#### PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298

July 2. 2024

Agenda ID #22735 Alternate to Agenda ID #22450

#### TO PARTIES OF RECORD IN ALTERNATE DRAFT RESOLUTION ALJ-458:

Enclosed is the alternate draft resolution of Commissioner Darcie L. Houck on K.18-03-008 Edison's Appeal of Citation and Amended Citation E.18-02-001 issued by SED. The proposed resolution and the alternate proposed resolution will not appear on the Commission's agenda for at least 20 days after the date it is mailed.

Pub. Util. Code § 311(e) requires that the alternate item be accompanied by a digest that clearly explains the substantive revisions to the draft resolution. The digest of the alternate draft resolution is attached.

When the Commission acts on these agenda items, it may adopt all or part of the resolution as written, amend or modify them, or set them aside and prepare its own resolution. Only when the Commission acts does the decision become binding on the parties.

Parties may serve comments on the alternate draft resolution by July 22, 2024. Service is required on all persons on the attached service list. Comments shall be served consistent with the requirements of Pub. Util. Code § 311(g) and Rule 14.5 of the Rules of Practice and Procedure.

Finally, comments must be served separately on Administrative Law Judge Kimberly Kim at <u>kimberly.kim@cpuc.ca.gov</u>, and Commissioner Houck's advisor Karin Sung at <u>karin.sung@cpuc.ca.gov</u>.

<u>/s/ MICHELLE COOKE</u> Michelle Cooke, Chief Administrative Law Judge

MLC:avs Attachment

Agenda ID #22735 Alternate to Agenda ID #22450

#### ATTACHMENT

#### DIGEST OF DIFFERENCES BETWEEN ADMINISTRATIVE LAW JUDGE KIM'S PROPOSED RESOLUTION AND THE ALTERNATE PROPOSED RESOLUTION OF COMMISSIONER HOUCK

Pursuant to Public Utilities Code Section 311(e), this is the digest of the substantive differences between the proposed resolution of Administrative Law Judge Kim (mailed on May 5, 2024) and the proposed alternate resolution of Commissioner Houck mailed on July \_\_, 2024.

- Administrative Law Judge Kim's Proposed Resolution grants Safety and Enforcement Division's (SED's) withdrawal of Amended Citation, E.18-02-001, (Amended Citation) and Southern California Edison Company's (SCE's) unopposed motion to withdraw the Appeal of the Amended Citation. Commissioner Houck's Proposed Alternate Resolution denies SED's withdrawal of Amended Citation and SCE's related request to withdraw its appeal and instead:
  - (1) Finds SCE violated Rules 18 and 37 of General Order 95 and Public Utilities Code Section 451; and
    (2) Grants, in part, SCE's appeal of the Amended Citation.
- Administrative Law Judge Kim's Proposed Resolution does not impose a fine against SCE. Commissioner Houck's Proposed Alternate Resolution imposes a \$694,000 penalty against SCE.
- Administrative Law Judge Kim's Proposed Resolution admonishes SED for abuse of the Commission's process. Commissioner Houck's Proposed Alternate Resolution does not recognize an abuse of process by SED.
- Administrative Law Judge Kim's Proposed Resolution directs SED to seek and secure from the assigned Administrative Law Judge, in advance, any leaves to withdraw its citations with demonstration of good cause. Commissioner Houck's Proposed Alternate Resolution does not contain such a direction to SED.

- Administrative Law Judge Kim's Proposed Resolution bars SED from reinstituting any future actions against SCE based upon the same facts relating to the underlying 2015 Accident. Commissioner Houck's Proposed Alternate Resolution proposes a final disposition of SED's enforcement action against SCE regarding the 2015 Accident, but does not otherwise explicitly bar SED from instituting future actions against SCE.
- Administrative Law Judge Kim's Proposed Resolution orders the destruction of all physical evidence previously admitted into the evidentiary record of this proceeding. Commissioner Houck's Proposed Alternate Resolution does not order the destruction of the physical evidence previously admitted into the evidentiary record of the proceeding.

#### PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Alternate Resolution ALJ-458 Administrative Law Judge Division [Date]

# $\underline{\mathsf{R}} \underline{\mathsf{E}} \underline{\mathsf{S}} \underline{\mathsf{O}} \underline{\mathsf{L}} \underline{\mathsf{U}} \underline{\mathsf{T}} \underline{\mathsf{I}} \underline{\mathsf{O}} \underline{\mathsf{N}}$

ALTERNATE RESOLUTION ALJ-458. Resolves Proceeding K.18-03-008 finding violations of General Order 95 and Pub. Util. Code Section 451 and dismissing two violations, the Amended Citation E.18-02-001 Issued to Southern California Edison Company (U338E) by Safety and Enforcement Division.

## **SUMMARY**

This resolution closes the proceeding K.18-03-008, Edison's Appeal of Citation and Amended Citation E.18-02-001 issued by SED. The resolution finds that Southern California Edison (Edison) violated General Order 95, Rules 37 and 18-A, and Public Utilities Code Section 451. This resolution does not find that Edison violated General Order 95, Rules 48 or 31.1. This resolution imposes a fine of \$694,000 and denies the parties' motion to withdraw the citation.

## FACTUAL BACKGROUND

Uncontroverted evidence in this proceeding shows that there was at least one storm event between July 30 and 31, 2015 (Storm Event), at the location of the crossarm on Edison Pole No. 43502S (Crossarm), located in Twentynine Palms, California (Crossarm Location). At or around the time of the Storm Event, the Crossarm broke and caused a 12 kilovolt (kV) energized conductor to drop and become low-hanging and suspended above the ground between Edison's Pole Numbers 43502S and 43503S.

On August 1, 2015, at approximately 9:36 a.m., three men, riding off-road vehicles on a dirt road around the Crossarm Location, injured themselves when they came in contact with a downed and energized conductor connected to the failed Crossarm. The first of the three men struck the energized conductor and suffered injuries. Then, the other two men also made contact with the energized conductor and were injured, while attempting to aid the first man (August 1, 2015 Accident or the Accident). Injuries to the three men include lacerations to the neck, third-degree burns, and electric shocks. Although it is inferred and undisputed that the Crossarm probably broke sometime

during or soon after the Storm Event, there was no evidence presented on the precise date or time, or circumstances of the Crossarm failure.

The downed conductor connected to the Crossarm was energized at the time of the Crossarm failure and the Accident.

Edison learned of the Accident and the Crossarm failure immediately after the Accident and promptly notified SED. Within hours of that notice, SED investigators arrived at the Accident scene to begin the investigation.

## PROCEDURAL BACKGROUND

#### February 12, 2018 Citation E.18-02-001 (Original Citation)

On February 12, 2018, SED issued the Original Citation and charged Edison with alleged violations of General Order (GO) 95 (updated and revised May 2018) (Current GO 95) Rules 48 (Strength of Materials), 37 (Minimum Clearance of Wires above Railroads, Thoroughfares, Buildings, etc.), and 31.1 (Design, Construction and Maintenance). The February 12, 2018 Citation will be referred to here as the Original Citation.

In the Original Citation, SED alleged that Edison violated these provisions of the Current GO 95 from July 30, 2015, to August 1, 2015, when the Crossarm in Twentynine Palms, California (Crossarm Location), is suspected to have broken and caused an energized 12 kV conductor to injure three men riding off-road vehicles through the area. The Original Citation in turn alleged that Edison violated Current GO 95, Rules 48, 37, and 31, for two days each, and for each Rule violated, SED assessed a \$100,000 penalty, which is how the Original Citation penalty amount of \$300,000 came to be.<sup>1</sup> Edison timely filed its appeal to the Citation.<sup>2</sup>

The proceeding K.18-03-008 was initiated to hear Edison's Appeal of Citation E.18-02-001 issued by SED.

On March 29, 2018, Administrative Law Judge (ALJ) Kimberly Kim was assigned to this proceeding.

<sup>&</sup>lt;sup>1</sup> March 23, 2018, SED filed the Public and Confidential versions of the Compliance Filing relating to Citation (E.18-02-001) in Accordance with Resolution ALJ-299 along with its Motion to File Under Seal Portions of its Compliance Filing.

<sup>&</sup>lt;sup>2</sup> On March 14, 2018, Edison filed its appeal to the citation.

# Law and Motion and Notable Proceeding History

Between April 2018 to December of 2018, voluminous discovery and pre-hearing motions and briefs were filed by SED and Edison. In addition to the contentious motions and responses, several legal issues were heavily briefed by both sides with three separate days of law and motion hearings held on August 14, 2018, November 30, 2018, and December 7, 2018.

In September 2018, while preparing for the evidentiary hearings in this proceeding, Edison discovered and notified SED that Edison discovered:

- (1) Pole height error in all of the 2015 reports (2 feet difference from original reports) which materially impacts safety design calculations; and
- (2) Identification of evidence of bullet damages on the Crossarm (3 years after the initial SED investigation/inspection).

In the course of preparing for the evidentiary hearing in this proceeding, SED discovered Edison's Work Order Notification No. 403983607, dated October 13, 2011. That work order listed a missing nut on an insulator pin attached to the Crossarm (Missing Nut). It also showed that Edison categorized the Missing Nut as Maintenance Priority Level 3 (lower priority maintenance issue) and therefore had not corrected the condition before the August 1, 2015 Accident. Based on this discovery relating to Missing Nut, on August 14, 2018, SED filed a motion to suspend the evidentiary hearing to consider new evidence of further and additional violations by Edison.

Between April 2018 to December 2018, the assigned ALJ issued a ruling setting, then subsequently resetting, the evidentiary hearing multiple times as well as numerous other rulings resolving the pending motions.

## October 3, 2018 Amended Citation

On October 3, 2018, SED issued Amended Citation E.18-02-001 (Amended Citation) against Edison for essentially the same previously alleged violations as set forth in the Original Citation and added references to Current GO 95, Rule 18.1 and Public Utilities (Pub. Util.) Code<sup>3</sup> Section 451 with additional allegations of violations concerning the failure to prioritize the Missing Nut issue as either a Priority 1 or Priority 2 maintenance issue. In other words, SED's added contentions were that the Missing Nut should have been categorized as a higher priority maintenance issue and thus should have been

<sup>&</sup>lt;sup>3</sup> All references to Code section in this Resolution are to California Public Utilities Code, unless otherwise specified.

corrected before August 1, 2015 Accident. Based thereon, SED assessed an increased penalty against Edison from \$300,000 in the Original Citation to \$8 million in Amended Citation, the maximum allowable penalty per citation, calculated at a rate of \$50,000 per day from October 13, 2011, when Edison learned of the Missing Nut, to August 1, 2015.

