R. 21-10-001, Phase 2: Develop Safety Culture Assessments for Small Electric and Natural Gas Utilities

Safety Policy Division Workshop

Tuesday November 18, 2025, 9:00am-12:00pm

California Public Utilities Commission

INTRODUCTION AND OPENING COMMENTS

9:00am-9:20am

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Workshop Objective

- Examine how the characteristics of small and multi-jurisdictional utilities and gas storage operators (collectively "small utilities") affect the applicability of the safety culture framework developed for large investor-owned utilities (IOUs).
- Provide a forum for small utilities to discuss matters relevant to assessing their safety culture in the context of their differences from large utilities.

Workshop Agenda

Time	Topic
9:00 -9:05 am	Welcome, Intro, and Opening Remarks (5min)
9:05 -9:25 am	Overview of Phase 1 Assessment Framework and Process by SPD (20 min)
9:25 -9:35 am	Summary of Current Small Utility Safety Culture Assessment Efforts by SPD (10 min)
9:35 -9:45 am	Q&A/Discussion (10 min)
9:45 -10:15 am	Considerations for Assessments of Small Organizations by SME, Dr. Mark Fleming (30 min)
10:15-10:25am	Q&A (10 min)
10:25 -11:25 am	Roundtable: Small Utility Representatives and SME, Dr. Mark Fleming, (60 mins)
11:25 -11:30 am	Closing Remarks and Next Steps (5 min).

Virtual Housekeeping

- **Recording; Slides**
  - Please note that this meeting is being recorded
  - Workshop recording and slides will be sent to the service list and posted on the CPUC website after the workshop.

- **Questions**
  - Q&A + discussion session after SPD and SME presentations, a roundtable discussion at the end of workshop, with possibility of additional questions, time permitting.
  - Please type questions into chat, use Q&A feature, or raise hand
  - Staff will follow to respond to any unanswered (or additional) questions after the workshop

- **IT Support**
  - Jeremi Holloway is IT support.

Presentation by Safety Policy Division

9:05 -9:55 am

California Public Utilities Commission

CPUC Safety Culture Assessments for Large IOUs

R.21-10-001 Phase 2 Workshop, November 18, 2025

Safety Culture and Governance

Safety Policy Division

California Public Utilities Commission

Safety Culture Assessment Framework

Elements of Safety Culture Assessment Framework adopted by D.25-01-031

- **Goals and Principles**
- **Definitions**
- **Normative Framework–** model based on the USNRC 10 traits (normative framework).
- **Quadrennial Comprehensive Assessment:**
- **Annual Improvement Self-Evaluation**
- **Safety Culture Working Group**

Summary Goals and Principles to Guide CPUC Framework and Collaborative Engagement.

Goals	Principles
• Make **safety a core organizational value**, not just compliance.	• Foster a **shared understanding** of safety culture across all stakeholders.
• Enable cross-entity **collaboration** to identify and manage risk.	• **Engage all parties, as necessary** —IOU workforce, contractors, governments, communities, and industry groups.
• Embed operational safety into safety culture to **prevent catastrophic events.**	• Ensure **privacy and confidentiality** of individual workers.
• Use a **systemic approach**	• **Open communication** and reporting without worker fear of retaliation.
• Develop **tools to monitor and improve** safety culture proactively.	• Emphasize **learning and continuous improvement.**
	• The **Commission plays a supportive role**, influencing safety culture
	• **Non-punitive collaboration** to strengthen safety culture.
	• **IOUs have full ownership and responsibility** for their organization's safety culture.

