company (U 338 E), and San Diego Gas & Electric Company (U 902 E) to Amend the Reporting Criteria for Incidents Involving or Allegedly Involving Trees or Other Vegetation in the Vicinity of Power Lines.	Application 06-01-008 (Filed January 10, 2006)

OPINION

This decision grants the request of three California utilities to modify requirements for reporting incidents involving trees or other vegetation in the vicinity of power lines. The proposal would eliminate the reporting requirement for some relatively minor vegetation incidents that both the utilities and Commission staff deem unnecessary. The application is unopposed. The application is granted. This proceeding is closed.

1. Background and Summary of Request

In Decision (D.) 98-07-097, the Commission adopted final incident reporting rules to ensure that the Commission is able to monitor incidents that affect utility operations or facilities.

Pursuant to Rule 15 of the Rules of Practice and Procedure, three utilities - Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas and Electric Company (SDG&E) (collectively, the Joint Utilities) - now seek modification of D.98-07-097 to amend reporting requirements to eliminate the category for incidents involving or allegedly

involving trees or other vegetation in the vicinity of power lines. The Joint Utilities argue that the current incident reporting is overly inclusive and leads to excessive reporting of relatively minor events. The Joint Utilities suggest that Commission and utility staff time would be better served and Commission oversight of utility accidents more effective if this reporting criterion were eliminated.

The Commission initiated its inquiry into utility accident reporting requirements in D.95-09-043 as part of an effort to develop measurable standards or benchmarks for assessing the reasonableness of electric utility distribution system performance. That inquiry resulted in adoption of the following utility accident reporting requirements in D.96-09-045:

> Reportable incidents are those which: (1) result in fatality or personal injury requiring in-patent hospitalization; (2) are the subject of significant public attention or media coverage; and (3) damage to property of the utility or others estimated to exceed $20,000. (D.96-09-045, 68 CPUC2d 80, 94 and 105.)

Later, the Commission issued D.98-03-036, which modified slightly the incident reporting requirements. The Commission noted that in light of experience with accident reporting and recent fires that allegedly resulted from overgrown vegetation around utility power lines, the incident reporting rules should be modified to (1) shorten the time for reporting, (2) improve content of the reports, and (3) "submit reports following accidents involving vegetation foliage around utility power lines." (D.98-03-036, 78 CPUC2d 706, 713.)

Joint Applicants state that, as written, the incident reporting rules went beyond the question of "overgrown vegetation." As set forth in Appendix B to the decision, utilities are required to report incidents "which...involve or allegedly involve trees or other vegetation in the vicinity of power lines and

result in fire and/or personal injury whether or not inpatient hospitalization is required." (D.98-03-036, App. B.)

According to Joint Applicants, this criterion goes beyond traditional utility accident reporting requirements in two ways. First, while for other types of incidents Commission reports are required only when the incident resulted in major injuries (in-patient hospitalization) or property damage (exceeding $20,000), for vegetation incidents all fires allegedly attributable to trees and power lines are reportable regardless of how insignificant. Second, under the vegetation criterion, utilities are required to report tree-related fires over which those utilities had no control. For example, trees located outside the utility right-of-way that uproot in a landslide or privately owned trees cut by a property owner which accidentally fall into the wires are reportable. Under this criterion, utilities are even required to report tree-related fires of less than one square foot and fires that involved no personal injury or property damage.

Later, in D.98-07-097, the Commission modified the reporting procedures to provide alternate means by which reporting utilities could submit initial reports to the Commission. That decision restated but did not modify the reporting criteria for utility incident reports as established in D.98-03-036, Appendix B.

2. Discussion

The Joint Utilities ask that the Commission modify D.98-07-097 to eliminate the criterion requiring reports for incidents that "involve or allegedly involve trees or other vegetation in the vicinity of power lines and result in fire and/or personal injury whether or not in-patient hospitalization is required." Such incidents are generally referred to as "vegetation-related incidents."

The other reporting criteria in D.98-07-097, Appendix B, would remain unchanged. Utilities would continue to report and provide written accounts for utility incidents that: (1) result in fatality or personal injury requiring in-patient hospitalization; (2) are the subject of significant public attention or media coverage, and (3) involve damage to property of the utility or others estimated to exceed $20,000.

2.1 Eliminating Minor Vegetation-Related Incidents

Eliminating the requirement to report all vegetation-related incidents, regardless of how small, will not eliminate reports of major incidents where trees come in contact with power lines and cause fires, injuries, property damage or outages. According to Joint Applicants, eliminating the small vegetation-related incidents (*e.g.*, fires with little or no property damage and no significant injuries or media attention) will focus the attention of both the utility and the Commission on significant incidents that do involve major injuries, significant property damage or considerable public attention.

