

CALIFORNIA PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of:

Southern California Edison Company’s
Execution of 2020 Public Safety Power
Shutoff Events

[PROPOSED] ADMINISTRATIVE
ENFORCEMENT ORDER

[PROPOSED] ADMINISTRATIVE ENFORCEMENT ORDER

YOU ARE GIVEN NOTICE THAT:

1. Southern California Edison Company is alleged to have violated Commission Resolution ESRB-8, Decision (D.)19-05-042, and D.20-05-051.
2. The California Public Utilities Commission’s Safety and Enforcement Division (SED or Division) issues this proposed Administrative Enforcement Order (Proposed Order) to Southern California Edison Company (SCE or Respondent) pursuant to the Commission Enforcement Policy adopted by Resolution M-4846 (Policy). Pursuant to the Policy, SED is authorized to issue a proposed Administrative Enforcement Order (Proposed Order) to a regulated entity that has violated a Commission order, resolution, decision, general order, or rule. That Proposed Order may include a directive to pay a penalty.

RIGHT TO HEARING

3. Respondent is required to respond to this Proposed Order by 5:00 p.m. on ***Friday, July 15, 2022***. By way of such response, Respondent, must either: 1) pay any penalty required by this Proposed Order or 2) request a hearing on the Proposed Order. To request a hearing, the Respondent must file a Request for Hearing (including a complete title page complying with Rule 1.6 of the Commission’s Rules of Practice and Procedure) along with copies of any materials the Respondent wants to provide in support of its request with the Commission’s Docket Office **and** must serve the Request for Hearing, at a minimum, on:

- 1) The Chief Administrative Law Judge (with an electronic copy to
Administrative_Enforcement_Appeals_Coordinator@cpuc.ca.gov).
- 2) The Director of Safety and Enforcement Division
- 3) The Executive Director
- 4) General Counsel
- 5) The Director of the Public Advocates Office at the California
Public Utilities Commission

The right to a hearing is forfeited if a Request for Hearing is not timely filed. If a timely Request for Hearing is not filed, this Proposed Order will become final and effective upon adoption by the Commission (Final Order).

4. Respondent must comply with the corrective action requirements of this Proposed Order by the date specified in the Proposed Order in paragraph 12 below, regardless of whether a Request for Hearing is filed. Neither payment of the penalty assessed in this Proposed Order nor the filing of a timely Request for Hearing shall excuse Respondent from curing the violations identified in this Proposed Order.
5. A requested hearing shall be conducted by an Administrative Law Judge in accordance with the hearing provisions in the Citation Appellate Rules. After hearing, this Proposed Order or any Administrative Law Judge modifications to the Proposed Order shall become a Final Order, effective upon Commission approval of the draft resolution prepared by the Administrative Law Judge. The draft Administrative Law Judge resolution approved by the Commission is subject to rehearing pursuant to Public Utilities Code section 1731 and to judicial review pursuant to Public Utilities Code section 1756.
6. This Proposed Order includes a requirement that Respondent pay a penalty. The factors set forth in the Penalty Assessment Methodology (Policy, Appendix I) were used to determine the penalty amount. The requirement that the penalty be paid shall be stayed during the hearing and rehearing process.
7. Unless otherwise specified, "days" means calendar days.

FINDINGS

8. ***Facts:*** Investor-owned utilities (IOUs) have the authority to shut off the electric power to protect public safety under California law. Utilities do this during severe wildfire threat conditions as a preventative measure of last resort through a Public Safety Power Shutoff (PSPS). Such power cuts reduce the risk of the IOUs' infrastructure to cause or contribute to a wildfire. However, a PSPS can leave communities and essential facilities without power, which brings its own risks and hardships, particularly for vulnerable communities and individuals. From 2018 through 2020, the Commission issued three sets of guidelines, namely, Resolution ESRB-8, D.19-05-042 and D.20-05-051, directing the IOUs to follow these guidelines in PSPS execution. In 2020, SCE initiated a total of 16 PSPS events and submitted 12 post event reports to CPUC. Stakeholders provided comments on these post event reports. SED performed reviews on the submitted reports, including consideration of stakeholder comments, to evaluate SCE's compliance with the reporting requirements under Resolution ESRB-8, D.19-05-042 and D.20-05-051.