Edison timely filed its appeal of the Amended Citation (Appeal).<sup>4</sup>

Proceeding K.18-03-008 was amended to hear Edison's Appeal of the Amended Citation E.18-02-001 issued by SED, which now supersedes the Original Citation.

## **Evidentiary Hearings, Briefs and Subsequent Motions and Rulings**

The first four days of evidentiary hearings were held from December 10 to 14, 2018.

On December 21, 2018, SED filed a motion to further amend the Amended Citation, this time, to conform to proof (Motion to Further Amend) to attempt to update and reconcile the charges to the evidence SED presented during the first leg of the evidentiary hearings. Edison filed an opposition to the Motion to Further Amend on January 17, 2019. The assigned ALJ issued a ruling on January 17, 2019, and denied SED's Motion to Further Amend.

On December 28, 2018, Edison filed a Motion to Dismiss the Amended Citation (Motion to Dismiss). SED filed an opposition to the Motion to Dismiss. The assigned ALJ issued a ruling on January 17, 2019, and denied Edison's Motion to Dismiss.

A second set of four days of evidentiary hearings were held from February 19 to 22, 2019.

The last set of evidentiary hearings was held on March 7 and 8, 2019.

On March 29, 2019, the assigned ALJ issued a ruling resolving outstanding motions as follows:

- (1) Denied SED's motion to take official notice of SED's Proposed Exhibits 84 and 85;
- (2) Marked, identified, and admitted as Exhibit SED-86, the two archival grade DVDs of SED's Field Inspection (Volume 1 and Volume 2) collectively;

<sup>&</sup>lt;sup>4</sup> All references to Edison's Appeal in this resolution will be inclusive of both its appeal of the Original Citation and the Amended Citation.

- (3) Marked, identified, and admitted as Exhibit EDISON-26, the three archival grade DVDs of February 20, 21, and 22, 2019 Evidentiary Hearing collectively;
- (4) Marked, identified, and admitted as Exhibit EDISON-33, the actual broken and generally reassembled crossarm wrapped as a single piece (piece 1), conductor and insulator wrapped as a single piece (piece 2), two metal braces wrapped as a single piece (piece 3), and a cardboard box (with following contents: 4 cylindrical metal pieces, a bullet in a bag, broken wood piece wrapped in bubble wrap, and two circular flat pieces) which is marked File No. 201507956 ... Packed by ... 11/30/18" wrapped as a single piece (piece 4) collectively. [Reminder: As ordered during the evidentiary hearing, Exhibit EDISON-33 will remain in the assigned ALJ's and Commission's custody until any applicable appellate timeframe expires. Thereafter, it will be ordered to be retrieved (upon notice of assigned ALJ) by Edison for it to retain it (in its evidence locker) for the duration, as ordered, on behalf of the Commission.]

On April 3 and 18, 2019, SED and Edison filed concurrent opening and reply briefs, respectively.

On August 6, 2019, the assigned ALJ issued the final ruling resolving all outstanding issues concerning the exhibits and adopting the final exhibit list.

## Draft Resolution, Comments and Subsequent Joint Filing

A draft resolution was issued and served on the parties on February 24, 2023. It dismissed the Amended Citation E.18-02-001 issued by SED to Edison, with one exception. The resolution closed the proceeding K.18-03-008, Edison's Appeal of Citation and Amended Citation E.18-02-001 issued by SED. On March 16, 2023, SED filed its comments on the Draft Resolution.

On March 21, 2023, Edison emailed the assigned Administrative Law Judge, with copies to the proceeding service list, a request to permit Reply Comments no later than Monday, March 27, 2023 on the Draft Resolution (Request).

On March 22, 2023, SED emailed the assigned Administrative Law Judge, with copies to the proceeding service list, SED's opposition to the Request.

On March 22, 2023, the assigned Administrative Law Judge issued a ruling granting Edison's Request, in part, to file the Reply Comment by March 24, 2023. On March 24, 2023, Edison filed its reply comments.

On November 29, 2023, Edison, joined by SED, filed a joint request to withdraw its Appeal of the Amended Citation E.18-02-001 which initiated this proceeding K.18-03-008.

On February 27, 2024, Draft Resolution ALJ-435 was withdrawn by the Commission to address the November 29, 2023 motion.

## **SUMMARY OF AMENDED CITATION**

The Amended Citation E.18-02-001 supersedes and replaces the previously issued Citation E.18-02-001 and is the only citation in effect. Summarized below is SED's Amended Citation at issue in this proceeding. It charges Edison with 5 counts of violations and assesses a combined penalty of \$8 million, principally based on its Missing Nut allegations and assessing the maximum allowable penalty, calculated at a rate of \$50,000 per day from October 13, 2011, when Edison learned of the Missing Nut, to August 1, 2015.

	Alleged Violations	Assessed
		Penalty
Count	The strength of the material used to construct the Crossarm failed to meet	
1	(fell below) the material strength requirement.	
	(Citing Current GO 95, adopted May 2018, Rule 48 governing Strength of	
	Materials – Design and Construction Elements)	
Count	The overhead conductor fell below the minimum clearance requirement of	
2	25 feet above ground.	
	0	
	(Citing GO 95, adopted May 2018, Rule 37 governing Minimum Clearances	
	of Wires above Railroads, Thoroughfares, Buildings, Etc.)	
Count	The Crossarm "failed and broke under conditions that were not abnormal"	
3	to the area.	
	(Citing GO 95, adopted May 2018, Rule 31.1 governing Design,	
	Construction, and Maintenance)	
Count	Edison failed to secure insulator since October 13, 2011 and should have	
4	prioritized the Missing Nut as either priority 1 or 2, but not priority 3 and	
	repaired it before the 2015 Accident.	
	repaired it before the 2010 rectacit.	
	(Citing GO 95, Rule 18.1-A, adopted May 2018, governing Design,	
	Construction, and Maintenance)	
Count	Edison's prioritizing of the Missing Nut (in 2011) as "Priority 3" and	
5	allowing the condition to remain uncorrected for several years constitute	
	failure to maintain its equipment and facilities as necessary to promote the	
	safety, health, comfort, and convenience of the public.	

(Citing Code § 451)	
The Amended Citation increased the penalty against Edison from	
\$300,000 to \$8 million, the maximum allowable penalty per citation	\$8
calculated at a rate of \$50,000 per day from October 13, 2011, when Edison	million
learned of the Missing Nut, to August 1, 2015. <sup>5</sup>	

#### **BURDEN OF PROOF**

SED has the burden of proof by a preponderance of the evidence. Once Staff meets its burden, Respondent has the burden to prove any affirmative defenses it might raise.<sup>6</sup>

#### DISCUSSION

#### Count One (Alleged Strength of Materials - Design and Construction Element -Violation of Rule 48 of Current General Order (GO) 95)

As discussed below, SED did not meet its burden to show that Edison failed to properly design and maintain the Crossarm at the proper strength in violation of Rule 48 of Current General Order (GO) 95.

Count One cites to Current GO 95, Rule 48, and charges that the strength of the Crossarm was substandard. This is a design and construction allegation; thus, the alleged acts of deficient design, construction, and installation of the Crossarm must be reviewed and measured as against the applicable rules in effect at the time of the design and construction. This is both logical and expressly noted in the current version of GO 95, most recently revised in May 2018 (Current GO 95), as follows:

Under the terms of the new general order, existing facilities, lawfully erected in accordance with earlier general orders, are permitted to be maintained according to the rules effective when such facilities were constructed or reconstructed, except as to certain safety factor requirements specified in Rule 12.2 ....

In other words, the new general order does not require a complete and immediate reconstruction of existing lines installed prior to its effective date. Such an order would be unreasonable to operators and to the public alike.

<sup>&</sup>lt;sup>5</sup> SED Opening Brief, at 1.

<sup>&</sup>lt;sup>6</sup> D.16-09-055, COL No. 32.

For reasons hereinabove indicated, the Commission is of the opinion that Rule 12.3 of the new general order (there is a similar provision in General Order No. 64–A) is a reasonable and necessary provision and that it would be unreasonable to order wholesale and immediate reconstruction of all existing overhead lines, as is sometimes urged.<sup>7</sup>

For its Count One, SED's Amended Citation cites the Current GO 95, Rule 48, as the governing rule, and provides:

Structural members and their connection shall be designed and constructed so that the structures and parts thereof will not fail or be seriously distorted at any load less than their maximum working loads (developed under the current construction arrangements with loadings as specified in Rule 43) multiplied by the safety factors in Rule 44. Values used for the strength of material shall comply with the safety factors specified in Rule 44.<sup>8</sup>

Edison presented evidence that the Crossarm may have been constructed and installed at or before 1954 to which SED provided no evidence to the contrary.

The above text of Current GO 95, Rule 48, which SED charged in its Amended Citation is not identical to the rule in existence in the 1950s when the Crossarm was possibly designed, constructed, and installed.<sup>9</sup> However, Rule 44.3 (the safety factor which is related to the replacement of lines), remains unchanged since the General Order went into effect in the 1950s. SED's calculations use the Current GO-95 Rule 44.3 as the criteria for strength, as it specifies the safety factor at which a line or parts thereof (like a Crossarm) must be replaced or reinforced. So, the basis of SED's violation is still accurate, although SED relied on the language in the current version of GO 95 and not on the 1950s version.

<u>Rule 48 Language and Related Analysis</u> – SED's Count One regarding the alleged Current GO 95, Rule 48 violation is based on a failure analysis methodology using a "design wind speed"<sup>10</sup> derived from language added to Rule 48 in 1992 ("will not fail" and "working load multiplied by the safety

<sup>&</sup>lt;sup>7</sup> Current GO 95, at xv.

<sup>&</sup>lt;sup>8</sup> The Amended Citation, at 2.

<sup>&</sup>lt;sup>9</sup> Edison presented some evidence that the Crossarm may have been constructed and installed at or before 1954. SCE Ex. 9, at 20, 87.