Definitions

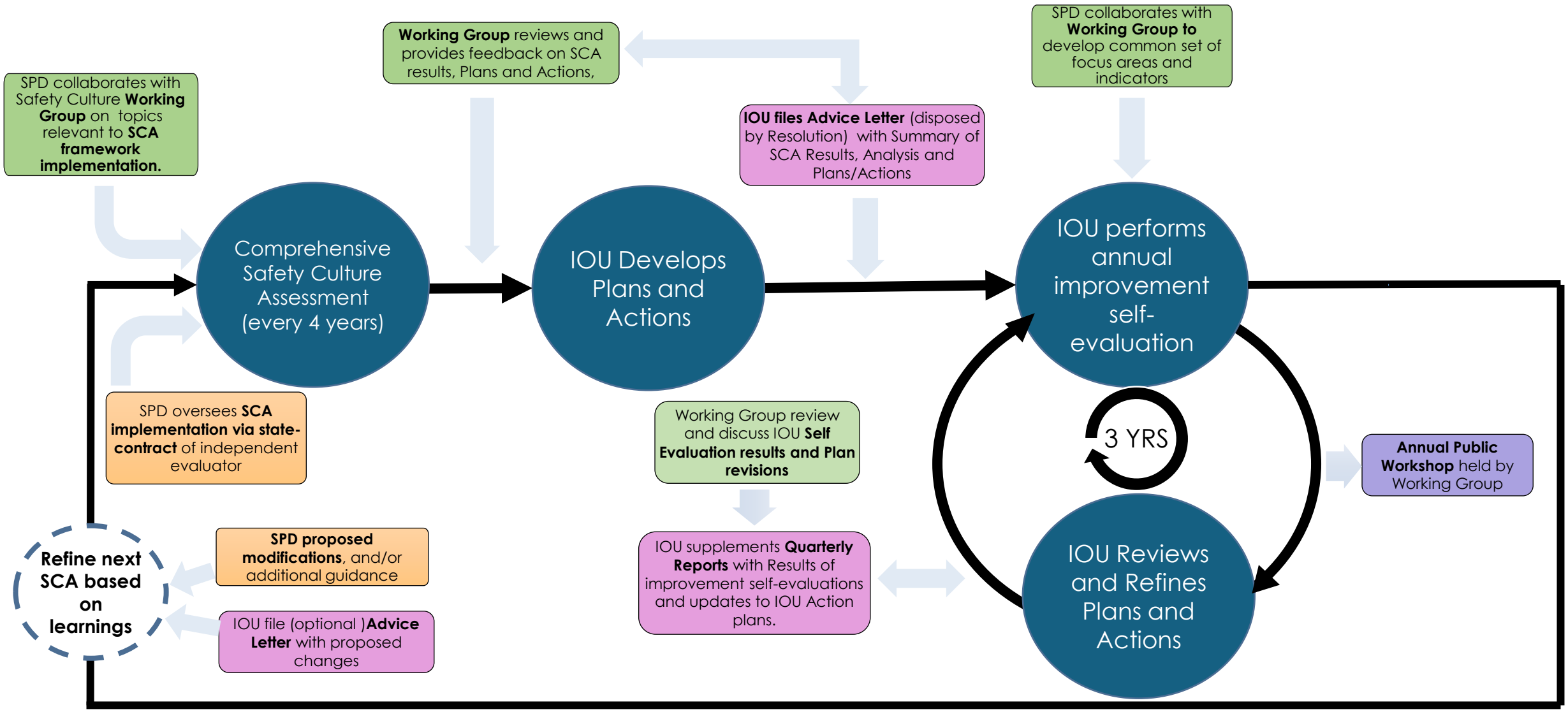
- **Safety culture:** a subset of organizational culture. Safety culture is the collective set of values, principles, beliefs, norms, attitudes, behaviors, and practices that an organization's managers, employees, and contractor personnel (collectively, "workers") share *with respect to risk and safety*.

- **Safety:** is synonymous with the prevention of harm to people, the environment, and assets. Safety encompasses safety of workers, and members of the public; operational/process safety; facility or asset integrity; security; and environmental protection.