Table 1

Report #	Report Title	Events Covered
1	May 27 – May 30, 2020	May 27 – May 30
2	June 25 – June 28, 2020	June 25 – June 28
3	July 31 – August 4, 2020	July 31 – Aug.4
4	September 5 – September 11, 2020	Sep. 5 – Sep. 11
5	October 16 – October 16, 2020	Oct. 16 – Oct. 16
6	October 23 – October 28, 2020	Oct. 23 – Oct. 28
7	November 3 – November 7, 2020	Nov. 3 – Oct. 7
8	November 14 – November 18, 2020	Nov. 14 -18
9	November 24 – November 28, 2020	Nov. 24 - 28
10	November 29 – December 4, 2020	Nov. 29 – Dec. 4
11	December 4 – December 14, 2020	1. Dec. 4 – 9 2. Dec. 10 – 11 3. Dec. 12 - 13
12	December 16 – December 24, 2020	1. Dec. 16 – 20 2. Dec. 22 - 25

Based on its review, SED concluded that SCE did not comply with provisions of Commission Resolution ESRB – 8, D.19-05-042 and D.20-05-051. Please see attachment “2020 Public Safety Power Shutoff (PSPS) Post Event Report Review – Southern California Edison” for more details.

- A. Resolution ESRB-8 states in part “IOUs shall submit a report to the Director of SED within 10 business days after each de-energization event, as well as after high-threat events where the IOU provided notifications to local government, agencies, and customers of possible de-energization though no de-energization occurred.” (ESRB-8 at 5).
 - A.1. For the November 29 – December 4 event, the post event report was submitted to the Director of SED on December 21, 2020. Because the event concluded on December 4, the due date for filing the post event report was December 18. SCE sent a notification to CPUC on December 18 stating it recognized December 18 was the due date and it would submit the report on December 21. However, this notice was a statement, not a request for an extension of the due date. SCE did not meet the reporting deadline of 10 business days after the event ended.
 - A.2. In the December 4 through December 14 report, SCE covered three PSPS events. SCE combined the three events into one reporting without prior approval from SED. SCE did not meet the reporting deadline for the three events. See details below:

Table 2

Period of Concern	Event Concluded	Report Due Dates	SCE's Filing Dates	Days overdue
Dec. 7 – Dec. 8	Dec. 9	Dec. 23	Dec. 29	6
Dec. 10 – Dec. 11	Dec. 11	Dec. 28	Dec. 29	1
Dec. 12 – Dec. 13	Dec. 13	Dec. 28	Dec. 29	1

Note: For December 12 – December 13 event, in the post event report, SCE stated the event concluded on December 14. This contradicts the email sent to the CPUC on December 13, at 4:23 pm which stated the event of December 12 - December 13 had concluded.

- A.3. The report capturing the events from December 16 through December 24 covered two PSPS events. SCE combined the two events into one report without prior approval from SED. SCE did not meet the report deadline for one of the events. See details below:

Table 3:

Period of Concern	Event Concluded	Report Due Dates	SCE's Filing Dates	Days overdue
Dec. 18 – Dec. 20	Dec. 20	Jan. 5	Jan. 11	6
Dec. 22 – Dec. 25	Dec. 25	Jan. 11	Jan. 11	n/a

- A.4. There was another PSPS event with Period of Concern from December 15 to December 16. SCE notified SED the event was cancelled on December 14 and SCE was notifying public safety partners and customers. However, SCE did not capture this event in any of the combined or individual post event report.
- B. Resolution ESRB-8 states in part “A report to the Director of SED...that includes.... (iv) the number of affected customers, broken down by residential, medical baseline, commercial/industrial, and other.” (ESRB-8 at 3).
- B.1 For the following events, SCE only reported the breakdown for the potentially affected customers, not for the de-energized customers:
- July 31 – August 4
 - September 5 – September 11
 - October 16 – October 16
 - October 23 – October 28