<sup>&</sup>lt;sup>10</sup> RT 1890:23-1891:5 citing D.12-04-924, at 33.

factor", Current GO 95, Rule 48). Current GO 95, Rule 48 cites Rule 44 for the safety factor used for the design and construction of the crossarm and Rule 43 for the loading criteria. For the design of a crossarm, both the 1950 and current version of GO 95 require:

- (1) the same wind loading criteria;<sup>11</sup>
- (2) the same safety factor for the initial design of the crossarm, and<sup>12</sup>
- (3) the same safety factor at which the crossarm needs to be replaced.<sup>13</sup>

SED used these three factors as the underlying basis of its Rule 48 violation. As such, the underlying design criteria from GO-95 underpinning the engineering analysis that SED uses to support this violation of Rule 48 is the same as the criteria that would have been used in the 1950. Based on these three factors and the failure analysis methodology, SED contends that the 1950s Crossarm was not replaced or reinforced before the safety factors were reduced.

SED's evidence showed conversion of the design wind load multiplied by the safety factor to a "design wind speed." SED measured that "design wind speed" against the reported wind speed associated with the Storm Event.<sup>14</sup> SED argued that the actual reported wind speeds (from nearby weather stations) were lower than the design wind speed it calculated. Since the Crossarm failed, SED claims that the Crossarm was not replaced or reinforced before the safety factors were reduced per Current GO-95 Rule 44.3.<sup>15</sup>

Edison's expert witness disputed SED's interpretation of Rule 48. Edison's expert witness testified that even a correctly computed design wind speed does not represent a bright-line value below which properly designed crossarms should never fail and that design wind speed simply represents the median point of the modulus of rupture

<sup>&</sup>lt;sup>11</sup> See Original GO-95, Rule 43.2A and Current GO-95, Rule 43.2A for the required wind loading criteria.

<sup>&</sup>lt;sup>12</sup> See Original GO-95, Rule 44.1 Table 4 and Current GO-95, Rule 44.1 Table 4.

<sup>&</sup>lt;sup>13</sup> See Original GO-95, Rule 44.2 and Current GO-95, Rule 44.3.

<sup>&</sup>lt;sup>14</sup> For the reported wind speed, SED relied on a reading from one airport, 7.14 miles from the subject pole. SED Ex. 1, Incident Investigation Report, at 2. SED also cited the preliminary estimate of Edison's expert meteorologist, Jay Rosenthal, of gusts up to 70 MPH even though in his testimony, Mr. Rosenthal estimated gusts in excess of 70 MPH and possibly 80 or 85 MPH. RT 1056:13-25.

<sup>&</sup>lt;sup>15</sup> SED Ex. 74, at 7.

values for a particular wood species.<sup>16</sup> No SED witness disputed any of these points about the variability of wood strength or the source and meaning of the modulus of rupture data given in GO 95.

During the evidentiary hearing, extensive and competing evidence was presented by SED and Edison of historic weather conditions of the nearby areas (as logged by nearby weather stations, some within a 10-mile radius) to illustrate general historic weather conditions in the vicinity of the Crossarm as well as what *might* have been the wind, gusts, bursts, and speeds at the Crossarm Location during the Storm Event at the time of the Crossarm failure.<sup>17</sup>

The evidence remains inconclusive with vastly different testimony and evidence presented by SED and Edison from different nearby weather stations and the various storm events in this desert area with the wind gusts, sudden down-bursts, and microbursts that may or may not have played a part at the location of the Crossarm.

As part of its defense, Edison presented evidence that the Crossarm met the requirements and the applicable safety factors standard in effect at all times under GO 95, Appendix F.<sup>18</sup> Specifically, Edison presented its analysis regarding the Crossarm design and argued that Appendix F governs here. We note, however, that Appendix F sets forth an example of how to design a wood structure<sup>19</sup> but is not a rule. It merely illustrates a way GO-95 could be applied. Moreover, the calculations in Appendix F are for an example structure that is different than the structure in this case.

We find that SED's strength of material allegation is not persuasive. The essence of SED's contention in Count One is that the Crossarm broke and failed during the Storm Event due to the deficient strength of the Crossarm (designed and installed in the 1950s) for this windy Crossarm Location. Evidence indeed showed that the Crossarm Location experienced high wind both historically and during the Storm Event, which occurred sometime around the time of the Crossarm failure. Notwithstanding this, SED's evidence supporting its Count One violation is outweighed by Edison's testimony that the strength of the wooden Crossarm was compromised by the bullet holes. Edison

<sup>18</sup> RT 1887:3-1913:5.

<sup>19</sup> RT 1903:12-22.

<sup>&</sup>lt;sup>16</sup> RT 1888:5-23.

<sup>&</sup>lt;sup>17</sup> SED argued that a maximum 34 mile-per-hour wind gust reading at an airport ten miles away does not establish weather conditions or wind gusts at the location of Pole 43502S. Edison's witness testified that "in the vicinity of where the thunderstorm was strongest, and we know that from the satellite data, the radar data and the lightning morning data, that it was much more intense; that would have been approximately where the downburst came down from the cloud." RT 1546:5-15.

presented the Crossarm, including the broken pieces, as evidence to show that the Crossarm had multiple bullet damages at and near where the Crossarm broke, split, and fell, and asserted that those bullet damages most likely caused the Crossarm to fail, not the deficient design or maintenance.<sup>20</sup> The inspection of the Crossarm and its broken pieces, during the evidentiary hearing, showed that the failed Crossarm seemed to have multiple bullet damages at and near where the Crossarm failed and split. Visual inspection of those seeming bullet damages and the locations of those damages in relation to where the Crossarm broke and split supported Edison's position that those damages likely caused the Crossarm failure. It appears that the break occurred precisely at the junction of what appears to be bullet damage and the wood split along the natural wood grain, suggesting that the bullet damage to the Crossarm failure during the Storm Event preceding the August 1, 2015 Accident. We are persuaded by Edison's testimony and evidence that the bullet holes reduced the strength of the wooden Crossarm which contributed to the Crossarm breaking.

SED failed to prove that the safety factor for the Crossarm was less than what was required for replacement or reinforcement by GO-95.

<u>Alternate Reconstruction Theory</u> - During the evidentiary hearing, when faced with Edison's defense that the above Current GO 95, Rule 48 text was not in effect in 1954, SED argued alternatively that, although not charged in the Amended Citation, the current text of Rule 48 in Current GO 95 should still apply. SED presented evidence of work on Pole 43503S (not the Crossarm but a nearby crossarm and pole) in 2006. SED argued that work equated to a reconstruction of Pole 43502S and the Crossarm pursuant to Rule 12.2,<sup>21</sup> which provides: "All lines and portions of lines shall be maintained in such condition as to provide safety factors not less than those specified in Rule 44.3."

In addition, SED's assertion that Edison had replaced the crossarm on Pole No. 43503S with a "longer" crossarm and that length difference affected the clearance was made without citation to the record in the proceeding and did not present evidence on how the change affected the clearance on the line between the two poles.<sup>22</sup> Per Rule 12.1.D, the fact that a crossarm on an adjacent pole is replaced does not necessarily mean that the subject pole needs to be subject to modern day standard.

<sup>&</sup>lt;sup>20</sup> The main Crossarm and the broken pieces of the Crossarm were received into evidence and carefully examined and inspected. During the evidentiary hearing, video was taken of the main piece of the Crossarm and all the broken pieces, to memorialize careful inspection of the seeming bullet damages by all parties and the Administrative Law Judge. The video and the main piece of the Crossarm, including the broken pieces, were received into evidence.

<sup>&</sup>lt;sup>21</sup> SED's Opening Brief, at 9.

<sup>&</sup>lt;sup>22</sup> Ibid.

We reject SED's Rule 12.2 interpretation. Based on the foregoing, SED failed to prove by a preponderance of evidence that Edison violated Rule 48 of Current GO 95 as alleged in the Amended Citation.

#### Count Two (Alleged Rule 37 Minimum Clearance Violation)

SED's Count Two alleges that, when the Crossarm failed, the lines fell below the Current GO 95, Rule 37 level. As discussed below, Count Two is sustained but no penalty is assessed for this violation.

GO 95, Rule 37, provides requirements for clearance between overhead conductors, guys, messengers, or trolley span wires and tops of rails, surfaces of thoroughfares, or other generally accessible areas across, along or above which any of the former pass as well as clearances between conductors, guys, structures, or other objects.<sup>23</sup> Specifically, it requires supply conductors of 750-22,500 volts installed above ground along thoroughfares in rural districts or across other areas capable of being traversed by vehicles or agricultural equipment to maintain a minimum ground clearance of 25 feet.

SED contends that, at the time of the Accident, Edison's overhead conductor had an above ground clearance of less than 8 feet, which is less than the GO 95, Rule 37, minimum requirement of 25 feet. This fact is not disputed by Edison. Edison admitted that "[t]he conductor had fallen to a height of four to eight feet above the ground because of a broken crossarm on Pole 43502S<sup>24</sup> and that its conductors "clearly were below the required clearance on the morning of August 1<sup>st</sup>."<sup>25</sup> SED therefore contends that these facts evidence Edison's violation of the minimum clearance rule and Edison's failure to ensure that its 12 kV overhead conductor maintained at least a 25-foot ground clearance above a thoroughfare capable of being traversed by vehicles.

Given that there is no dispute that Rule 37 was violated, we sustain SED's alleged violation. Based on the discussion, below, we do not find a penalty is appropriate. Count Two is sustained, and no penalty is imposed here.

<sup>25</sup> RT 2171:19-24.

<sup>&</sup>lt;sup>23</sup> GO 95, Table 1.

<sup>&</sup>lt;sup>24</sup> Appeal of Southern California Edison Company of Amended Citation E.18-02-001, November 2, 2018, at 2.

#### Count Three (Alleged Rule 31.1 Design, Construction, and Maintenance Violation)

As discussed below, SED's Count Three allegation in its Amended Citation that Edison failed to design, construct, and maintain the Crossarm in violation of Current GO 95, Rule 31.1, lacks merit and is dismissed.

Here, SED's Amended Citation cites the Current GO 95, Rule 31.1:

Electrical supply and communication systems shall be designed, constructed, and maintained for their intended use, regard being given to the conditions under which they are to be operated, to enable the furnishing of safe, proper, and adequate service.