Normative Framework: 10 Safety Culture Traits

1. Leadership Safety Values and Actions	2. Problem Identification and Resolution
Leaders demonstrate in their decisions and behavior	Issues potentially impacting safety are systematically identified, fully evaluated, and promptly addressed and corrected commensurate with their significance.
3. Personal Accountability	**4. Work Processes**
All individuals take personal responsibility for safety.	The process of planning and controlling work activities is implemented so that safety is maintained.
5. Continuous Learning	**6. Environment for Raising Concerns**
Opportunities to learn about ways to ensure safety are sought out and implemented.	A safety-conscious work environment (SCWE) is maintained where personnel feel free to raise safety concerns without fear of retaliation, intimidation, harassment, or discrimination.
7. Effective Safety Communication	**7. Respectful Work Environment**
Communications maintain a focus on safety.	Trust and respect permeate the organization.
9. Questioning Attitude	**10. Decision Making**
Individuals avoid complacency and continuously challenge existing conditions and activities to identify discrepancies that might result in error or inappropriate action.	Decisions that support or affect utility safety are systematic, rigorous, and thorough.

CPUC's IOU Safety Culture Assessment and Monitoring Process



Key Features of CPUC's Safety Culture Assessments

- Recognize need to go beyond occupational safety to address drivers of high-consequence/low-probability events that impact the public (i.e. San Bruno explosion, the Paradise wildfire, and Aliso Canyon gas storage leak.
- Covers all risks presented by the IOU, not just wildfire safety.
- Applies to both gas and electric IOUs.
- Based on a multi-method comprehensive assessment - deep and rich picture of safety culture, focusing on underlying values, beliefs, and norms.
- Frequency (every 4 yrs) permits a deeper dive into the culture.
- Utilizes a normative framework against which to evaluate culture.
- Performed by a third-party evaluator.

Comprehensive Safety Culture Assessment

Comprehensive Safety Culture Assessment

D.25-01-031 Quadrennial Comprehensive Assessment:

- systematic multi-method approach;
- qualitative and quantitative techniques;
- triangulate data across different methods;
- provides a deep and rich picture of culture -– including the underlying values, beliefs, and norms
- results in findings about the strengths and weaknesses relative to the normative framework; conclusions, and actionable recommendations to identify suitable interventions; and
- strive to reduce and mitigate potential biases.

General Approach to Assessment

- Focus on **identifying underlying basic assumptions** (i.e. what's "below the surface" or can't be seen) based on the safety culture assessment framework adopted by the CPUC.
- Comprehensive assessment: multi-method approach that involves going beyond **employee perceptions, performed in a systematic manner;** NOT perception-based or led.
- Extraction of cultural themes and triangulation of related signals across the multiple data collection sources.
- Rooted in the International Atomic Energy Agency (IAEA) assessment approach and methodology (see STI/PUB/1682 and SVS-32_web.pdf).