- November 3 – November 7
 - November 14 – November 18
 - November 24 – November 28
 - November 29 – December 4
- B.2 For the following events, 'SCE's report did not include any customer breakdown, not for potentially affected nor actually de-energized:
- December 4 – December 14
 - December 16 – December 24
- B.3 When reporting the affected customer breakdown, SCE did not have the category of "commercial/industrial" per the guideline requirement, instead, it has "major" and "essential use" categories. SCE did not define those two categories. SCE's customer categorization did not comply with the reporting requirement.
- C. Resolution ESRB-8 states in part "Reports to the Director of SED must include at a minimum the following information: The local communities' representatives the IOU contacted prior to de-energization." (ESRB-8 at 5).
- C.1 Among all the submitted reports, SCE only reported the jurisdiction SCE contacted prior to de-energization, not the local communities' representatives.
- D. Resolution ESRB-8 states in part "The IOU shall summarize the number and nature of complaints received as the result of the de-energization event and include claims that are filed against the IOU because of de-energization." (ESRB-8 at 5).
- D.1 Stakeholders' comments state that their complaints were not captured in SCE's post event reports.
- E. Resolution ESRB-8 states in part "[r]eports to the Director of SED must include at a minimum the following information:..The IOU shall identify the address of each community assistance location during a de-energization event, describe the location (in a building, a trailer, etc.), describe the assistance available at each location, and give the days and hours that it was open." (ESRB-8 at 5).
- E.1 For the June 25 – June 28 event, SCE reported the Community Crew Vehicles' (CCV's) hours of operation but did not report the days of operation.

- E.2 For the November 29 – December 4 event, a total of 16 Community Resource Centers (CRCs) and CCVs were opened. SCE reported the center names where the CRCs or CCVs were located but did not report the addresses.
 - E.3 For the November 3 – November 7 event, SCE did not describe the assistance available at each Community Resource Center (CRC) and CCV location.
- F. Resolution ESRB-8 states in part “The IOU shall notify the Director of SED, as soon as practicable, once it decides to de-energize its facilities. If the notification was not prior to the de-energization event, the IOU shall explain why a pre-event notification was not possible. The notification shall include the area affected, an estimate of the number of customers affected, and an estimated restoration time.” (ESRB-8 at 6).
 - F.1 For all the events, although SCE’s notifications to SED included Period of Concern, none of the notifications included an estimated restoration time.
 - F.2 For the November 3 – November 7 event, on November 8 at 11:04 am SCE notified the CPUC by email that the remaining 12 customers had been re-energized the morning of November 7. This notification was made more than 24 hours from the time service was fully restored at 9:37am November 7. SCE did not meet the 12-hour restoration notification requirement.
 - F.3 For the December 16 – December 24 event, SCE notified SED that all SCE customers had been restored and the event had concluded on December 24 at 4:48 pm. However, one circuit shared by SCE and PG&E was not restored until December 25 at 11:03am. SCE ‘s final update email did not identify that these four customers had not been restored yet, and SCE did not send another email to SED after December 25 notifying that all customers had been restored.
- G. D.19-05-042 Appendix A states in part “In addition to submitting a report to the Director of the Commission’s Safety and Enforcement Division within 10 business days of power restoration, electric investor-owned utilities must serve their de-energization report on the service lists of this proceeding and Rulemaking 18-10-007 or their successor proceedings. Service should include a link to the report on the utility’s website and contact information to submit comments to the Director of the Safety and Enforcement Division.” (Appendix A at A22).
 - G.1 For the May 27 – May 30 event, SCE did not provide the report to the service list.

- G.2 For the November 29 – December 4 event, SCE served this report on the service list on December 21, 2020, which was 11 business days after power restoration.
- G.3 For the December 4 – December 14 and December 16 – December 24 post event reports, SCE served the reports on the service list on December 29, 2020 and January 11, 2021, respectively. As SCE combined multiple events into one report and did not file any report for one event, SCE did not timely serve the reports for the following events:

Table 4

Period of Concern	Event concluded	Report service due dates	SCE’s serving dates	Days Overdue
Dec. 7 – Dec. 8	Dec. 9	Dec. 23	Dec. 29	6
Dec. 10 – Dec. 11	Dec. 11	Dec. 28	Dec. 29	1
Dec. 12 – Dec. 13	Dec. 13	Dec. 28	Dec. 29	1
Dec. 15 – Dec. 16	Dec. 14	Dec. 29	none	Not filed
Dec. 18 – Dec. 20	Dec. 20	Jan. 5	Jan. 11	6

- G.4 While the email service included a link to the PSPS post event report on SCE’s website and contact information to submit comments, the link only leads the viewers to SCE’s wildfire webpage, not to the specific report as required.