<u>Construction and Design Element</u> – The construction and design allegations must be reviewed against the standards in effect at the time of the alleged acts of designing and constructing, as discussed in the Count One section. Thus, applying Current GO 95, Rule 31.1 to any allegations of design and construction violations or failures is not appropriate unless SED charged and proved Edison had performed "reconstruction." For the reasons discussed in Count One, SED did not do so.

<u>Maintenance Element</u> - That leaves us with the alleged violation of Rule 31.1 as it relates to the maintenance standards arising from Rule 31.1 of the Current GO 95. SED alleged that the Crossarm failed and broke under conditions that were not abnormal to the area, causing a piece of the Crossarm to fall to the ground and the conductor it supports to be suspended in the air. SED therefore contends Edison violated the maintenance requirements under Current GO 95, Rule 31.1 by failing to ensure that the Crossarm was maintained in a way that it does not break during conditions normal to the area.

#### Rule 31.1 provides:

For all particulars not specified in these rules, design, construction, and maintenance should be done in accordance with accepted good practice for the given local conditions known at the time by those responsible for the design, construction, or maintenance of [the] communication or supply lines and equipment.

#### Storm Conditions and Related Evidence

SED and Edison presented competing storm evidence which included vastly different testimony and evidence from different nearby weather stations and the various storm events in this desert area with the wind gusts, sudden down-bursts, and micro-bursts

that may have played a part at the location of the Crossarm. <sup>26</sup> This competing weather evidence ultimately is inconclusive as to the local conditions known at the time.

SED's Count Three (Rule 31.1 maintenance allegation) is premised on the assumption that maintenance failure is evidenced by the Crossarm failing under normal conditions of the Crossarm location. Here, an extra variable of the bullet damage, beyond the high wind, seemed to have been a contributing factor to the failure; and the evidence is unclear whether the Crossarm would have failed under normal weather conditions, absent the seeming bullet damages.

It is unclear what role the Missing Nut had on the Crossarm failure; however, and as noted above, we are persuaded that the Crossarm failure was highly likely a result of bullet damages, and there was no evidence here that there was any maintenance failure pursuant to Rule 31.1. While the issue of bullet holes in crossarms seems uncommon, we encourage Edison to monitor and track its inspections to identify potential causes of Edison's crossarm damages and failures, including any damages or failures contributed by bullet holes.

Because SED failed to prove by a preponderance of evidence that Edison violated any design, construction and/or maintenance requirements in Rule 31.1 of Current GO 95, Count Three is dismissed.

#### Count Four (Alleged Improper Prioritization of Missing Nut Maintenance Issue in Violation of Rule 18-A of Current GO 95)

As discussed below, SED proved by a preponderance of evidence its allegation in its Amended Citation that Edison improperly prioritized the Missing Nut maintenance issue in violation of Rule 18-A of Current GO 95 (Count Four).

SED's Amended Citation cites the Current GO 95, Rule 18-A, which provides:

*Each company (including utilities and CIPs) is responsible for taking appropriate corrective action to remedy safety hazards and GO 95 violations posed by their facility... For purposes of this rule, "safety hazard" means a condition that poses a significant threat to life or* 

<sup>&</sup>lt;sup>26</sup> SED's repeatedly emphasized a maximum 34 mile-per-hour wind gust reading at an airport ten miles away does not establish weather conditions or wind gusts at the location of Pole 43502S. Edison's witness testified that "in the vicinity of where the thunderstorm was strongest, and we know that from the satellite data, the radar data and the lightning morning data, that it was much more intense; that would have been approximately where the downburst came down from the cloud." RT 1546:5-15.

property... All companies shall establish an auditable maintenance program for their facilities and lines. Further, all companies must include a timeline for corrective actions to be taken following the identification of a safety hazard or violation of General Orders 95 or 128 on the companies' facilities. The auditable maintenance program should be developed and implemented based on the following principles.

- (1) Priorities shall be assigned based on the specifics of the safety hazard or violation as related to direct impact and the probability for impact on safety or reliability using the following factors:
  - *Type of facility or equipment;*
  - Location;
  - Accessibility;
  - Climate;
  - Direct or potential impact on operations, customers, electrical company workers, communications workers, and the general public;
  - Whether the safety hazard or violation is located in an *Extreme or Very High Fire Threat zone*.
- (2) There will be three priority levels, as follows:
  - a) Level 1:
    - Immediate safety and/or reliability risk with high probability for significant impact.
    - Take action immediately, either by fully repairing the condition, or by temporarily repairing and reclassifying the condition to a lower priority.
  - *b) Level* 2:
    - Variable (non-immediate high to low) safety and/or reliability risk.
    - Take action to correct within specified time period (fully repair, or by temporarily repairing and reclassifying the condition to a lower priority).
    - *Time period for correction to be determined at the point of identification by a qualified company representative:*
    - Overhead: 0-59 months
    - Where communications company actions result in electric utility GO violations, the electric utility's remedial action will be to

transmit a single documented notice of identified violations to the communications company for compliance.

- *c) Level* 3:
  - Acceptable safety and/or reliability risk.
  - Take action (re-inspect, re-evaluate, or repair) at or before the next detailed inspection.
- *d) Exceptions* (*Levels 2 and 3 only*) *Correction times may be extended under reasonable circumstances, such as:* 
  - Third party refusal
  - Customer issue
  - No access
  - Permits required
  - System emergencies (e.g. fires, severe weather conditions)

The discretion provided in Rule 18-A is not a blanket discretion. In exercising that and other discretion, utilities must exercise reasonable care to avoid causing harm to others.<sup>27</sup>

Here, SED presented evidence that, on October 13, 2011, an Edison personnel observed that the nut securing the insulator (that supported the 12 kV conductor) to the Crossarm was missing. They created a work order for the observed missing nut (Missing Nut). It is undisputed that Edison prioritized the Missing Nut as a maintenance "Priority Level 3" item and deemed "Acceptable safety and/or reliability risk" for "action (re-inspect, re-evaluate, or repair) at or before the next detailed inspection" under Rule 18-A.

SED contends that Edison should have prioritized the Missing Nut as no lower than Priority Level 2 such that Edison's prioritizing of the Missing Nut as Level 3 maintenance priority was a violation of Rule 18-A. SED explained the Missing Nut was a hazardous and dangerous condition, as the lack of a nut allows movement of the insulator pin, unrestricted by the securing nut. In support of its contention, SED presented testimony that the Missing Nut, under windy conditions common to this area, could cause movement of the insulator pin within the pinhole, unrestricted by the securing nut (missing here), and could subject the Crossarm to damaging tensile stress that can lead to a crossarm failure and cause the energized conductor supported on the

<sup>&</sup>lt;sup>27</sup> *Mata v. Pac. Gas & Elec. Co.*, 224 Cal. App. 4th 309, 318 (2014), as modified on denial of reh'g (Mar. 26, 2014).

insulator to fall to the ground or become suspended with insufficient above ground clearance and thus be hazardous to the public.<sup>28</sup>

SED determined that a missing nut warranted a higher priority than a Level 3 based on the factors in Rule 18 including type of facility, location, accessibility, climate, direct or potential impact on operations, customers, electrical company workers, communications workers, and the general public.<sup>29</sup> SED therefore argues that this hazardous and dangerous condition created by the Missing Nut was an "immediate safety and/or reliability risk with high probability for significant impact" and that Edison therefore violated GO 95, Rule 18-A for failing to correctly prioritize this as Priority Levels 1 or 2 and immediately correcting the violation of the Missing Nut.

SED also argued that there was an anti-split bolt in the Crossarm which SED's witness testified was indicative of "pre-existing splitting and damage to the crossarm."<sup>30</sup> SED's implications seem to be that the Crossarm had been damaged before and repaired with the anti-split bolt by Edison, suggesting Edison knew of supposed preexisting damage and resulting fragility of the Crossarm. That said, SED's witness admitted they did not know whether there was/were preexisting damage that led to the anti-split bolt being installed on the Crossarm nor did they know why or when the anti-split bolt was installed.<sup>31</sup> On this point, Edison's witness testified that there was no known pre-existing split in the Crossarm prior to the Accident, and that anti-split bolts are typically installed when the pole is originally erected.<sup>32</sup>

SED also cites Edison's subsequent Technical Review Board's 2012 recommendations and changes, which changed a missing nut from a Priority 3 to a Priority 2 maintenance issue. SED suggests that this subsequent recommendation constitutes evidence of Edison's admission that the Missing Nut was improperly prioritized as Priority 3.

Edison testified that it has complied with the rule and that its inspection and maintenance program meets or exceeds the requirements of Rule 18.<sup>33</sup> Edison's continued position has been that Rule 18 does not require that a given condition must be assigned a certain priority.<sup>34</sup>

<sup>&</sup>lt;sup>28</sup> SED Opening Brief, at 12-13.

<sup>&</sup>lt;sup>29</sup> SED Opening Brief, at 10-11.

<sup>&</sup>lt;sup>30</sup> SED Opening Brief, at 10.

<sup>&</sup>lt;u><sup>31</sup> RT 772:17-773:16</u>.

<sup>&</sup>lt;sup>32</sup> RT 1238:10-19; 1287:7-1289:16.

<sup>33</sup> RT 1858:8-1859:6.

<sup>34</sup> RT 1779:25-1780:3.

In consideration of the record evidence, we find that SED presented compelling evidence that the missing nut which left a conductor unsecured was at least a nonimmediate high safety and/or reliability risk, requiring Level 2 prioritization under Rule 18-A. SED provided testimony that a properly installed crossarm requires a nut to "prevent any sort of rotational motion. Once the nut becomes either loosened or missing completely, that bearing surface is no longer maintained."<sup>35</sup> SED's witness further testified, "The insulator pin in question was supporting a high voltage 12,000 volt conductor...The type of facility or equipment is a highly hazardous piece of equipment...there are regular and frequent thunderstorms in the area of Twentynine Palms, and there are wind conditions that are typically fairly severe. So considering those things ...I do not believe that the Priority 3 assessment was appropriate."<sup>36</sup> We are also persuaded by Edison's 2012 Technical Review Board's recommendations which later increased the prioritization of the missing nut from a Level 3 to a Level 2.