Unique features of the IAEA Methodology

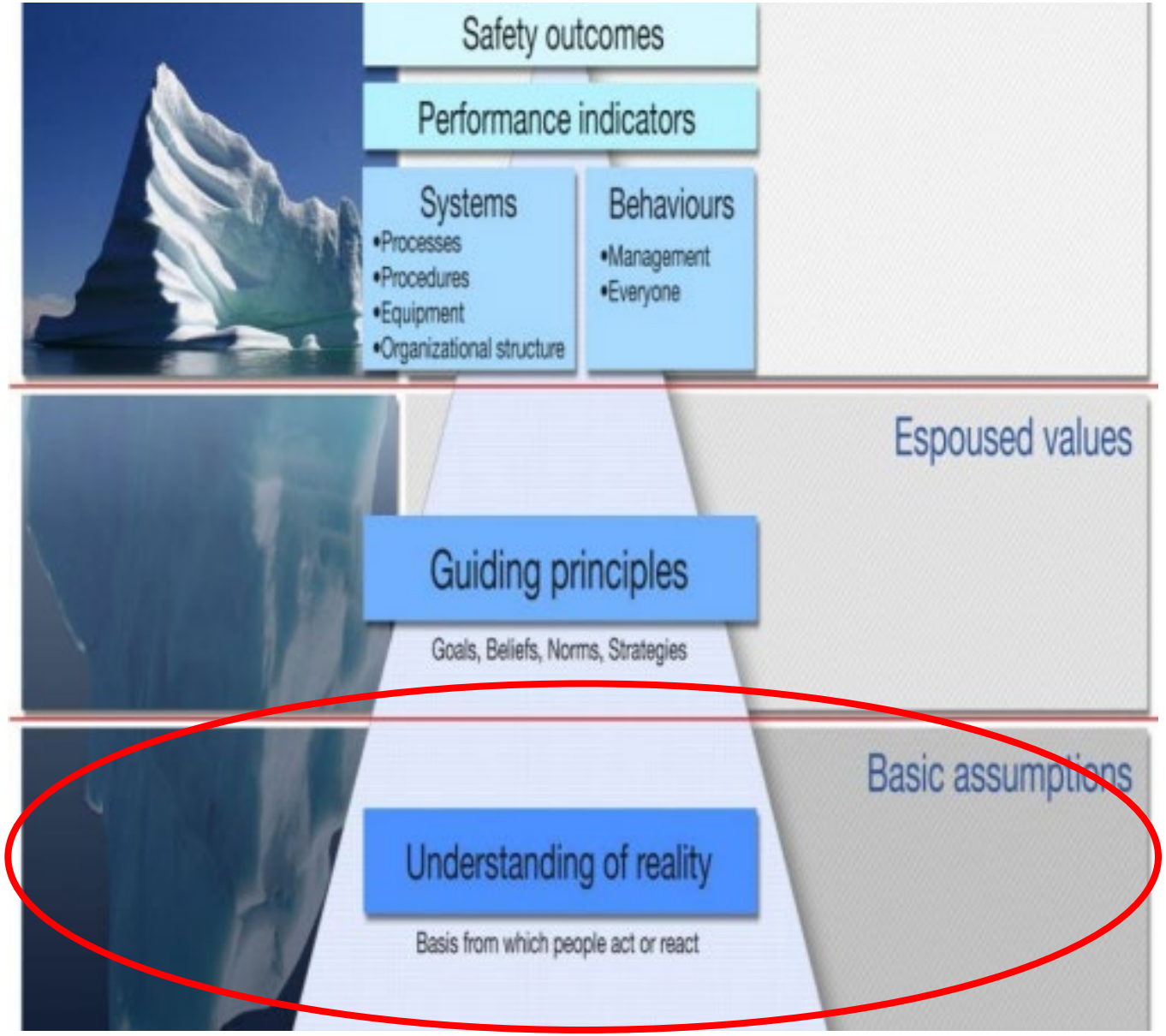
Approach: Qualitative and quantitative methods (qualitative are predominant), emphasizes continuous improvement and organizational learning, promotes system thinking, focus on understanding “Basic Assumptions”.

Tools: Multimethod to triangulate data across methods .

Culture View: Dynamic and evolving

Assessment focus: context-sensitive understanding

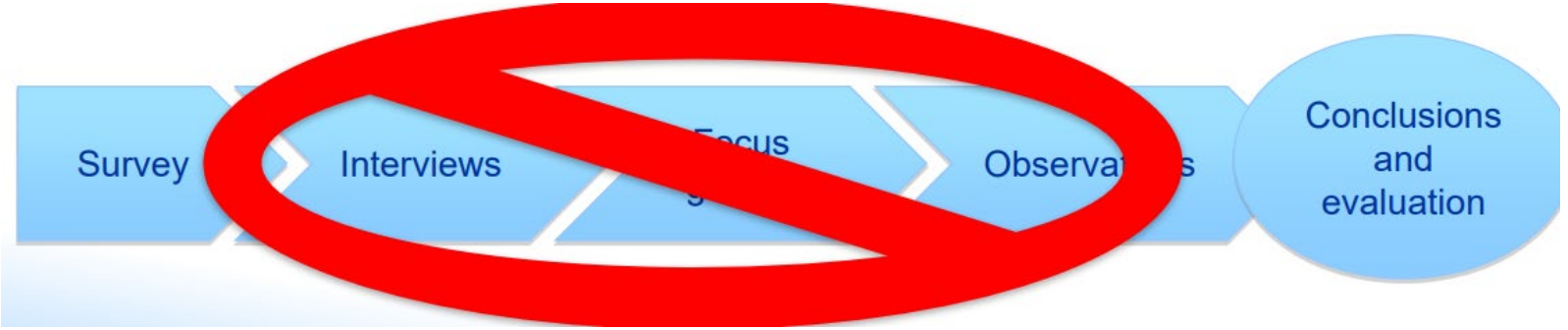
End Goal: Insight for improvement



IAEA Data Collection

- Multi-method data gathering:
  - survey, document review, interviews, focus groups, observations;
  - both qualitative and quantitative methods, but qualitative methods are predominant.