H. D.19-05-042 Appendix A states in part “the electric investor-owned utilities must provide the decision criteria leading to de-energization, including an evaluation of alternatives to de-energization that were considered and mitigation measures used to decrease the risk of utility-caused wildfire in the de-energized area” (D.19-05-042 at A22-A23). “Each electric investor-owned utility must clearly articulate thresholds for strong wind events as well as the conditions that define “an extreme fire hazard” (humidity, fuel dryness, temperature) that the electric investor-

owned utility evaluates in considering whether to de-energize.” (D.19-05-042 at 91).

H.1 SCE did not report the threshold or criteria of Fire Potential Index (FPI) leading to de-energization.

H.2 While SCE used the sectionalization to reduce the impacts, SCE did not provide the alternatives it considered, nor the evaluation of the alternatives. SCE simply stated it “only uses de-energization when no other alternatives will mitigate this fire risk and to the extent possible, minimizes the impact by limiting the de-energization to the smallest number of customers possible through segmentation of impacted circuits, where possible.”

I. D.19-05-042 states in part “[t]he electric investor-owned utilities should, whenever possible, adhere to the following minimum notification timeline:” (Appendix A at A8-9).

- 48-72 hours in advance of anticipated de-energization: notification of public safety partners/priority notification entities
- 24-48 hours in advance of anticipated de-energization: notification of all other affected customers/populations
- 1-4 hours in advance of anticipated de-energization, if possible: notification of all affected customers/populations
- When de-energization is initiated: notification of all affected customers/populations
- Immediately before re-energization begins: notification of all affected customers/populations
- When re-energization is complete: notification of all affected customers/populations (D.19-05-042 at A8)

I.1. For nine out of the 12 reports submitted, SCE did not comply with the required minimum notification timeline. These included:

I.1.1 First notifications did not meet the timeline

I.1.2 No imminent notifications or imminent notifications were less than one hour. The imminent notifications should be 1-4 hours in advance

I.1.3 No power shutoff initiation notifications

I.1.4 No notification before re-energization begins

I.1.5 No notification when re-energization is complete

Table 5 lists the notification timeline noncompliance for each event (page number references are to SCE’s PSPS post event report for the dates listed)

Table 5

Event dates	Non-compliance
June 25 - June 28	First notifications were delivered between 11 am to 12 pm on June 28 for the possible PSPS starting at the same day at 12 pm, they were not delivered at the requisite 72-48 and 48-24 hour timeframes. Customer notifications were disseminated on June 28, 2020 at approximately 11:30 am. 3 circuits did not receive initial notifications until 5:30 pm.
July 31 – Aug. 4	Some contacts in Los Angeles and Kern counties were inadvertently left off the initial notification. These contacts were manually contacted by Local Public Affairs the next day.
Sep. 5 – Sep. 11	For Sand Canyon circuit, only imminent notification was sent out at 03:38, Sep. 9 and de-energized at 03:54, less than one hour before the power shut off.
Oct. 23 – Oct. 28	1) 51 circuits did not receive “imminent” notifications. 2) 20 circuits did not receive notification at time of de-energization. 3) 10 circuits did not receive notice in advance of re-energization. 4) 10 circuits did not receive notice of re-energization.
Nov. 14 – Nov. 18	1) SCE provided imminent notices approximately 23 minutes prior to de-energization. 2) A portion of one circuit did not receive any imminent notifications.
Nov. 24 – Nov. 28	A portion of the Twin Lakes circuit only received imminent notification
Nov. 29 – Dec. 4	Some imminent notifications did not begin until after de-energization occurred
Dec. 4 – Dec. 14	SCE did not provide imminent notifications to all customers before de-energization.
Dec. 16 – Dec. 24	Not all customers received imminent notification of de-energization.

I.2. There were instances that SCE did not send out any advance notifications to some customers prior to the de-energizations. SCE reported it was due to rapid onset of hazardous weather conditions. The customer counts without any advance notifications are below:

- October 16: 86 customers
- October 23 – 28: 2,051 customers
- November 3 – 7: 1,163 customers
- November 14 – 18: 9 customers
- November 29 – December 4: 253 customers
- December 4 – 14: 21,471 customers
- December 16 – 24: 540 customers
- Total: 25,573 customers

J. D.19-05-042 states in part “[t]he electric investor-owned utilities must convey to public safety partners at the time of first notification preceding a de-energization event information regarding the upcoming de-energization, including estimated start time of the event, estimated duration of the event, and estimated time to full restoration.” (D.19-05-042 at A16).

