



S-MAP Workshop 2

Risk Lexicon Working Group

September 21, 2015

Risk Lexicon Working Group: RLWG

- Participants
 - California Regulators
 - Intervenors
 - California IOUs
- Led by San Diego Gas & Electric Company/Southern California Gas Company
- Weekly meetings

- Purpose
 - Develop a common list of key terms and definitions
 - Understandable by parties to proceedings
 - Provide context for terminology
 - Intended to be a dynamic reference source
- Lexicon Structure
 - Terms
 - Definitions
 - Sample usage
 - References if derived from an existing standard (i.e. ISO 73)



RLWG:Status

- Compared lexicons submitted within the SMAP filings by each of the 3 IOUs
 - Approximately 16 common terms noted between the 3 IOUs
- Submitted lexicons also compared to ISO 73 and DHS 2010 Risk Lexicon
 - 9 of the 14 common terms are similar to ISO 73 or DHS terminology
- Definitions on 7 of the 16 common terms have been agreed upon
 - Frequency; Impact (or Consequence); Mitigation; Risk Driver; and, Risk Response Plan; Control; Alternative Analysis
- In progress: Discussion and agreement on approximately 9 additional terms

- Terms generate lots of discussion among participants
 - Context
 - Explanation and application of terms
 - Theory vs. Practice



RLWG: Challenging Terms

- Risk
 - Definition can depend on the context
 - Risk is in the eye of the beholder
 - How broadly can it be defined?
 - Should it be restricted to “adverse” events?
- Event* vs. Outcome
 - What is the difference, is there a difference?
 - Can they be used interchangeably?
 - A storm (the event) produced 6 inches of rain (the outcome) OR
 - 6 inches of rain (the event) produced flooding (the outcome) OR
 - Flooding occurred (the event) which produced \$10MM of damage (the outcome)
- Likelihood vs. Probability/Chance
 - Are the terms interchangeable?
 - If they aren’t interchangeable, what makes one term distinct and different than the other?
 - Are there differences in how the terms are to be used or the context in which they are used?

* There was initial agreement upon the definition and usage of this term; however, additional questions surrounding the definition and use came up in subsequent meetings which require revisiting this term.



RLWG: Next Steps

- Outlook
 - Anticipate approximately 3 additional weekly meetings to have the first version of key terms for the common lexicon



RLWG: Appendix

Agreed upon Terms for Common Lexicon	
Term	Definition
Event*	A potentially adverse occurrence or change of a particular set of circumstances of concern. (Could also use the term “incident” in lieu of “event”).
Frequency	Number of events generally defined per unit of time
Impact (or Consequence)	The effect or outcome of an event affecting objectives, which may be expressed, although not limited to terms of health, safety, economic and/or environmental damage.
Mitigation	Measure or activity proposed or in process designed to reduce the impact/consequences and/or likelihood of an event.
Risk Driver	Factor(s) that could cause one or more risks to occur (Risk driver may also be commonly referred to as “threat”).
Risk Response Plan	Collection of Mitigations

* Although the working group initially agreed upon this definition, there may still be additional discussion surrounding the definition and use of this term.



RLWG: Appendix

Agreed upon Terms for Common Lexicon (Continued)

Term	Proposed Definition
Control	Currently established measure that is modifying risk
Alternative Analysis	Evaluation of different alternatives available to mitigate risk

Additional Proposed Terms Needing Discussion for Inclusion in Common Lexicon

- Risk
- Outcome
- Likelihood
- Probability/Chance
- Residual Risk (or Current Residual Risk)
- Planned or Forecasted Residual Risk
- Risk Score