- Concurrent assessment process, i.e each assessment method treated separately.



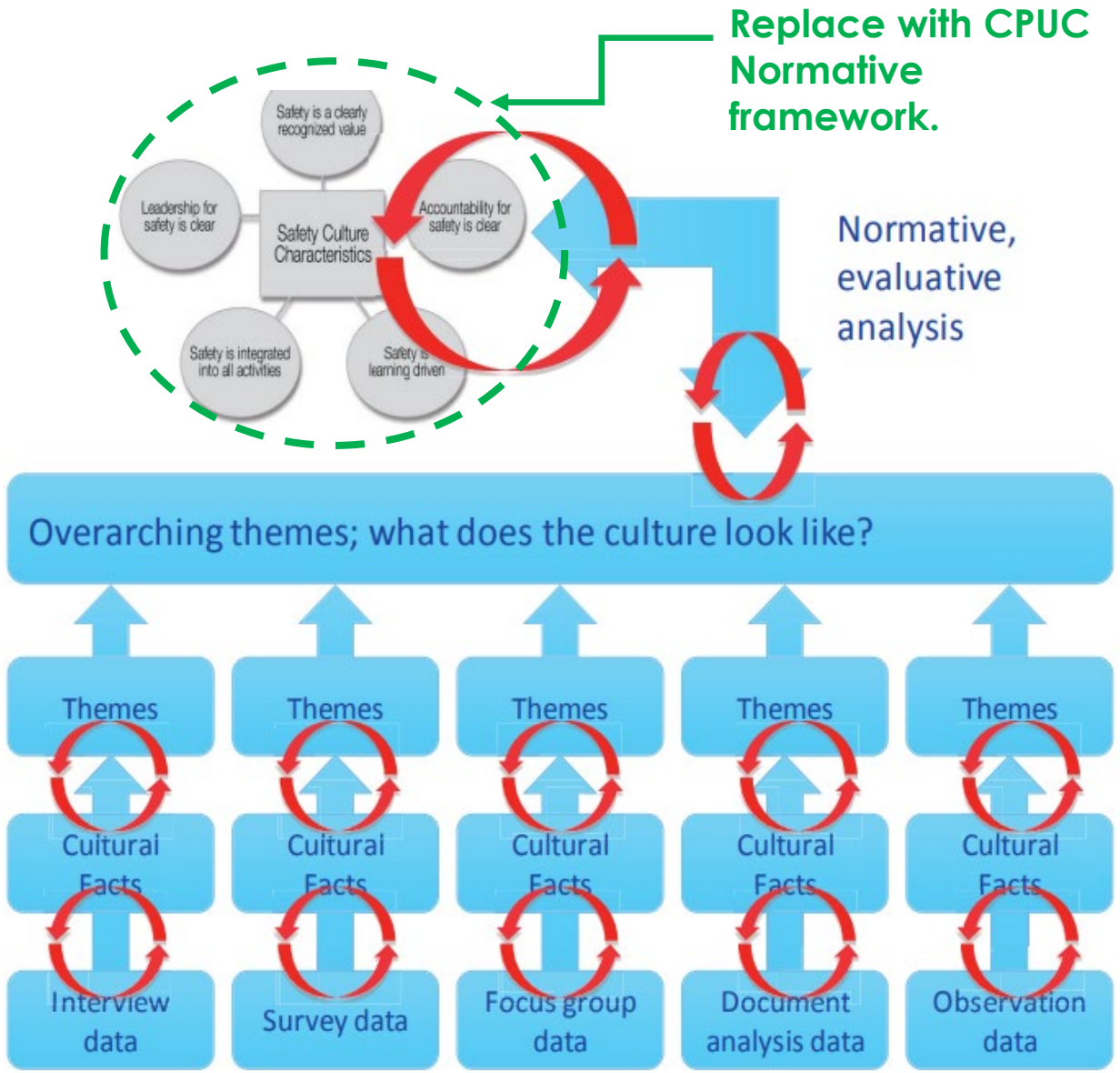
IAEA Data Analysis

Descriptive analysis – description of the current state of culture

- Different data sets are not compared with others at the data level.

Normative analysis - description of what the culture "should be" based on the normative framework.

- Comparing the characteristics found in the descriptive analysis against the 'expected' characteristics (normative analysis of safety culture).



Lenses to apply in analysis

Include, but are not limited to (from Canadian Energy Regulator Assessment Guidance):

- identification of common themes across data collection methods;
- identification of thematic differences across data collection methods;
- identification of data that serve to illustrate the noted cultural themes (e.g., participant quotations, stories or observations);.
- disparities between what is said and/or written (i.e., espoused values by leaders and those found in documentation) and what is actually done in practice;
- differences and similarities between sub-groups (e.g., teams, business units, regional offices) and hierarchical levels; and
- identification of any significant observations of patterns of behavior related to safety commitment and tolerance of risk.

Example: SoCalGas/Sempra Safety Culture Assessment

- Report: Independent Safety Culture Assessment of SoCalGas and Sempra

- Implementation:
  - 64 Interviews
  - 84 Focus groups
  - Interacted with over 700 people
  - Document review – comprehensive
  - 75 Observations

Summary of Small Utility Responses on Safety Culture Assessment Practices

Summary of Responses to ALJ Ruling dated April 23, 2025

Organization	Organization Size	Contractors	Performs Formal Safety Culture Assessments?	Assessment Methodology	Scope	Anonymity	Operates Under Parent Company Structure?	Parent Company Involvement in Safety Culture?
Bear Valley Electric Service (BVES)	49 (1 exec, 1 mgr, 4 supervisors, 43 frontline).	3 main firms + specialists.	Yes	Survey (Annual, OEIS).	10% Employees & contractors engaged in wildfire mitigation.	Anonymous via OEIS survey.	Parent: American States Water Co.	None
Liberty Utilities (CalPeco Electric)	≈130 (1 exec, 27 management).	≈100 across engineering, operations.	Yes	Survey followed by focus groups, timed with annual planning efforts.*	Field operations focus; topics: employee engagement, communication, stop-work, leadership support.	Confidential; de-identified responses.	Parent: Liberty Utilities Co. (Algonquin).	None