J.1. Although SCE’s public safety partner notification scripts provide a Period Of Concern (POC), the POC does not represent the estimated start time of de-energization and restoration

K. D.19-05-042 states in part “[t]he electric investor-owned utilities must partner with local public safety partners to communicate with all other customers that a de-energization event is possible, the estimated start date and time of the de-energization event, the estimated length of the de-energization event, which may be communicated as a range, and the estimated time to power restoration, which again, may be communicated as a range.” (D.19-05-042 at A22-A23).

K.1 None of the customer notifications included the estimated length of the event, nor the estimated time to power restoration

L. D.19-05-042 states in part “the electric investor-owned utilities must provide the following information: 4) A description and evaluation of engagement with local and state public safety partners in providing advanced education and outreach and notification during the de-energization event” (D.19-05-042 at A22-A23).

L.1. SCE did not provide an evaluation of its engagement with local and state public safety partners.

M. D.19-05-042 states in part “the electric investor-owned utilities must provide the following information: 5) For those customers where positive or affirmative notification was attempted, an accounting of the customers (which tariff and/or access and functional needs population designation), the number of notification attempts made, the timing of attempts, who made the notification attempt (utility or public safety partner) and the number of

customers for whom positive notification was achieved;” (D.19-05-042 at A22-A23).

- M.1 SCE only tracked critical care customers for positive or affirmative receipt of notification attempt. SCE did not provide the number of critical care customer notification attempts made.
- M.2 SCE did not describe the timing of communication with the critical care customers.

N. D19-05-042 states in part “the electric investor-owned utilities must provide the following information: 9) Lessons learned from the de-energization event” (D19-05-042, at A22-A23)

- N.1 For the November 3 – November 7 event and December 16 – December 24 event, SCE did not identify any specific lessons learned, but states that it was evaluating lessons from all events and considering improvements.

O. D20-05-051, Appendix A (c) states in part “Each electric investor-owned utility shall enumerate and explain the cause of any false communications in its post event reports by citing the sources of changing data” (Appendix A, at 4)

- O.1 For situations when customers were notified of de-energization but ended up no power shutoff, SCE did not enumerate nor explain the cause.

P. D.20-05-051, Appendix A (d) states in part “CRCs shall be operable at least 8 AM-10 PM during an active de-energization event, with actual hours of operation to be determined by the local government in cases in which early closure of a facility is required due to inability to access a facility until 10 PM.” (Appendix A, at 6)

- P.1 For the July 31 – August 4 event, SCE deployed CCV on August 2 from 5 pm to 8:30 pm and August 3, 3 pm to 9 pm (page 7). According to the Event Summary and Executive Summary (page 3), power shut-off started on August 2, 2020, at approximately 2:15 pm. Power was restored to most of the customer meters on Monday, August 3 at approximately 5:17 pm. The CCV was not immediately available when the power was shut off at 2:15 pm until 5 pm. Further, the CCV was not open until 3 pm on August 3

- P.2 For the October 23 – October 28 event, the post event report contains the locations and available hours, which are stated as 9 am – 10 pm on October 26 and 9 am – 12 pm on October 27 (page 12).

However, a footnote states that “CRC/CCV operation coincided with the period of concern in each area, which resulted in actual hours of operation that are different from the CRC/CCV available hours”. SCE did not report the actual hours of operation for each location nor stated why the CCVs and CRCs were not available at 8am.

P.3 For the November 3 – November 7 event, three locations were open from 8 am to 10 pm on November 6th, but one CCV was only in operation from 5 pm to 10 pm on that day (page 7). SCE did not explain why that CCV was not in operation for the full hours.

P.4 For the December 4 – December 14 event, 14 CCVs were opened. For each of them, SCE reported the operation hours. Some of them were closed before 10 pm (page 18). SCE did not explain the reason.

Q. D.20-05-051, Appendix A (h) states in part “These reports shall include a thorough and detailed description of the quantitative and qualitative factors it considered in calling, sustaining, or curtailing each de-energization event (including information regarding why the de-energization event was a last resort option) and a specification of the factors that led to the conclusion of the de-energization event. (Appendix A at 9).

