

Process & Controls

Wildfire Mitigation Plan (WMP) Compliance Assessment Report

January 3, 2022

To: [REDACTED]

Subject: 2021 T&D Wildfire Mitigation Plan (WMP) QA Readiness Review – SH-1 Covered Conductor

Process and Controls (P&C) completed a review of compliance documentation supporting the progress of the 2021 T&D WMP SH-1 Covered Conductor. The objective of this review was to provide management reasonable assurance on the quality and adequacy of the data/evidence by performing analysis and assessment on supporting documents, internal business processes, procedures, and controls, etc. and providing management recommendations to determine remediation action, if applicable.

Scope and Methodology

Our review included SH-1 Covered Conductor, assigned to Wildfire Program Management (WPM).

To complete our review, we performed the following:

- Reviewed the evidence as of 03/31/21 to ensure it adequately supported the progress of the activity defined in the WMP
- Compared evidence to the System of Record (e.g., SAP, cGIS) and Q1 AB1054 report for reasonableness
- Selected a random sample of work orders and obtained supporting documentation to validate evidence appears to support covered conductor was installed.
- Reviewed evidence to determine whether it appears a risk informed approach was followed
- Reviewed current policies, procedures, and/or process flows, as applicable
- Conducted interviews with applicable SMEs

Conclusion

Based on our review of the evidence provided, P&C identified observations that require management's attention to ensure adequate evidence is available. A summary of the observations, recommendations, and corrective action are included in the Addendum. The corrective actions will be tracked in T&D's Critical Action Item (CAI) Tracker and will be reported to the Senior Leadership Team (SLT) monthly. Furthermore, Opportunities for Improvement (OFI) were also identified, however, they may not impact compliance or pose significant risk, as a result a management action plan is not required. A summary of the OFIs is also included in the Addendum. P&C met with management to review and discuss the details contained in this report.

We would like to thank the Subject Matter Experts for their timely submittal of review documentation and their prompt responses and feedback when requested. If you have any

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questions regarding report content, please contact [REDACTED] via email or at the number noted below.

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Report Addendum: Observations and Opportunities for Improvement

1. Observation#1: Accuracy of Reporting - Lack of control to ensure the correct reporting of work orders with change of status

The Ready for Service (ZRFS) status on 2 out of 209 (~1%) work orders was removed after the Q1 AB1054 report was filed on April 30 (TD1563758, TD1625947).

Process & Controls (P&C) recommends Distribution, Construction & Maintenance (DC&M) and Wildfire Program Management (WPM):

1. *DC&M to perform an analysis to identify the reason Ready for Service (ZRFS) was removed. Based on the analysis, identify appropriate next steps.*
2. *Prior to reporting, WPM to generate a report to validate work orders remain in Ready for Service (ZRFS) status in SAP. Work orders no longer in ZRFS will not be reported as complete. Evaluate this deficiency to determine whether it may impact the reporting of other WPM commodities (e.g., Tree Attachments, RARs, remediations, Long Span Initiative, Current Limiting Fuses, etc.)*

Corrective Actions:

1. *DC&M has reviewed the observation and will implement control points at the RPPM level to reinforce the proper process with district and contract personnel. Next steps will include RPPM teams to participate in the Q1 2022 ZRFS pilot training and coordinated refresher training in Click Schedule for district, regional specialist, and contractor personnel. Continue monthly Work Management calls with contractors.*

Corrective Action Owner: [REDACTED]
Anticipated completion date: March 31, 2022

2. *WPM will generate a report to validate ZRFS status, and notify Reg Affairs of any necessary revisions, as needed, during "Final Prep" stage of submission. Revisions will be captured in narrative developed by Reg Affairs.*

Corrective Action Owner: [REDACTED]
Action item Complete

2. Observation#2: WO Closing Delay - Delays in contractor work order package submittal

One (1) out of 15 (~7%) sampled work orders (TD1549155) was set to Ready for Service (ZRFS) on 03/15/2021, however, as of 06/28/2021 (~105 days), the contractor had still not provided the work order package for closing. The current process requires contractors to provide the work order package within 45 days. As a result of the delay, maps/JIS were not available to substantiate covered conductor installations. Additionally, this will increase delays in the work order closure process.