PacifiCorp	≈4,700 (350 management, 2,000 field).	≈2,000 across 35 ops contracts.	Yes	- Survey (Annual, OEIS) - Safety Climate/Perception Surveys (all holding companies and company-wide, HSE Tool)	- Entire organization; topics: leadership, trust, engagement, procedures, reporting.	Anonymous and administered by external entity.	Parent: Berkshire Hathaway Energy (BHE)	BHE Safety Collaborative oversees improvement for all subsidiaries.
Alpine Natural Gas	9 (1 exec, 1 mgr, 7 frontline).	None	No formal assessment.	Annual review of incident types and other quantifiable trends.	Operations, emergency response and office procedures.	N/A–small team.	No parent	N/A
Southwest Gas Corporation (SWG)	≈2,427 (21 exec, 456 mgmt, 1,950 staff).	≈276 in CA (85% pipeline construction).	Yes	Survey (triennial changing to 1.5 yrs)	Whole Organization; SMS topics.	Fully anonymous; aggregate only.	Parent: Southwest Gas Holdings (SWX)	Board receives reports.
West Coast Gas Company (WCG)	7 (2 exec, 2 mgmt, 3 field techs).	None	No formal assessment.	Annual reviews of leak survey and maintenance reports.	N/A	N/A	No parent.	N/A
Gill Ranch Storage LLC	≈15 employees.	45–50 vendors for engineering/maintenance.	Yes	Survey (every 2 years)	All employees & contractors directly involved with field operations; SMS topics.	Anonymous.	Sensa Holdings LLC (PG&E minority stake);	On-site eCORP employees participate in survey.
Wild Goose & Lodi Gas Storage LLCs	≈18 (Wild Goose), 23 (Lodi), 57 HQ (Calgary)	≈62 across drilling & maintenance	Yes	Surveys (Annual).	All employees + contractors; topics: leadership, trust, procedures, communication.	Responses anonymous.	Parent: Rockpoint Gas Storage Ltd. administers plan;	HSE policy set by Rockpoint.
Central Valley Gas Storage (CVGS)	20 (Plant Mgr, Asst Mgr, 12 line staff). 59 execs/ management (reside at parent, Caliche)	20–30 on-site for well work.	No formal assessment (currently).	Observation cards (18 topics) + plans for future safety audits with component for safety culture.	All staff & contractors; topics include training, management commitment, PPE, stop-work authority.	Anonymous via optional names; audits recorded without IDs.	Parent: Caliche Development Partners III, LLC	Caliche oversees policies and audits; supported by Sixth Street Fund.