Q.1 SCE did not provide thorough and detailed quantitative factors in calling a PSPS event and why the de-energization was the last resort.

PENALTIES

9. The Commission has broad authority to impose penalties on any public utility that “fails or neglects to comply with any part or provision of any order, decision, decree, rule, direction, demand, or requirement of the commission.” (PU Code § 2106). We outlined several instances in this Order where SCE did not meet the provisions of Resolution ESRB-8, D.19-05-042, and D.20-05-051 as directed by the Commission. In part, these orders give guidance to IOUs of the type and timing of notifications to customers and public safety partners. In assessing penalties, we follow the Penalty Assessment Methodology as set forth by the Commission and outlined in Resolution M-4846. This methodology evaluates the reasonableness of a penalty using a five-factor analysis.

As discussed below, given the deferential nature of the PSPS requirements, SCE’s failure to notify some customers during de-energization and re-energization, the evolving nature of the PSPS program, SCE’s financial resources in being able to pay a fine, and the public interest in timely notifying customers and public safety

partners before, during and after a PSPS event, SED recommends a fine of \$10,000,000.

I. Severity or Gravity of the Offense

The severity of the offense considers the physical and economic harms of the offenses, harm to the regulatory process, and the number of people affected by the offense. As we explain below, the violation SCE is fined for is a failure to provide notifications during the de-energization event. There is no evidence that there was any physical or economic harm because of the lack of notification. The number of customers affected by the violation is also not entirely clear based on SCE's post event reporting. For example, during the PSPS event on November 14, no notification was sent out to a portion of one circuit without context on the number of customers affected. It was not clear how many people live within this one circuit. The lack of clarity in the reporting of which notifications were sent out and which customers received them posed a harm to the regulatory process.

II. Conduct of the Regulated Entity

The second factor we consider is the conduct of SCE. We are mindful that the Commission gave IOUs great discretion in several areas given the dynamic nature of these events and the infancy of the PSPS program in 2020. This is especially true of advance notifications prior to a de-energization event. While the Commission highlights the importance of advance notification prior to a PSPS, it also recognized situations where advance notice is impossible due to changing circumstances. Resolution ESRB-8 requires the IOU to notify customers "to the extent feasible and appropriate" (p. 4), recognizing that "it is not practicable to have an absolute requirement that electric IOUs provide advance notification to customer prior to a de-energization event." (p. 5). D.19-05-042 expanded somewhat on advance notifications to customers but again acknowledged "there may be times when de-energization must occur with little to no notification in order to respond to an emergency situation, to avoid the risk of a utility-caused wildfire, or because de-energization occurs due to an unforeseen circumstance outside of the control of the utility." (pp. 85-86).

D.19-05-042 requires IOUs to provide advance notifications 48-72 hours in advance of an anticipated de-energization, 24-48 hours in advance, and 1-4 hours in advance "whenever possible". (p. 86-87). It further recognizes that advanced notification 1-4 hours before an anticipate de-energization event "may not be possible at this juncture." (p. 87, fn. 93).

With that, the Commission does not extend deference to utilities in three instances of required notification to affected customers; when de-energization was initiated, when re-energization begins, and once re-

energization is completed. These events are unambiguous in that they are triggered by an event completely in the control of the utility—the physical de-energization. These notifications are required by order of the Commission.

This Order and the accompanying report lay out instances where SCE did not provide advance notifications to certain customers as required by the Commission. SCE is required to explain why no advanced notification was made to these customers and should use this information to better inform decisions for future PSPS events.

During the PSPS events in 2020, there were instances SCE did not send out notifications to affected customers when de-energization was initiated, immediately before re-energization began or when re-energization was complete. For example, the October 23-28 event saw several customers receiving no notifications during and after the event. SCE's failure to provide those notifications to customers was a violation of D19-05-042. But we would point out that while a customer may not have received a notification during de-energization or re-energization, they may have still received an advance notification prior to shut-off. It does not appear that any customer would have gone through an entire PSPS event with no notifications, in advance of the event or during.