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Process & Controls (P&C) recommends Distribution, Construction & Maintenance (DC&M) and Wildfire Program Management (WPM):

DC&M to work with WPM to address the root cause through the upstream processes by developing a monitoring control to ensure the policy is adhered to and work order packages are provided in a timely manner for closure. An escalation process for work orders not provided within management established timeframe should be developed and applied to all applicable work orders

Corrective Action:

DC&M will implement control points at the RPPM level to monitor contractor adherence to submit completed work order packages for all covered conductors. This may include region reports shared during contractor tactical calls, reinforced message during monthly scorecard meetings, and leveraging Supply Chain as needed. Region to conduct quality control check of completed work order packages to ensure proper paperwork submitted and escalating reoccurring contractor deficits with Supply Chain. Consider adding this expectation as a more tangible performance metric on future RFPs. As we shift to the 'Less is More' electronic process, we should expect these current delays to reduce significantly. The last 2 years we saw an increased challenge with timely completed work order submittals due to Covid restrictions and teleworking policies. The electronic process will help.

Corrective Action Owner: [REDACTED]

Anticipated completion date: March 31, 2022

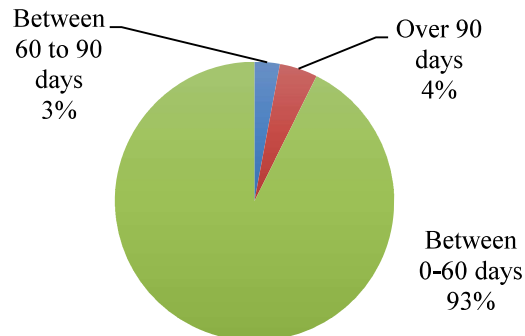
3. Observation#3: Accuracy of Reporting - Supporting evidence indicates covered conductor was installed in 2020 but reported in 2021

Covered Conductor installations for 2 out of 15 (~14%) sampled work orders appear to have been completed in 2020 (as supported by the maps and JIS). However, work orders were reported as complete in 2021 under the Q1 2021 AB1054 report, because work is reported as complete when it is set to Ready for Service (ZRFS) which may not reflect the date the work was completed. Further review of the In-Service Date (ISD) per PowerPlan for the entire population of 209 work orders reported as complete in Q1 2021 AB1054 revealed a total of 13 work orders (approximately 18 miles) had a completion date in 2020. Delays in contractor providing work order documentation or in setting ZRFS may have contributed to this observation.

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Delays between ZRFS & ISD*



*7% of the total WOs reviewed had a delay of more than 60 days between ZRFS and ISD

Process & Controls (P&C) recommends Distribution, Construction & Maintenance (DC&M) and Wildfire Program Management (WPM):

- 1. DC&M to establish a monitoring control/process to ensure Ready for Service (ZRFS) is set timely*
- 2. WPM to develop a policy/procedure that defines the source document/data (i.e., Ready for Service) utilized to report work completion. Policy/procedure should also be developed for all other WPM commodities (e.g., Tree Attachments, RARs, remediations, Long Span Initiative, Current Limiting Fuses, etc.)*

Corrective Actions:

- 1. DC&M will utilize the previous mentioned action plans to reinforce the ZRFS process with district, regional specialist, and contractor personnel to monitor timely reporting. RPPM team to implement an additional control point to compare field complete date to the ZRFS date on a SharePoint dashboard/tracker that will be visible to management. Management can then establish thresholds if the difference is more than 60 days for 20% of the work orders. Follow up action items will include training, consistent communication, and escalation to Region Management, Contractor Senior Leadership as applicable.*

Corrective Action Owner: [REDACTED]

Anticipated completion date: March 31, 2022

- 2. WPM will develop a guideline document defining ZRFS as the indicator for determining and reporting work completed for its commodities.*

Corrective Action Owner: [REDACTED]

Anticipated completion date: January 31, 2022

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4. Observation#4: Insufficient Supporting Documentation – Risk Buy Down Dashboard

A dashboard was developed to compare completed covered conductor work to risk/work prioritization. Work prioritized but not yet completed is identified as “non-overlap”. Per our review, an explanation for delays in “non-overlap” work was documented in April 2021, however, was not subsequently documented. Furthermore, no procedural documents had been developed. Furthermore, conversations with SMEs revealed it would be beneficial to create a new view of the data that represents the order in which the work is initiated.

Process & Controls (P&C) recommends Distribution, Construction & Maintenance (DC&M) and Wildfire Program Management (WPM):

1. Portfolio management to create a new view of the dashboard to capture the start work date
2. Once dashboard enhancements are made and documentation requirements are identified, WPM to re-establish a control to ensure explanations for “non-overlap” are documented. Document roles and responsibilities, frequency of review, level of detail (e.g., PIF, TD), and documentation location.