In 2004, the utilities reported 259 electric incidents. The following table shows the number that met each of the four reporting criteria in D.98-07-097, Appendix B:

2004 Electric Incidents Pursuant to Existing Reporting Criteria

Criteria	Number of Incidents			
Personal Injury or Fatality	18	16	5	39
Newsworthy Event	43	4	1	48
Property Damage	14	1	18	33
Vegetation-Related	110	8	21	139
TOTALS	185	29	45	259

Based on declarations attached to the application and summarized above, there were 139 vegetation-related incidents, representing more than half

the incidents for all of 2004. The majority of these incident fires were small and involved no associated property damage. For example, PG&E found that most of the reported fires were fewer than 1,000 square feet (about the size of a small office) and were the result of privately owned trees or tree branches found outside the utility right-of-way that fell into the lines.

Of the 139 vegetation-related incidents reported in 2004, five of the most significant incidents previously reported as tree-caused fires would still have been reportable under the remaining criteria – personal injury or fatality, newsworthy event or significant property damage. (*See* table below.)

2004 Electric Reportable Incidents

Criteria	Existing			Using Proposed Criterion			Change		
	PG&E	SCE	SDG&E	PG&E	SCE	SDG&E	PG&E	SCE	SDG&E
Personal Injury or Fatality	18	16	5	19	17	5	1	1	0
Newsworthy Event	43	4	1	44	4	1	1	0	0
Property Damage	14	1	18	16	1	18	2	0	0
Vegetation-Related	110	8	21	0	0	0	---	---	---
Totals	185	29	45	79	22	24	4	1	0

Joint Applicants argue that this distillation would allow both the utilities and the Commission to focus on those incidents that cause the most significant impact on utility operations, customer service and greatest media or public attention.

2.2. Authority to Investigate Any Utility Incident

The California Constitution vests in the Commission exclusive power and authority with respect to "all matters cognate and germane to the regulation of public utilities." (Cal. Const., Art. XII, § 5; *Pacific Tel. & Tel. v. Eshleman* (1913) 166 Cal. 640, 652-660.) As the Commission has noted:

> The California Constitution gives the state Legislature "plenary power...to confer...authority and jurisdiction upon the commission...." (Cal. Const. Art. XII, § 5.) And

> the state Legislature in turn has granted broad authority to the Commission to regulate utilities. The Commission is authorized by statue to "do all things...which are necessary and convenient in the exercise of its power. (Public Utilities Code § 701.) (*Re Rules, Procedures and Practices Applicable to Transmission Lines Not Exceeding 200 Kilowatts,* D.94-06-014, 55 CPUC2d 87, 95.)

Both the Commission and the California courts have repeatedly reaffirmed the Commission's exclusive jurisdiction over public utility facilities and operations. "[S]uch matters as the location of lines, their electrical and structural adequacy, their safety, and their meeting of the needs of the public within this state are clearly, by law, subject to the jurisdiction of this Commission." (55 CPUC2d at 95, citing Duncan v. PG&E (1965) 61 PUR3d 388, 394.) Even in the absence of specific utility incident reporting requirements for vegetation-related incidents, the Commission retains plenary authority to investigate any utility accident that poses a risk to public safety and system reliability.

We agree with Joint Applicants that regardless of any change in the reporting criteria, the Commission would retain its statutory authority to investigate any incident, including, for example, the power to subpoena witnesses (Pub. Util. Code § 311), to require production of documents (§ 313), to conduct audits (§ 314.5) and to investigate accidents (§ 315).

Accordingly, we agree that it is not necessary that accident reporting criteria described in Appendix B of D.98-07-097 require reports of every possible vegetation-related fire. The Commission may, in the reasonable exercise of its discretion, elect to narrow the scope of the accident reporting requirements to focus on those accidents that present the greatest potential risk to public and worker safety and utility system reliability. Yet, even with slightly narrowed

reporting criteria, the Commission will retain full authority to investigate any incident with data request, site visits and other means.

Moreover, we agree that reporting relatively minor vegetation-related incidents are unnecessarily wasteful of utility and Commission staff and resources. Since the Commission will continue to receive reports of significant vegetation incidents under the remaining criteria and since the Commission retains authority to investigate any utility accident, the requested relief is sensible and is supported by our Energy Division staff.

3. Conclusion

The application seeks to amend the utility incident reporting criteria originally approved in D.98-07-097, which became effective on July 23, 1998. Since that time, the Joint Utilities have implemented the reporting procedures and gained experience with the criteria. Over the years, utility and Commission staff have met regularly to discuss the reporting procedures and to develop ways to improve and streamline the process. Recently, at such a meeting, the participants discussed ways to focus limited staff resources on the more important of the accident reports. That discussion led to two suggestions: (1) reduce the number of exhibits automatically included with all final reports, and (2) narrow the scope of the reporting criteria by eliminating minor vegetation-related incident reports. The first suggestion was implemented by electronic mail direction. The second suggestion requires the Commission to adopt this application. Attachment 1 hereto is a copy of the proposed change to Appendix B of D.98-07-097, which we adopt today.