III. Financial Resources of the Regulated Entity, Including the Size of the Business

The third factor under the methodology is the financial resources of the utility. Here, the Commission must ensure against excessive fines or penalties while imposing an effective fine/penalty. An effective fine or penalty is one that reflects the severity of the harm (the first factor examined above) and is also proportionate to the offending entity and those similarly situated to deter future similar offense of violations, without putting them out of business or otherwise impacting the entity in a catastrophic way.

Here, we recommend SCE be assessed a fine of \$10,000,000. SCE is one of the largest electric utilities in the state of California in terms of customers and revenue. This amount is enough to emphasize the importance of the notification requirements relative to its size.

IV. Totality of the Circumstances in Furtherance of the Public Interest

The fourth factor under Resolution M-4846 is an evaluation of the penalty in the totality of the circumstances, with an emphasis on protecting the public interest. As described above, a \$10,000,000 fine is reasonable under the circumstances. D.19-05-042 went into detail about the importance of notification requirements during a PSPS event (p.35-37, 85-87). The

Commission emphasized the balance that must be struck in communicating the risk of a PSPS without causing confusion or ambivalence. This fine represents the importance the Commission placed on the notification framework in D.19-05-042. While all customers may have received a notification of a de-energization at some point, the Commission emphasized a more structured approach to optimize public awareness.

V. The Role of Precedent

The final factor is an examination of fines in other Commission Decisions with similar factual situations. This is the first enforcement action of the PSPS program since the Commission Decisions D.19-05-042 and D.20-05-051. We believe a \$10,000,000 fine in this instance can serve as an adequate benchmark for any potential violations during future PSPS events.

Based on the above, we believe a fine of \$10,000,000 is reasonable and appropriate under Resolution M-4846.

10. This penalty is due within 30 days of adoption of the Final Order. Respondent's payment shall be by check or money order and shall be made payable to the California Public Utilities Commission. Respondent shall write on the face of the check or money order: "For deposit to the State of California General Fund." Respondent shall deliver payment to:

California Public Utilities Commission's Fiscal Office
505 Van Ness Ave.
Room 3000
San Francisco, CA 94102

11. In the event the payment specified in paragraph 9 is not timely received by the Commission, a late payment will be subject to interest in the amount of 10% per year, compounded daily and to be assessed beginning the calendar day following the payment-due date. The Commission may take all necessary action to recover any unpaid penalty and ensure compliance with applicable statutes and Commission orders.

The penalty amount shall not be placed in rates or be otherwise paid for by ratepayers.

CORRECTIVE ACTION

12. Respondent shall conduct the following actions in the manner specified, and in accordance with a schedule specified by the Division as follows:
 - 1) SCE must timely file, submit and serve the post event report in compliance with the guideline requirements for each individual PSPS event. Should SCE

require an extension of time to submit the post-event reports, SCE must submit a request for an extension of time in compliance with the Commission's Rules of Practice and Procedure and concurrently serve this request via email on the Commission's Safety and Enforcement Division Director.

- 2) SCE must report the number of de-energized customers broken down by the required categories.
 - 3) SCE must report the local communities' representatives it contacted prior to the de-energization in addition to the jurisdiction.
 - 4) SCE will implement a tracking system to completely track and report any formal and informal Commission complaints and complaints filed directly with SCE.
 - 5) SCE must operate the CRCs/CCVs in compliance with the required operation hours for each PSPS event. SCE must completely and accurately report the days and hours of operation, and provide the address and assistance offered in each CRC/CCV location.
 - 6) SCE must send accurate and complete notifications to the Director of SED, including notification timeline and the content.
 - 7) SCE must report the threshold or criteria leading to de-energization including but not limited to FPI.
 - 8) SCE must provide the alternatives it considered and the evaluation of each alternative.
 - 9) SCE must send the notifications to public safety partners and customers in compliance with the requirement under D19-05-042 including timeline and notification content.
 - 10) SCE must provide an evaluation of its engagement with local and state public safety partners.
 - 11) For positive or affirmative notifications, SCE must track customers beyond critical care customers and provide the timing of such notifications.
 - 12) SCE must report lessons learned from each PSPS event.
 - 13) SCE must enumerate and explain the cause of situations at-issue, which involves some level of perceived defect in notice, including but not limited to, when customers were de-energized without any advance notifications and when customers are notified for de-energization, but end up with no power shut off.
 - 14) SCE must provide thorough and detailed quantitative factors in calling a PSPS event and why the de-energization was the last resort.
13. Within 120 days following adoption of this Order by the Commission (Final Order), Respondent shall submit to the Division written certification that it has corrected all violations. The certification shall include confirmation of its compliance (accompanied by all supporting documentation) or noncompliance with all requirements set forth in Paragraph 12. Any notice of noncompliance required under this paragraph shall state the reasons for noncompliance and when compliance is expected and shall include a detailed plan for bringing the

Respondent into compliance. Notice of noncompliance shall in no way excuse the noncompliance.