Edison disagrees with SED's allegations asserting that Rule 18 "does not specify what conditions should be given a specific priority ranking"<sup>37</sup> and that priority ratings is "based on training, professional judgment and experience to assess specifics in the field and application of the factors listed in Rule 18."<sup>38</sup> Edison further presented evidence that a missing nut in this circumstance was unlikely to cause the crossarm to break. Edison's expert testified that the missing nut likely did not cause the Cross Arm failure here. <sup>39</sup> Edison also performed a study that compared the failed crossarms across its system with crossarms that had missing nuts between January 2016 through July 2018. Even though twelve crossarms with missing nuts failed, Edison testified that none of the failures were related to nuts. On balance, for the reasons described below, we do not find Edison's study persuasive enough to tip in favor of the utility.

We are not persuaded by Edison's contentions that "missing nuts typically did not present an urgent safety or reliability risk with a high probability of a significant impact" or that "missing nuts do not affect crossarm failure rates."<sup>40</sup> Edison's one and a half year study relating to missing bolts,<sup>41</sup> which is the basis for its contention, does not establish that missing nuts do not affect crossarm failure rates when extrapolated to the

<sup>35</sup> RT 317:9-13.

<sup>36</sup> RT 259:9-260:1

<sup>37</sup> SCE Opening Brief, at 10.

<sup>38</sup> SCE Opening Brief, at 11.

<sup>&</sup>lt;sup>39</sup> Ex. SCE-5, SCE Opening Brief, at 8-9.

<sup>&</sup>lt;sup>40</sup> SCE Reply Brief, at 4.

<sup>&</sup>lt;sup>41</sup> SCE Exh. 16.

life of a crossarm and pole. And even considering the results of that study, after examining all evidence presented, we find that the absence of a nut to a bolt to secure in place the insulator that supported the 12 kV conductor impacts the structural integrity of the pin to the extent that it presents at least a non-immediate high safety and/or reliability risk. Additionally, Edison's expert did not present competing evidence or analysis demonstrating that the structural capacity of the connection from the insulator pin to the crossarm without the nut. Edison only presented evidence opining that the missing nut did not impact this particular failure. Because of this, Edison did not rebut SED's testimony, consistent with conventional engineering wisdom, regarding the importance of a properly installed nut and washer on the structural integrity of metal dowel-type connections to wood members (like the pin insulator).

In sum, we find that Edison violated Rule 18-A. Count Four is sustained and based on the penalty analysis discussed below, a \$694,000 fine is appropriate.

#### Count Five (Alleged Public Utilities (Pub. Util.) Code § 451 Violation)

SED proved by a preponderance of evidence that Edison violated with Pub. Util. Code § 451.

Pub. Util. Code § 451 provides:

Every public utility shall furnish and maintain such adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities, including telephone facilities, as defined in Section 54.1 of the Civil Code, as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public, [¶] All rules made by a public utility affecting or pertaining to its charges or service to the public shall be just and reasonable.

SED alleged that Edison violated Pub. Util. Code § 451 when it failed to replace the missing nut that secures the insulator pin on Pole No. 43502S after discovering the missing nut on October 13, 2011.

While Edison contends that SED may not be charged with a violation of Section 451, in addition to other rules, for the exact same conduct,<sup>42</sup> we believe that approach is not reasonable and improperly limits the Commission's enforcement authority. In the

<sup>&</sup>lt;sup>42</sup> SCE Reply Brief, at 5.

Commission's Order Instituting Investigation of Pacific Gas & Electric Company for violations of Section 451 and General Order 112, among other rules, in connection with the San Bruno Explosion in 2010, the Commission held that "[w]e do not accept the contention that a single course or instance of conduct can only lead to a single violation. Violation of each regulation or statute is a separate and distinct offence. To conclude otherwise would lead to an absurd result."<sup>43</sup>

While the evidence in the record presents conflicting theories of the cause of the crossarm failure that led to the injuries to the three servicemen, the key question before us is whether the clearance and safety requirements in the Commission's General Order, which were designed to ensure safe and reliable utility operations, were complied with. As the Commission has previously explained:

It is recognized that no code of safety rules, no matter how carefully and well prepared can be relied upon to guarantee complete freedom from accidents. Moreover, the promulgation of precautionary safety rules does not remove or minimize the primary obligation and responsibility of respondents to provide safe service and facilities in their gas operations. Officers and employees of the respondents must continue to be ever conscious of the importance of safe operating practices and facilities and of their obligation to the public in that respect.<sup>44</sup>

GO 95 also provides "Compliance with these rules is not intended to relieve a utility from other statutory requirements not specifically covered by these rules."

By failing to install a missing nut from the insulator pin, Edison did not furnish and maintain adequate service necessary to promote the safety, health, comfort, and convenience of the public.<sup>45</sup> Therefore, Edison violated Section 451. Given the facts and

<sup>&</sup>lt;sup>43</sup> Ord. Instituting Investigation on the Commissions Own Motion into the Operations & Pracs. of Pac. Gas & Elec. Co. to Determine Violations of Pub. Utilities Code Section 451, Gen. Ord. 112, & Other Applicable Standards, L., Rules & Reguls. in Connection with the San Bruno Explosion & Fire on Sept. 9, 2010., No. D.15-04-023, 2015 WL 1687681, at \*131 (Apr. 9, 2015).

<sup>&</sup>lt;sup>44</sup> Decision 61269 (1960), at 12;

Ord. Instituting Investigation on the Commissions Own Motion into the Operations & Pracs. of Pac. Gas & Elec. Co. to Determine Violations of Pub. Utilities Code Section 451, Gen. Ord. 112, & Other Applicable Standards, L., Rules & Reguls. in Connection with the San Bruno Explosion & Fire on Sept. 9, 2010., No. D. 15-04-023, 2015 WL 1687681, at \*17 (Apr. 9, 2015) (.

<sup>&</sup>lt;sup>45</sup> See Pac. Bell Wireless, LLC v. Pub. Util. Com. (2006) 140 Cal.App.4th 718, 739-740 (upholding imposition of fine against utility under Section 451 where utility "could be charged with knowledge that its actions were unjust and unreasonable" despite no statute or Commission order specifically prohibiting those actions).

circumstances here, while Edison violated Pub. Util. Code Section 451 which allows for an additional penalty, we choose not to impose an additional penalty for this violation.

#### Penalty Analysis

#### I. Penalty Amount

A penalty of \$694,000 for violation of Rule 18 is appropriate given the facts and evidence presented. Since the day Edison became aware of the Missing Nut, it should have prioritized it as a Level 2 safety hazard. Therefore, we assess a penalty of \$694,000 based on \$500 per day<sup>46</sup> for 1388 days. This penalty assessment takes into account the factors below as well as prior Commission Decisions.

#### II. Penalty Factors

In considering the amount of a penalty, the electric safety citation rules require us to consider five factors: severity or gravity of the offense, conduct of the utility, financial resources of the utility, including the size of the business, the totality of the circumstances including ensuring that a utility does not have incentives to make economic choices that cause or unduly risk a violation, and the role of precedent.<sup>47</sup>

## A. Severity or gravity of offense

The severity or gravity of the offense considers economic harm to the victims, unlawful benefits gained by the utility,<sup>48</sup> violations that physically harm people or property, violations that threatened physical harm to people or property, harm to the integrity of the regulatory processes, including disregarding a statutory or Commission directive, the number of violations, and the number of consumers affected.<sup>49</sup>

## 1) Harm

With regard to violations that physically harm people or property, the Commission has found that "violations that cause actual physical harm to people or property are generally considered the most severe, with violations that threaten such harm closely following."<sup>50</sup> The physical harm in this case occurred when the unsecured crossarm

<sup>&</sup>lt;sup>46</sup> \$500 per offense is the minimum allowable under Pub. Util. Code Section 2107.

<sup>&</sup>lt;sup>47</sup> D.16-09-055, at 14-15.

<sup>&</sup>lt;sup>48</sup> No evidence was presented regarding this factor.

<sup>&</sup>lt;sup>49</sup> D.16-09-055.

<sup>&</sup>lt;sup>50</sup> D.16-09-055, Attachment 1, at 1; *See* Enforcement Policy at 16.

failed, resulting in injuries to three US Marine Corps officers, including a neck laceration, third-degree burns, and electrical shock.<sup>51</sup> Further additional damage included a small fire, which posed a threat to the people or property nearby if it continued to spread.<sup>52</sup> While the area appeared relatively remote, there were nearby residential homes in walking distance to the downed line,<sup>53</sup> and so the downed wire potentially could have resulted in even more severe injuries and/or harm to people and property.

When considering harm to the regulatory process, we consider violations of reporting or compliance requirements where the harm is "to the integrity of the regulatory process."<sup>54</sup> Edison argues there is no harm to the regulatory process where it did not ignore or violate established rules or undercut the Commission's authority.<sup>55</sup> SED argues that Edison disregarded the recommendations of its Technical Review Board and the known vulnerability of the line and pole.<sup>56</sup> Given the presence of other penalty factors, the harm to the regulatory process was not a significant factor in determining the basis for the penalty imposed.

## 2) Number of violations and consumers affected

With regard to the number of violations and number of consumers affected, a single violation is less severe than multiple offenses. A widespread violation that affects numerous consumers is more severe than one that is limited in scope.<sup>57</sup> For a continuing violation, Section 2108 counts each day as a separate offense.<sup>58</sup> Here, while SED alleged multiple violations, we find three violations that are supported by the record. The violations were confined to the area immediately around the subject pole and did not affect a large number of customers.

## B. Conduct of Utility

Evaluating Edison's conduct includes consideration of the following: degree of culpability, actions taken to prevent a violation, actions to detect a violation, actions to disclose and rectify a violation, including voluntary reporting of potential violations,

<sup>&</sup>lt;sup>51</sup> SED Opening Brief, at 17 citing Ex. SED-2.

<sup>&</sup>lt;sup>52</sup> SED Opening Brief, at 11; SED Exhibit 12.

<sup>&</sup>lt;sup>53</sup> SED Opening Brief, at 18; SED Exhibit 13.

<sup>&</sup>lt;sup>54</sup> D.98-12-075, at 36.

<sup>&</sup>lt;sup>55</sup> SCE Opening Brief, at 17.

<sup>&</sup>lt;sup>56</sup> SED Opening Brief, at 18.

<sup>&</sup>lt;sup>57</sup> D.16-09-055, Appendix A, at 15.

