Process & Controls
Wildfire Mitigation Plan (WMP) Compliance Assessment Report

December 21, 2021

To: ███████████

Subject: **2021 T&D Wildfire Mitigation Plan (WMP) QA Readiness Review –**
Dead & Dying Tree Removal (VM-4) Report

Compliance & Quality Process & Controls completed a review of compliance documentation supporting the progress of the 2021 T&D WMP Dead & Dying Tree Removal (D&DTR) program (VM-4). The objective of this review was to provide management reasonable assurance on the quality and adequacy of the data/evidence by performing analysis and assessments on supporting documents, internal business processes, procedures, and controls, and provide management recommendations to improve processes and controls, as applicable.

Scope and Methodology

Our review included D&DTR (VM-4), assigned to Vegetation Management & Compliance.

To complete our review, we performed the following:

- Reviewed the evidence as of June 30, 2021 to ensure it adequately supported the progress of the activity defined in the 2021 WMP
- Compared evidence to the System of Record (Fulcrum) and management reporting for reasonableness
- Reviewed Fulcrum Circuit Tracker, Assessment and Removal datasets, obtained supporting documentation as needed, and/or performed data analytics to identify anomalies
- 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 Subject Matter Experts and the Fulcrum vendor

Conclusion

Based on our review of the evidence provided, Compliance & Quality identified observations that require management's attention to ensure adequate and reliable evidence. A summary of the observations, potential risks they introduce, our recommendations, and corrective actions are included in the Report 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 monthly.

An Opportunity for Improvement (OFI) was identified but may not impact compliance or pose significant risk; a management action plan is not required. A summary of the OFI is also included in the Report Addendum. Compliance & Quality 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 ██████████ via email or at the number noted below.

Process & Controls Team:

Prepared By	*Approved By*
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cc: **Vegetation Inspections & Operations**

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Transmission & Substations

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Wildfire Resiliency Oversight

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Wildfire Performance Management

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Ethics & Compliance

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Audit Services Department

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Process & Controls
Report Addendum: Observations and Opportunities for Improvement

1. ## Observation 1: 2021 D&DTR Annual Program Scope – Identification and Approval

   Documentation supporting identification of in- and out-of-scope circuits for the 2021 annual work plan along with evidence of management approval were not available until August and September 2021, respectively. Additionally, 18 circuits pending additional research were not included in the 2021 plan as of late August.

   The Assessment and Removal of Dead and Dying Trees Program (UVM-18) does not specify timing and documentation requirements for the annual plan approval. Best business practices prescribe that plans should be prepared, documented, and approved as close as possible to the beginning of the fiscal period they cover. This approach provides a baseline for performance measurement and reasonable evidence of compliance program implementation.

   Compliance & Quality (C&Q) recommends Vegetation Management & Compliance:

   1.a   The UVM-18 should be updated to reflect timing, approval, and documentation requirements for the annual D&DTR work plan. Annual approvals and changes to the plan should be documented.

   Corrective Action:

   1.a.1   Vegetation Management & Compliance:
   Management action plan: UVM-18 is being revised to reflect the following language regarding work plan approvals:

   > *"The annual work plan should be approved by the Strategy Senior Manager and Principal Manager in 4Q prior to the work plan year. Subsequent additions/deletions of scope-circuits should be annotated in a revised plan and approved by the Strategy Senior Manager and Principal Manager. The approved work plan and subsequent revision shall be maintained in the VM SharePoint site."*

   Corrective Action Owner: ███████████
   Anticipated completion date: December 31, 2021

   COMPLETE: Utility Vegetation Management Assessment and Removal of Dead & Dying Trees (UVM-18), section 4.1, was updated effective December 6, 2021 to reflect implementation of the above control.

2. ## Observation 2: Fulcrum Data Integrity (all VM Programs) – Inaccurate and Incomplete Data

   Ongoing data anomalies have been identified during reviews. The number of anomalies may appear immaterial when viewed separately but indicate a data accuracy weakness that may impact the overall reliability of Fulcrum data. Although a comprehensive review of D&DTR data was not performed, anomalies from this and other reviews include required fields that contained contradicting statuses, date errors, invalid responses, omitted responses, and Fulcrum nomenclature and calculation inconsistencies.

   Compliance & Quality (C&Q) recommends Vegetation Management & Compliance:

   2.a   A Fulcrum data quality plan should be established to periodically validate record responses for completeness, consistency, and accuracy to ensure data reliability. To

aid in data management, a dictionary should be created to identify fields, their purpose, whether required or optional, and acceptable responses.

Corrective Action:

2.a.1 *Vegetation Management & Compliance:*
Management action plan: VM has complied a data dictionary (Dictionary_field_explanations (as of 113021).csv" provided on 11/30/21) which may subsequently change based on the outputs of a new UVM procedure being developed for internal controls. UVM-21, "VM Internal Controls," is being developed to outline key compliance activities and specific internal controls for VM intended to identify data issues/anomalies and to provide reasonable assurance records are accurate.

Corrective Action Owner: ▮▮▮▮▮▮▮

Anticipated completion date: March 31, 2022

3. Opportunity for Improvement 1: D&DTR Circuit Tracker – Inspections after Due Date

Due Dates are used to schedule annual circuit inspections and are subject to change as the annual plan is implemented. As of September 3:

- 5 circuits contained Completion Dates 90 or more days past the Due Date
- 22 circuits had no Completion Date although 90 days had lapsed from the Due Date
- 4 circuits contained a Completion Date but no Due Date.

Program leads indicated circuit inspections not completed by the Due Date are discussed at periodic scheduling meetings, but evidence of changes or approvals were not maintained. Although there is not a regulatory or compliance "Due Date" for the work, an internal Due Date metric and a formal process to document delays or changes to the plan schedule should be established to enhance the program evidence.

During a meeting with Fulcrum on September 13, the vendor indicated a free-text field could be created to allow program leads to document the date, rationale, and other notes. This field would append to existing text any time comments or actions are added and would only be visible to assigned program leads.

Compliance & Quality (C&Q) recommends Vegetation Management & Compliance:

3.a *Quality Assurance recommends implementing a Fulcrum free-text field in this and other VM programs to document program manager comments/changes, as well as establishing parameters for timely inspection completion based on the Due Date.*

No action plan was required for this improvement opportunity.