4. Category and Need for Hearing

In Resolution ALJ 176-3166, dated January 26, 2006, the Commission preliminarily categorized this proceeding as ratesetting and preliminarily

determined that hearings were not necessary. Based on the record, we conclude that a public hearing is not necessary, nor is it necessary to alter the preliminary determinations in Resolution ALJ 176-3166.

5. Comments on Draft Decision

Because the application is unopposed, and because our decision today grants the relief requested, the requirement for 30-day public review and comment is waived pursuant to Pub. Util. Code 311(g)(2).

6. Assignment of Proceeding

Michael R. Peevey is the Assigned Commissioner and Glen Walker is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. The Joint Utilities are electric public utilities subject to the jurisdiction and regulation of this Commission.

2. The Joint Utilities seek to amend D.98-07-097 to eliminate reporting requirements to eliminate the category for all incidents involving or allegedly involving trees or other vegetation in the vicinity of power lines.

3. Reportable incidents would continue to include those which (1) result in fatality or personal injury requiring in-patient hospitalization; (2) are the subject of significant public attention or media coverage; and (3) damage to property of the utility or others estimated to exceed $20,000.

4. Of the 139 vegetation-related incidents reported in 2004, five of the most significant incidents would still have been reportable under the criteria of personal injury or fatality, newsworthy event or significant property damage.

5. The Commission continues to have statutory authority to investigate any incident involving power lines.

6. There has been no opposition to this application.

Conclusions of Law

1. No public hearing is necessary.

2. Amending the incident reporting requirement to eliminate the category for all incidents involving trees or other vegetation in the vicinity of power lines will allow both the utilities and the Commission to focus on incidents that cause the most significant impact on utility operations.

3. It is not necessary that accident reporting criteria described in Appendix B of D.98-07-097 require reports of every possible vegetation-related fire.

4. Appendix B of D.98-07-097 should be amended as shown in Attachment 1 of this decision.

5. Approval of this application should be made effective immediately.

O R D E R

IT IS ORDERED that:

1. Appendix B of Decision 98-07-097 is amended as shown in Attachment 1 of this decision.

2. No hearing is necessary in this proceeding.

3. Application 06-01-008 is closed.

This order is effective today.

Dated April 27, 2006, at San Francisco, California.

MICHAEL R. PEEVEY
President
GEOFFREY F. BROWN
DIAN M. GRUENEICH
JOHN A. BOHN
RACHELLE B. CHONG
Commissioners

ATTACHMENT 1

APPENDIX B

ACCIDENT REPORTING REQUIREMENTS

1. Within 2 hours of a reportable incident, the utility shall provide notice to designated CPUC staff of the general nature of the incident, its cause and estimated damage. The notice shall identify the time and date of the incident, the time and date of notice to the Commission, the location of the incident, casualties that resulted from the incident, identification of casualties and property damage, and the name and telephone number of a utility contract person. This notice may be by (a) calling an established CPUC Incident Reporting Telephone Number designated by the Commission's ~~Utilities Safety Branch~~ Consumer Protection and Safety Division (CPSD) or its successor (b) sending a message to an electronic mail address designated by the Commission's ~~USB~~CPSD or its successor or (c) sending a message to the Commission's facsimile equipment using a form approved by the Commission's ~~USB~~CPSD or its successor and at numbers ~~USB~~CPSD may designate for use during normal business hours. Telephone notices provided at times other than normal business hours shall be followed by a facsimile report by the end of the next working day.

2. Within twenty business days of a reportable incident, the utility shall provide to designated CPUC staff a written account of the incident which includes a detailed description of the nature of the incident, its cause and estimated damage. The report shall identify the time and date of the incident, the time and date of the notice to the Commission, the location of the incident, casualties which resulted from the incident, identification of casualties and property damage. The report shall include a description of the utility's response to the incident and the measures the utility took to repair facilities and/or remedy any related problems on the system which may have contributed to the incident.

3. Reportable incidents are those which: (a) result in fatality or personal injury rising to the level of in-patient hospitalization and attributable or allegedly attributable to utility owned facilities; or (b) are the subject of significant public attention or media coverage and are attributable or allegedly attributable to utility facilities~~; (c) involve or allegedly involve trees or other vegetation in the vicinity of power lines and result in fire and/or personal injury whether or not in-patient hospitalization is required~~.

4. Incidents involving damage to property of the utility or others estimated to exceed $20,000 that are attributable or allegedly attributable to utility owned facilities shall be reported within 60 days of their occurrence to designated staff of the CPUC. The report shall be structured in a form acceptable to the designated staff.

(END OF APPENDIX B)