<sup>&</sup>lt;sup>58</sup> D.98-12-075, 84 CPUC 2d at 188-190.

voluntary removal or resolution efforts undertaken, and the good faith of the utility in attempting to achieve compliance, after notification, and prior history of violations.<sup>59</sup>

## 1) Degree of culpability

Edison bears a high degree of culpability for failing to prioritize a missing nut as a Level 2 safety hazard and to fix the missing nut within a reasonable time period in violation of Rule 18 of the General Order. A reasonably prudent utility operating and managing high voltage equipment should have identified missing structural hardware as at least a Level 2 safety hazard. Rule 18 provides the method for prioritizing corrective actions, giving consideration to six factors based on the "the probability for impact on safety or reliability." We agree with SED's application of the rule that at least a Level 2 prioritization is warranted. Edison knew about the missing nut since October 13, 2011,<sup>60</sup> and it should have prioritized the safety hazard correctly on that day.

## 2) Prior history of violations

A utility's past record of compliance may be considered in assessing any penalty for noncompliance.<sup>61</sup> Unlike a utility that for the first time had been found to have violated applicable laws and regulations, here Edison has been involved in multiple violations. As SED explains in the Citation, Edison has been cited for numerous GO 95 violations by SED since 2011.<sup>62</sup> One of those violations resulted in three fatalities where Edison admitted that it violated Rule 31.1 of GO 95 and Section 451.<sup>63</sup> Edison agreed to pay a \$16,500,000 penalty. For a different incident, Edison settled an \$8 million penalty for 20 failed poles and 17 failed guy wires which had safety factors below the GO 95 Rule 44.3 minimum.<sup>64</sup> In 2022, Edison paid a \$4.5 million citation for three separate alleged violations of Rule 31.1 which resulted in one fatality.<sup>65</sup>

Edison has a prior history of violations of the Commission's General Orders, especially with regards to following safety standards related to structural integrity. We take very seriously the persistence of GO 95 violations.

<sup>&</sup>lt;sup>59</sup> D.16-09-055, Appendix A, at 2.

<sup>&</sup>lt;sup>60</sup> SED Citation, Supplemental Incident Investigation Report dated September 29, 2018, Appendix A, at 12.

<sup>&</sup>lt;sup>61</sup> D.98-12-075.

<sup>&</sup>lt;sup>62</sup> SED Citation, at 9.

<sup>&</sup>lt;sup>63</sup> D.14-08-009.

<sup>&</sup>lt;sup>64</sup> D.14-08-009.

<sup>&</sup>lt;sup>65</sup> See, Available as of this writing at: <u>citation--d1609055-e2212001--kramer-junction.pdf (ca.gov)</u>.

## 3) Actions taken to prevent a violation

Utilities are expected to diligently monitor their activities. Deliberate, as opposed to inadvertent wrongdoing, is considered an aggravating factor. The level of management's involvement in, or tolerance of, the offense is considered in determining the amount of a fine. Here, Edison's Technical Review Board acknowledged the higher prioritization necessary for missing hardware nearly two years before the incident, but Edison did not correct the violation. Instead, it made an active choice to only apply the change in criterion to missing nuts found thereafter. Edison's management was aware of the missing hardware hazard across its system and, more specifically, of the need to secure the conductor of the failed crossarm at issue here, but failed to do so.

## 4) Actions taken to disclose and rectify a violation

Utilities are expected to promptly bring a violation to the Commission's attention. What constitutes "prompt" will depend on circumstances. Steps taken by a utility to promptly and cooperatively report and correct violations may be considered in assessing any penalty.<sup>66</sup> However, consideration of self-reporting as a mitigating factor is not applicable in incidents involving an injury.<sup>67</sup>

As it relates to the downed wire, Edison immediately took steps to ensure the downed conductor was de-energized, and cut down the downed conductor on the same day.<sup>68</sup> Accordingly, this criterion weighs in favor of a lesser fine. With regards to the missing nut, even after four years of discovering the missing nut, Edison failed to fix it. Even though Edison quickly replaced the destroyed crossarm after the incident, it does not mitigate the severity of its failure to install a nut to secure the crossarm. This criterion weighs in favor of a significant fine.

Edison did little to disclose the Rule 18 violation. To the contrary, Edison denied the violation and continues to take this position. Utilities are expected to promptly correct violations that may be considered in assessing a fine. Edison argues that it did not receive notice from SED that the missing nut needed to be categorized as a priority two condition, and that it changed the missing nut from a priority 3 to a priority 2 on its own initiative. In so arguing, Edison attempts to shift its obligation of complying with GO 95 to having the Commission spell out each conceivable violation ahead of time. We emphasize that safety is in the first instance the responsibility of the utility pole and conduit owners. As we have previously stated, "no code of safety rules can cover every

<sup>&</sup>lt;sup>66</sup> D.98-12-075, Appendix A, at 10.

<sup>&</sup>lt;sup>67</sup> D.14-12-001, Appendix A, at 4.

<sup>&</sup>lt;sup>68</sup> SCE Opening Brief, at 2-3.

conceivable situation."<sup>69</sup> "Public utilities . . . bear great responsibility to the public respecting the safety of their facilities and operating practices."<sup>70</sup> It is not the Commission's policy that a utility must be notified each and every time there is a violation.<sup>71</sup> Finding otherwise would accept Edison's ignorance of its own system as a defense in this proceeding, or conclude that Edison had no independent responsibility to discover and correctly assess the risk of unsafe conditions. Additionally, the rules establishing the citation program remind us that:

"The utility is charged with knowing the statutes, GOs, and other rules establishing safe electrical facilities and the citation program is established as another enforcement tool for the enforcement of these rules. Our priority is a safe electrical system."<sup>72</sup>

Consistent with this policy, the Commission has rejected utility arguments that they should be allowed to cure a violation without citation within a reasonable period of time and should be subject to citation only after that time has elapsed.<sup>73</sup>

Moreover, Rule 18 provides ample notice. It provides six factors that utilities are to consider in prioritizing safety hazards along with the direct impact and probability of impact on safety and reliability. The Rule, created through the Commission's rulemaking process, further defines and distinguishes each of the priority levels. Assigning a priority level to a structural safety hazard like the missing nut, and then never fixing it, is contrary to the utility's duty to maintain a safe and reliable system. Edison is an experienced utility, and we find it unacceptable for it to have operated the high voltage conductor unsecured. We conclude that this criterion weighs in favor of a significant fine.

<sup>&</sup>lt;sup>69</sup> D.15-04-023 San Bruno OII, at 27.

<sup>&</sup>lt;sup>70</sup> D.15-04-023 San Bruno OII, at 27.

<sup>&</sup>lt;sup>71</sup> See, Off. Of Ratepayer Advocs. V. Pacific Bell Telephone Co., D.01-12-021 (In deciding that Pacific Bell violated the Commission's requirement to "maintain or improve" its level of service quality, and imposing penalties for such violations, the Commission disagreed with Pacific Bell that in order to find a violation, the Commission had to spell out the specific targets for out-of-service intervals.)

<sup>&</sup>lt;sup>72</sup> D.16-09-055 at 18-19.

<sup>&</sup>lt;sup>73</sup> D.16-09-055, at 18.

## C. Financial Resources of Utility

Edison does not dispute that it is a very large utility with significant financial resources. Edison had 5.0 million customers and \$5.182 billion authorized General Rate Case revenues for test year 2015.<sup>74</sup>

## D. Totality of Circumstances

Aggravating factors include the loss of life due to the incident, previous occurrences of incidents with similar violations, and minimal corrective actions after the incident. Here, the aggravating factors include the injury of three members of the public, and Edison's disregard of its Technical Review Board which recognized the higher safety level of a missing nut. A penalty is appropriate to ensure that Edison is not incentivized to make choices that cause or unduly risk a violation.

Upon further review of the record, we recognize that the pole at issue in this proceeding also neglected to carry a high voltage sign and that at the time of the incident, there was an outstanding notification for a corrective action to repair or replace a damaged or broken or missing high voltage sign.<sup>75</sup> Edison flagged that the pole at issue in this proceeding was missing a high voltage sign on September 19, 2002.<sup>76</sup> However, no high voltage sign was installed until after the accident, over a decade later.<sup>77</sup> Edison assigned the missing nut and high voltage sign the same priority level, which allows Edison to address them when the opportunity arises. Edison appears to have improperly delayed both of these safety hazards.

Mitigating factors include that the violation was not willful and that Edison was generally cooperative during SED's investigation. We also recognize that Edison remedied the violation the next day after the incident.<sup>78</sup>

Edison argues that a penalty with respect to the missing nut categorization will not cause it to change its priority rankings except for insulator pin nuts; which may be true, but we believe a penalty is appropriate to deter unlawful conduct and encourage Edison to more diligently and proactively address the known safety hazards of its system in the future. We are optimistic that a penalty will aid Edison in reprioritizing

<sup>&</sup>lt;sup>74</sup> SED Opening Brief, at 19; Edison Opening Brief, at 18.

<sup>&</sup>lt;sup>75</sup> 4 RT 243.

<sup>&</sup>lt;sup>76</sup> SED Citation, Incident Investigation Report dated April 15, 2016, at 8.

<sup>&</sup>lt;sup>77</sup> SED Citation, Incident Investigation Report dated April 15, 2016, at 8.

<sup>&</sup>lt;sup>78</sup> SED Opening Brief, at 20.

other potential safety hazards that may have been incorrectly assessed as Level 3 (or opportunity maintenance).

#### E. <u>Role of Precedent</u>

Today's decision is not the first time that Edison has been found to have violated applicable laws and regulations. We are aware of the following decisions where the Commission assessed a penalty:<sup>79</sup>

- SED-5 approved a \$550,000,000 settlement agreement where Edison did not contest multiple GO 95 violations, including Rules 44.3, 18, and 37. SED also alleged violations of Rules 48, 31.1, 38, 56.2, 84.4, 92.4, 31.2, 35, and 31.6 associated with the Rye, Woosley, Meyers, Liberty, and Thomas Fires.
- D.17-09-024 approved a settlement based on Edison admitting to violations of GO 128 and Pub. Util. Code Section 451 regarding outages of its secondary network in Long Beach, with a \$4 million fine and \$11 million of system enhancement projects.
- D.14-08-009 approved a settlement regarding two, separate electrical equipment failures in San Bernardino where three fatalities occurred. The first incident which occurred when an electrical conductor on Edison's 12 kilovolt Vargas Line fell to the ground during high winds and started a small fire at an address on Acacia Avenue in San Bernardino County, resulting in the tragic electrocution of three members of the family living there (Acacia Avenue Incident). The second event occurred when strong winds in Edison's service territory, uprooted trees and knocked down utility facilities, ultimately leading to prolonged power outages in part of the San Gabriel Valley.<sup>80</sup> Edison admitted that it violated Rule 31.1, Rule 44.3 and Pub. Util. Code Section 451. Edison was penalized \$16,500,000 for the first incident and \$8,000,000 for the second incident.
- D.13-09-028 approved a settlement with \$37,000,000 in penalties for the failure of one of Edison's poles which was overloaded and fell, igniting the Malibu Canyon Fire in violation of GO 95 and Pub. Util. Code Section 451. CPSD alleged the pole had a

<sup>&</sup>lt;sup>79</sup> SED Opening Brief, at 20.