14. Respondent shall be subject to an additional penalty amount for each failure to comply with the actions required by Paragraph 12. The penalty amount shall be within the range allowed by statute and calculated in accordance with the Commission's Penalty Assessment Methodology, attached as Appendix I to the Policy.
15. All written submittals from Respondent pursuant to this Order shall be sent to:

Division Director Lee Palmer
Safety and Enforcement Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

All other communications from Respondent shall be to: Anthony Noll, Program Manager, Anthony.noll@cpuc.ca.gov, 916-247-9372.

16. All approvals and decisions of the Division will be communicated to Respondent in writing by the Division Director or a designee. No informal advice, guidance, suggestions, or comments by the Division regarding reports, plans, specifications, schedules or any other writings by Respondent shall be construed to relieve Respondent of the obligation to obtain such formal approvals as may be required or to bind the Commission.
17. If the Division determines that any report, plan, schedule, or other document submitted for approval pursuant to the Proposed or Final Order (Order) fails to comply with the Order, the Division may:
 - (a) Return the document to Respondent with recommended changes and a date by which Respondent must submit to the Division a revised document incorporating the recommended changes.
18. If Respondent is unable to perform any activity or submit any document within the time required under this Order, Respondent may, prior to expiration of time, request an extension of time in writing. The extension request shall include a justification for the delay and a detailed plan for meeting any new proposed compliance schedule. All such requests shall be in advance of the date on which the activity or document is due.
19. If the Division determines that good cause exists for an extension, it will grant the request and specify in writing a new compliance schedule. Respondent shall comply with the new schedule.

20. All plans, schedules, and reports that require the Division approval and are submitted by Respondent pursuant to this Order are incorporated into this Order upon approval by the Division.
21. Neither the State of California, nor its employees, agents, agencies (including the Commission), representatives, or contractors, shall be liable for injuries or damages to persons or property resulting from acts or omissions by Respondent or related parties in carrying out activities pursuant to this Order, nor shall the Commission be held as a party to a contract entered into by Respondent or its agents in carrying out activities pursuant to this Order.
22. A Final Order shall apply to and be binding upon Respondent, and its officers, directors, agents, employees, contractors, consultants, receivers, trustees, successors, and assignees, including but not limited to individuals, partners, and subsidiary and parent corporations. Respondent shall provide a copy of this Final Order to all contractors, subcontractors, laboratories, and consultants that are retained to conduct any work or activities performed under this Final Order, within 15 days after the effective date of this Final Order or the date of retaining their services, whichever is later. Respondent shall condition any such contracts upon satisfactory compliance with this Final Order. Notwithstanding the terms of any contract, Respondent is responsible for compliance with this Order and for ensuring that its subsidiaries, employees, contractors, consultants, subcontractors, agents, and attorneys comply with this Order.
23. Nothing in this Order shall relieve Respondent from complying with all other applicable laws and regulations. Respondent shall conform all actions required by this Order with all applicable federal, state, and local laws and regulations.
24. This is an action to enforce the laws and regulations administered by the Commission. The method of compliance with this enforcement action consists of payment of an administrative penalty and compliance actions to enforce a permit or order issued by the Commission. The Commission finds that issuance of this Order is exempt from the provisions of the California Environmental Quality Act (Public Resources Code § 2100 et seq.) pursuant to section 15321(a)(2); chapter 3, title 14 of the California Code of Regulations exempting actions to enforce or a permit prescribed by a regulatory agency.
25. The Respondent shall not have any ex parte communications with Commission decisionmakers and will only communicate with the Commission through Request for Hearings or other appropriate procedural avenues.

IT IS ORDERED.

DATE: _____

BY: _____

Leslie Palmer
Director, Safety and Enforcement Division
California Public Utilities Commission