



CPUC's Utility Safety Graduated Enforcement Program

The California Public Utilities Commission (CPUC) ensures that natural gas utilities and operators have appropriate risk management programs in place, that those programs are designed in compliance with state and federal laws, that the programs are being implemented well, that they are being effective in achieving safety for the public and the employees of the operator, and that the entire system of achieving safety continues to improve itself.

Graduated Enforcement Objectives

The CPUC's Consumer Protection and Safety Division (CPSD) utilizes a graduated enforcement process designed to achieve:

- Consistent, immediate, and efficient compliance with the myriad of rules that are critical to normalizing expectations and behaviors in risky environments;
- Improvements in safety that emerge from an open, honest, and continuing conversation with regulated utilities; and,
- Strong enforcement actions when circumstances warrant.

Graduated Enforcement Process

CPSD's recommendations and actions are determined by the circumstances of each case. CPSD's graduated enforcement process in electric and natural gas safety includes:

- **Step 1:** A utility is notified that it is possibly violating a particular rule or law;
- **Step 2:** The matter is investigated further and a utility is given a notice of non-compliance and ordered to fix the issue within a specified timeframe (much like a fix-it ticket commonly issued by police departments and the California Highway Patrol);
- **Step 3:** A request from CPSD staff that the CPUC's Commissioners vote to open a formal investigation (an Order Instituting Investigation) to potentially levy fines and penalties (regulators are quasi-judicial and as such, any fines or penalties levied against a utility can only be imposed after a formal investigation where due process is given to the utility and there is a vote of the CPUC's Commissioners); and,
- **Step 4:** A request from CPUC staff that that the CPUC's Commissioners vote to refer the matter for civil or criminal prosecution by a local District Attorney or the Attorney General.

For more information on the CPUC, please visit www.cpuc.ca.gov.