<sup>&</sup>lt;sup>80</sup> D.14-08-009, at 2.

lower safety factor than required by Rule 44. Edison also admitted to violations of Rule 1.1 for withholding pertinent information from the Commission.

- D.10-04-047 approved a \$14,350,000 settlement with SDG&E for violations of GO 95 and Section 451 linked to the Witch and Rice Fires of 2007 where SDG&E "admit[ted] that its efforts fell short of meeting this obligation and duty in connection with CPSD's investigation into the Witch, Rice, and Guejito fires, and apologizes for permitting this to happen."
- D.04-04-065 ordered Edison to pay a fine of \$712,000 for 86 violations of GOs 95, 128, and 165, 30 violations involved fatalities, injuries, and/or property damage.

The following electric safety citations issued by SED were subsequently paid by Edison:

- Citation E.22-12-001 SED issued a \$4,500,000 citation for allegedly three violations of Rule 31.1 that resulted in a fatality where Edison failed to comply with its own policies, as well as good industry standards for grounding devices.<sup>81</sup> Edison paid the \$4,500,000 penalty.
- 2) Citation E.22-11-001 SED issued a \$1,020,000 citation for allegedly one violation of Rule 31.1 for failing to install and maintain its 66kV conductor and insulator adequately and safely to prevent them from coming into contact with steel poles during windy conditions that were normal to the area. The incident resulted in a fire in a Tier 3 High Fire Threat District. <sup>82</sup> Edison paid the \$1,020,000 penalty.
- 3) Citation E.20-12-001 SED issued a \$1,000,000 citation for allegedly violating GO 128 and Pub. Util. Code Section 451 for installing an underground 16 kV conductor in an area of ongoing excavation but

<sup>&</sup>lt;sup>81</sup> Available as of this writing at https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/safety-and-enforcement-division/documents/citations/sce/kramer-junction/citation--d1609055-e2212001--kramer-junction.pdf.

<sup>&</sup>lt;sup>82</sup> Available as of this writing at https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/safety-and-enforcement-division/documents/citations/sce/simi-valley/citation--d1609055-e2211001--simi-valley.pdf.

failing to mark the location thereby injuring a construction worker. Edison paid the \$1,000,000 penalty.<sup>83</sup>

4) Citation E.16-02-001 – SED issued a \$50,000 penalty for allegedly failing to maintain an overhead connector to secure the overhead conductor in violation of Rule 31.1. The overhead conductor separated at an overhead connector which electrocuted a member of the public.<sup>84</sup>

A fine of \$694,000 for the violation of Rule 18-A is within the range of past precedent, and the minimum allowed under the statute. Today's decision reflects SED's recommendation to levy fines based on continuing violations pursuant to Pub. Util. Code Section 2108, which allows each day to count as a new violation. In contrast, D.04-04-065 did not count each day as a new violation because the period of non-compliance could not be determined.<sup>85</sup> Also, the fine assessed here which did not involve a widespread wildfire is lower compared to more recent enforcement matters that fined Edison for GO violations related to catastrophic wildfires.

## Withdrawal of Amended Citation and Motion to Withdraw Related Appeal

On November 29, 2023, ten months after the Draft Resolution was issued, Edison and SED jointly requested the withdrawal of Edison's citation appeal given the withdrawal of SED's Amended Citation. The Parties explained that the Amended Citation was removed from the CPUC's Electric Safety Citations webpage.

The Commission has the exclusive authority to close or dismiss a contested proceeding.<sup>86</sup> Even where the dismissal or withdrawal is uncontested, the Commission has exercised its authority not to dismiss a complaint.<sup>87</sup>

<sup>87</sup>Miller Brewing Co., 41 CPUC 2d 409 (Sept. 25, 1991), D.91-09-075 (parties settled and complainant requested to dismiss the complaint per Executive Director order. ALJ denied the

<sup>&</sup>lt;sup>83</sup> Available as of this writing at https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/safety-and-enforcement-division/documents/citations/sce/simi-valley/citation--d1609055-e2211001--simi-valley.pdf.
<sup>84</sup> Available as of this purities at sitution d1412001 1(02001 adf (second))

<sup>&</sup>lt;sup>84</sup> Available as of this writing at <u>citation-d1412001-1602001.pdf (ca.gov)</u>.

<sup>&</sup>lt;sup>85</sup> D.04-04-065 at 5, 39, 40, 44, and 55-56.

<sup>&</sup>lt;sup>86</sup> D.18-11-007, Application of Pac. Gas & Elec. Co. (U39e) for A Certificate of Pub. Convenience & Necessity to Provide: (i) Full Facilities-Based & Resold Competitive Loc. Exch. Serv. Throughout the Serv. Territories of at&t California, Frontier California Inc., Consol. Commc'ns of California Co., & Citizens Telecommunications Co. of California; & (II) Full Facilities-Based & Resold Non-Dominant Interexchange Servs. on A, No. 17-04-010, 2018 Cal. PUC LEXIS 544, \*6 (Cal. P.U.C. November 8, 2018) citing D.04-06-016, D.92-04-027, D.03-07-032.

Ordinarily, the Commission favors resolution of matters by settlements and has frequently allowed staff to withdraw a citation even after an appeal is filed, when no evidentiary hearings took place. For instance, in K.21-09-015, involving the Appeal by GoGo Charters LLC of Citation No. T.21-08-003 issued by the Consumer Protection and Enforcement Division (CPED), CPED notified the assigned Administrative Law Judge and GoGo Charters that it was withdrawing the Citation. Based upon CPED's notice of withdrawal of the Citation before commencement of an evidentiary hearing, the Commission issued Resolution ALJ-414 dismissing the matter as moot.<sup>88</sup>

In Re Application of Southern California Gas Company,<sup>89</sup> the Commission held that withdrawal from a proceeding in which the Commission has invested substantial time and resources is not a matter of right, but an action that requires Commission approval. We again affirmed this in our decision in Investigation 98-03-013.<sup>90</sup> In evaluating requests to withdraw from proceedings that have resulted in a significant record, in Re Application of Southern California Gas Company, the Commission looked to the California Supreme Court decisions in *Chadbourne v. Superior Court*<sup>91</sup> and *Liberty Mutual Insurance Co. v. Fales.*<sup>92</sup> "Under this test, a court determines whether a party should be allowed to withdraw by balancing the litigant's right to control its interaction with government against the government's duty to resolve matters of important public interest."<sup>93</sup>

Here, we do not accept the parties' attempt to withdraw the Amended Citation and related Citation Appeal where they do not explain the basis for why the withdrawal would be in the public's interest. Rather, we recognize this decision furthers the public's interest by penalizing Edison for failing to install the nut and washer.

## **CONCLUSION**

Based on the foregoing, this resolution dismisses Counts one and three issued by SED to Edison and sustains counts two, four, and five.

<sup>88</sup> 2022 Cal. PUC LEXIS 30 (Cal. P.U.C. January 27, 2022).

<sup>89</sup> D.92-04-027, 43 CPUC 2d 639 (1992).

92 8 Cal.3d 712, 716 (1973).

request and ruled that the proposed settlement was a matter requiring consideration of the interests of ratepayers, thus precluding voluntary dismissal.).

<sup>&</sup>lt;sup>90</sup> D.00-11-036, at 24.

<sup>&</sup>lt;sup>91</sup> 60 Cal.2d 723, 731 (1964).

<sup>&</sup>lt;sup>93</sup> D.00-11-036, p. 21.

We are persuaded by the evidence in the record that a penalty of \$694,000 is appropriate for Edison's violation of GO 95 Rule 18-A.

## **COMMENTS**

The draft alternate resolution was served on the parties for public review and comment in accordance with Pub. Util. Code § 311(g)(1), Article 14 of the Commission's Rules of Practice and Procedure, and Rule 18 of Resolution ALJ-377. Comments were received on \_\_\_\_\_\_ by \_\_\_\_\_.

## **FINDINGS OF FACT**

- 1. There was at least one storm event between July 30 and 31, 2015, at the location of the crossarm on Edison Pole No. 43502S (Crossarm), located in Twentynine Palms, California (Crossarm Location).
- 2. At or around the time of the Storm Event, the Crossarm broke and caused a 12 kV energized conductor to drop and become low-hanging and suspended above the ground between Edison's Pole Numbers 43502S and 43503S.
- 3. The conductor had fallen to a height of four to eight feet above the ground because of a broken crossarm on Pole 43502S.
- 4. Three US Marine Corps officers suffered injuries from the downed conductor.
- 5. Residential homes existed within walking distance to the downed line.
- 6. On February 12, 2018, SED issued the Original Citation and assessed a \$300,000 penalty.
- 7. On October 3, 2018, SED issued Amended Citation E.18-02-001 against Edison for essentially the same previously alleged violations as set forth in the Original Citation and added references GO 95, Rule 18-A, and Pub. Util. Code Section 451 with the additional allegation of violations concerning the failure to prioritize the Missing Nut issue as either a Priority 1 or a Priority 2 maintenance issue.
- 8. In the Amended Citation, SED assessed an increased penalty against Edison from \$300,000 in the Original Citation to \$8 million in Amended Citation, the maximum allowable penalty per citation, calculated at a rate of \$50,000 per day from October 13, 2011, when Edison learned of the Missing Nut, to August 1, 2015.
- 9. Edison timely filed its appeals of the Original Citation and the Amended Citation.
- 10. Amended Citation E.18-02-001 supersedes and replaces the previously issued Citation E.18-02-001 and is the only citation in effect.