Corrective Actions:

1. *Portfolio Management and Operational Performance created a new Dashboard leveraging much of the existing back-end data from the existing covered conductor Dashboard. The new Dashboard provides a view of the work that has been started and finished by construction field forces relative to the order it was originally released for execution.*
Corrective Action Owner: [REDACTED]
Action item Complete
2. *WPM has completed its review of the identified “no-overlap” work and documented reasons for each item into constraint categories (permitting, environmental, government lands, Caltrans, resource capacity). WPM will formally document this review process, which will be performed quarterly.*
Corrective Action Owner: [REDACTED]
Action item Complete

5. Opportunity for Improvement#1: Clarification of Supporting Evidence - Supporting evidence indicates CC was not installed

Three (3) out of 209 (~1%) work orders included in the evidence file did not reflect the installation of covered conductor. One (1) of the 3 (33%) work orders were selected for further validation (TD1723560) and review of the JIS and maps confirmed covered conductor was not installed. There appears to be no impact to the report filing (i.e., zero balance).

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Process & Controls (P&C) recommends Wildfire Program Management (WPM):

Remove all work orders with no covered conductor installation.

Corrective Action:

No action plan is required as this is an improvement opportunity.

6. Opportunity for Improvement#2: Insufficient Supporting Documentation – Evidence file does not contain structure number and GPS coordinates

The evidence file does not contain structure number and GPS coordinates. We suggest WPM and leadership continue to work together to ensure evidence files support WPM commitments.

Process & Controls (P&C) recommends Wildfire Program Management (WPM):

Beginning Q3 2021 and moving forward, modify evidence file to add structure number and GPS coordinates

Corrective Action:

Starting with Q3 2021 and moving forward, evidence file will also contain the structure# number and GPS coordinates.

Corrective Action Owner: [REDACTED]

Action item Complete

7. Opportunity for Improvement#3: Delays in contractor work order package submittal

On a quarterly basis, WPM ensures the total mileage reported in the quarterly AB1054 report reasonably agrees with mileage mapped, however, the control is not formally documented in a policy/procedure.

Process & Controls (P&C) recommends Wildfire Program Management (WPM):

WPM to formally document control in a policy/procedure to ensure the mileage reported reasonably agrees with the mileage mapped. Create an escalation process for instances when the mileage does not reasonably agree

Corrective Action:

WPM has formally documented its existing process to review reported mileage against mapped mileage, including escalation for resolution of deviations, as needed.

Corrective Action Owner: [REDACTED]

Action item Complete

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8. Opportunity for Improvement#4: Fire Resistant Pole (FRP) data was not readily available

Per the WMP, "poles that require replacement as part of Wildfire Covered Conductor Program (WCCP) are replaced with Fire Resistant Poles (FRP)". As a result, it is recommended that a listing of FRP installed should be tracked and readily available to demonstrate compliance with the WMP. Confirmation with management revealed a listing is currently not available, however, can be prepared upon a data request. Once listing of FRP installed is developed, management should establish processes and controls to ensure the listing reconciles to SAP.

Process & Controls (P&C) recommends Wildfire Program Management (WPM) and the Field Accounting Organization (FAO):

1. *WPM to begin to prepare evidence file that supports FRP installations in 2021. Below are the suggested fields:*
 - a. *Structure #*
 - b. *Work order #*
 - c. *HFTD tier*
 - d. *Completion date*
 - e. *Lat/Long*
2. *WPM to document and implement a process to reconcile FRP installed to FRP charged to the work orders twice a year. Differences should be discussed with applicable parties and resolved appropriately. Listing of FRP identified as installed should be provided to FAO twice a year.*
3. *For 2021 and moving forward, FAO to reconcile FRP identified by WPM as installed to FRP records in SAP twice a year. Differences should be discussed with WPM and/or Regions as applicable and resolved appropriately. Note, control will only be performed for work orders that have been closed.*

Corrective Action:

1. *WPM will document and implement a process to reconcile FRP installed to FRP charged to the work orders twice a year and provide the listing to FAO.*
Corrective Action Owner: [REDACTED]
Action item Complete
2. *Within 10 business days after receipt of FRP listing, FAO to reconcile FRP installed to FRP records in SAP.*
Corrective Action Owner: [REDACTED]
Action item Complete