Observations of Small Utility Responses to ALJ Ruling dated April 23, 2025

Respondents: 10 small utilities -> 3 electric, 3 gas transmission and/or distribution, and 4 gas storage operators.

Organizational Size:

- Range from 7 to 4,700 employees (excluding contractors)
- 7 utilities < 50 employees (excludes leadership/management at parent HQ, and contractors).

Contractors:

- 8 utilities report retaining contractors.

Safety Culture Assessment Practices:

- All report performing some sort of activity to identify cultural strengths/weaknesses, with varied degrees of formality.
- 7 utilities relied on surveys/questionnaires with provisions for anonymity.

Organizational Structure

- 8 operate under parent company structure, with varying degrees of involvement in safety culture by parent company

Questions?

Please raise hand, use chat, or use Q&A feature

Presentation by Dr. Mark Fleming

9:05 -9:55 am

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Roundtable

10:25 -11:25 am

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Roundtable Format

Small Utilities represented:

- Electric: 1. Bear Valley, 2. Liberty, 3. Pacificorp,
- Gas: 4. Alpine, 5. West Coast,
- Gas Storage: 6. Gil Ranch, 7. Wild Goose, 8. Lodi.

No representatives from Southwest Gas.

Subject Matter Expert:

- Dr. Mark Fleming

Speaking Format

- Start with the small utilities, please raise hand and wait to be called on to speak. If no volunteers, representatives will be called on in the order shown to the left.
- Please state your name and organization when speaking.
- If time left, we will move onto additional questions for panel and/or questions/comments from attendees.

Roundtable Topic: How do the characteristics of small utilities affect the applicability of the safety culture framework originally developed for large investor-owned utilities?

Questions:

1. **Value:** What do you see is the value of utility safety culture assessments, and how might that value be different for small utilities compared to larger organizations? Please discuss what factors contribute to those differences.
2. **Obstacles:** What are the most significant obstacles small organizations face with implementing the kind of comprehensive safety culture assessments that will be performed for large utilities?
3. **Mitigation:** How do you think those challenges could be addressed or reduced, if at all? Please consider how assessment and monitoring tools could be simplified or modified to remain meaningful while fitting smaller organizations.

Roundtable: Additional Questions (Time Permitting)

- In your organization or from experience, how do contractors who perform safety-critical work contribute to the utility's safety risk profile, and how is that contribution different from what might be experienced by large utilities?
- How do you effectively engage contractors and temporary workers in safety culture assessments and improvements, if at all?
- In your organization or experience, how does the relationship with the parent company shape the safety culture of a small utility? Please discuss how this relationship might be different, if at all, from the parent-subsidiary relationship found in large utilities.
- How do you ensure anonymity and honest feedback in a small organization where "everyone knows everyone"?

Next Steps and Closing Remarks

11:25 -11:30 am

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