- 11. The Amended Citation cites and relies on the text of Current GO 95, Rule 48, which was not in effect in the 1950s when the Crossarm was possibly designed, constructed, and installed.
- 12. The ALJ issued a ruling on January 17, 2018 clarifying that whether the Crossarm was properly designed and constructed should be governed by the standards in effect at the time of those activities.
- 13. The Crossarm was likely constructed and installed at or before 1954.
- 14. SED's Count One applied three factors as the underlying basis of its Rule 48 violation: (1) wind load criteria; (2) safety factor for the initial design of the crossarm; and (3) safety factor at which the crossarm needs to be replaced.
- 15. Both the 1950s and current version of the GO 95 require the same wind loading criteria, the same safety factor for both initial design of the crossarm, and the same safety factor at which the crossarm needs to be replaced.
- 16. SED's Count One regarding the alleged Current GO 95, Rule 48 violation is based on a failure analysis methodology using a "design wind speed" derived from language added to Rule 48 in 1992 ("will not fail" and "working load multiplied by the safety factor", Current GO 95, Rule 48).
- 17. The only inference to draw from the voluminous competing storm, wind, and related evidence is that the Crossarm broke sometime around the Storm Event and that Storm Event and the associated wind, gusts, bursts, and speeds at the Crossarm Location may have had a role or contributed in some way to the Crossarm failure.
- 18. The Crossarm had multiple bullet damages at and near where the Crossarm broke, split, and fell.
- 19. The bullet holes reduced the strength of the wooden Crossarm which likely contributed to the Crossarm breaking.
- 20. The Crossarm broke and the 12 kV overhead conductor fell below the 25-foot ground clearance requirement as charged and cited as Count Two (alleged violation of Rule 37) in the Amended Citation.
- 21. The actual strength, speed, and direction of the wind, gusts, and bursts at the Crossarm height and location at the moment of the Crossarm failure remains unknown.
- 22. On October 13, 2011, an Edison personnel observed that the nut securing the insulator (that supported the 12 kV conductor) to the Crossarm was missing and had created a work order for the observed missing nut (Missing Nut).
- 23. The Missing Nut was prioritized as a maintenance "Priority Level 3" item by Edison which is defined as an "Acceptable safety and/or reliability risk" for "action

(re-inspect, re-evaluate, or repair) at or before the next detailed inspection" under Rule 18-A.

- 24. Rule 18-A authorizes utilities such as Edison discretion in assigning maintenance priorities using judgment and balancing a multitude of variables that are set forth in that rule.
- 25. A nut is necessary to prevent any sort of rotational motion. Once the nut becomes either loosened or missing completely, that bearing surface is no longer maintained.
- 26. In 2012, Edison's Technical Review Board upgraded a missing nut to a Priority Level 2 maintenance issue which is defined as an "non-immediate safety and/or reliability risk" to be corrected within a specified time period under Rule 18-A.
- 27. Edison failed to fix the Missing Nut prior to the Accident.
- 28. On November 29, 2023, Edison, joined by SED, filed a Joint Request to withdraw its Appeal of the Amended Citation E.18-02-001.

## **CONCLUSIONS OF LAW**

- 1. Edison's appeal of the Amended Citation should be granted, in part.
- 2. Amended Citation E.18-02-001 issued by SED to Edison, should be dismissed with regards to counts 1 and 3.
  - a. SED failed to prove by a preponderance of the evidence that Edison violated Rule 48 of the Current GO 95 as alleged in Amended Citation; thus, Count One should be dismissed;
  - b. The strength of materials (component of design and construction variables) standards set forth in Rule 48 of the Current GO 95 does not apply here, as charged by SED, against Edison in the Amended Citation;
  - c. SED's alternative reconstruction theory and related Rule 12.2 interpretation is not persuasive; and
  - d. SED failed to prove by a preponderance of evidence to substantiate its Count Three of substandard design, construction and/or maintenance in violation of Rule 31.1 of Current GO 95.
- 3. SED proved by a preponderance of the evidence that Rules 18 and 37 were violated; thus, Counts Two and Four should be sustained.
- 4. Even if there was an opportunity for SED to alert Edison, the Commission has recognized that "no code of safety rules can cover every conceivable situation.

Public utilities . . . bear great responsibility to the public respecting the safety of their facilities and operating practices."

- 5. It was not reasonable or prudent for Edison to prioritize a missing nut as a Level 3 safety hazard.
- 6. It was not reasonable or prudent for Edison to continually defer fixing the Missing Nut.
- 7. SED sufficiently presented evidence and testimony explaining how it weighed the required penalty criteria.
- 8. Violation of each regulation or statute is a separate and distinct offense.
- 9. In considering the severity or gravity of the offense, conduct of the utility, financial resources of the utility, including the size of the business, the totality of the circumstances, and the role of precedent, a \$694,000 penalty is warranted for Edison's violation of Rule 18-A.
- 10. Edison violated Pub. Util. Code § 451 when it failed to maintain its equipment and facilities as necessary to promote the safety, health, comfort, and convenience of the public; thus Count Five should be sustained.
- 11. The Commission determines whether a party should be allowed to withdraw by balancing the litigant's right to control its interaction with government against the government's duty to resolve matters of important public interest.
- 12. Proceeding K.18-03-008 should be closed.

#### Therefore, **IT IS ORDERED** that:

- 1. The appeal of Southern California Edison Company of Amended Citation Number E-18-02-001 is granted, in part, for Counts One and Three, with exception as set forth in Ordering Paragraph 2 of this resolution.
- The appeal of Southern California Edison Company of Amended Citation Number E-18-02-001 is denied as to the allegation of violations of Pub. Util. Code Section 451 and General Order 95, Rule 37 and Rule 18-A; the Amended Citation E.18-02-001 is sustained as to said alleged violations.
- 3. Southern California Edison Company must pay a penalty of \$694,000 for its violation of General Order 95, Rule 18-A.
- 4. All payments pursuant to this resolution shall be made by check or money order payable to the California Public Utilities Commission and mailed or delivered to the Commission's Fiscal Office at 505 Van Ness Avenue, Room 3000, San Francisco, CA 94102. Southern California Edison Company shall write on the face of the check or money order "For deposit to the General Fund consistent with Resolution ALJ-458".

5. Proceeding K.18-03-008 is closed.

This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on \_\_\_\_\_\_, the following Commissioners voting favorably thereon:

Rachel Peterson Executive Director

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

ALTERNATE RESOLUTION ALJ-458. Resolves Proceeding K.18-03-008 finding violations of General Order 95 and Pub. Util. Code Section 451 and dismissing two violations, the Amended Citation E.18-02-001 Issued to Southern California Edison Company (U338E) by Safety and Enforcement Division.

## INFORMATION REGARDING SERVICE

I have electronically served all persons on the attached official service list who have provided an e-mail address for K.18-03-008.

Upon confirmation of this document's acceptance for filing, I will cause a copy of the filed document to be served by U.S. mail on all parties listed in the "Party" category of the official service list for whom no e-mail address is provided.

Dated July 2, 2024, at San Francisco, California.

/s/ ANTONINA V. SWANSEN

Antonina V. Swansen

# NOTICE

Persons should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074 or TDD# (415) 703-2032 five working days in advance of the event.

#### Resolution ALJ-458 ALJ/DH7/avs

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#### \*\*\*\*\*\*\*\*\*\*\*\*\* SERVICE LIST \*\*\*\*\*\*\*\*\*\*\* Last Updated on 02-JUL-2024 by: KB3

K1803008 LIST Charles C. Read Attorney CHARLES C. READ LAW, P.C. 199 S. LOS ROBLES AVE., SUITE 535 PASADENA CA 91101 (202) 641-0778 charles.read@charlesreadlaw.com For: Southern California Edison Company

Amy C. Yip-Kikugawa Legal Division RM. 4107 505 Van Ness Avenue San Francisco CA 94102 3298 (415) 703-5256 ayk@cpuc.ca.gov For: SED - Safety and Enforcement Division

#### \*\*\*\*\*\*\*\*\*\* STATE EMPLOYEE \*\*\*\*\*\*\*\*\*\*

Kimberly Kim Administrative Law Judge Division RM. 5117 505 Van Ness Avenue San Francisco CA 94102 3298 (415) 703-1558 kk2@cpuc.ca.gov

#### \*\*\*\*\*\*\*\*\* INFORMATION ONLY \*\*\*\*\*\*\*\*\*

Vanessa Baldwin Legal Division RM. 5029 505 Van Ness Avenue San Francisco CA 94102 3298 (415) 703-3942 vy2@cpuc.ca.gov

Fadi Daye Safety and Enforcement Division 320 West 4th Street Suite 500 Los Angeles CA 90013 (213) 576-7017 ffd@cpuc.ca.gov

Gregory Heiden Legal Division Martin M. Nakahara Administrative Law Judge Division 505 Van Ness Avenue San Francisco CA 94102 3298 (415) 703-2291 mmn@cpuc.ca.gov

Noel Obiora Legal Division RM. 5121 505 Van Ness Avenue San Francisco CA 94102 3298 (415) 703-5987 nao@cpuc.ca.gov For: SED

Case Administration SOUTHERN CALIFORNIA EDISON COMPANY 8631 RUSH STREET ROSEMEAD CA 91770 Case.Admin@sce.com

Patricia A. Cirucci Director & Managing Attorney SOUTHERN CALIFORNIA EDISON COMPANY 2244 WALNUT GROVE AVE. / PO BOX 800 ROSEMEAD CA 91770 (626) 302-6704 Patricia.Cirucci@sce.com

Marcel Hawiger Attorney THE UTILITY REFORM NETWORK 785 MARKET STREET, SUITE 1400 SAN FRANCISCO CA 94103 (415) 929-8876 X311 Marcel@turn.org

Charlotte TerKeurst Safety and Enforcement Division RM. 2201 505 Van Ness Avenue San Francisco CA 94102 3298 (415) 703-3124 cft@cpuc.ca.gov

Koko M. Tomassian Safety Policy Division 320 West 4th Street Suite 500 Los Angeles CA 90013 kmt@cpuc.ca.gov

# COM/DH7/avs

## ALTERNATE DRAFT

RM. 4300 505 Van Ness Avenue San Francisco CA 94102 3298 (415) 355-5539 gxh@cpuc.ca.gov