



Commission Committee on Finance and Administration



Update on Strategic Planning: SD-02 Safety

December 13, 2017





Strategic Directive (SD) – 02 Safety

The CPUC secures health and safety with a goal of achieving zero accidents and injuries across all the entities it regulates, and within the CPUC workplace.

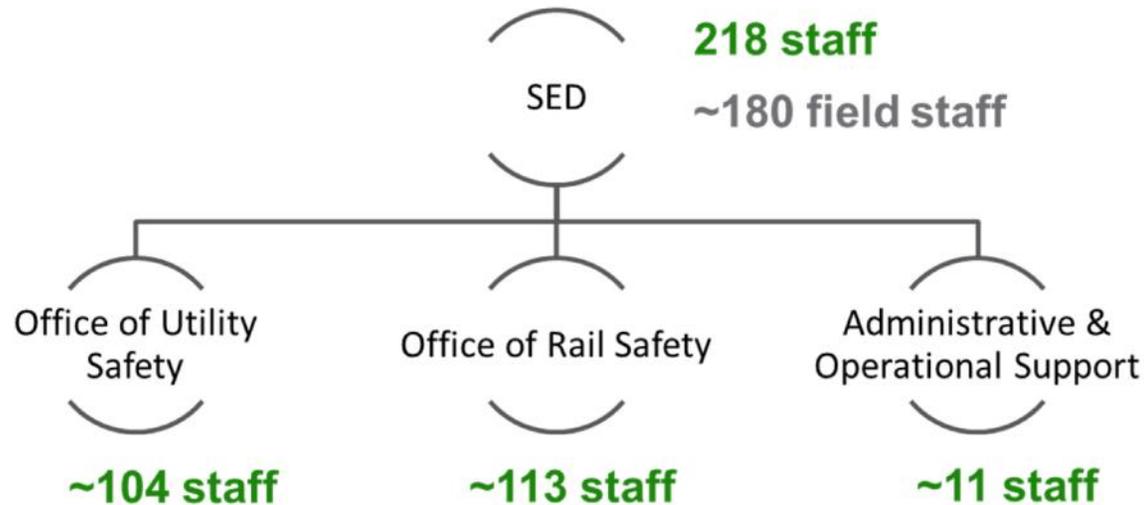
Within its jurisdictional authority, the CPUC will:

1. Adopt an organization-wide systematic approach to safety that focuses on:
 - a. Safety Policy: Adopting leading safety policies and standards that maximize safety in a cost efficient manner above and beyond compliance;
 - b. Risk Management: Continually identifying, assessing, and mitigating or eliminating the safety risk faced or posed by the entities the CPUC regulates;
 - c. Safety Assurance: Assuring that the entities the CPUC regulates comply with the law and have sufficient resources to ensure the safety of the public, their workers, and the environment;
 - d. Safety Promotion: Supporting efforts to assure that the public and CPUC-regulated entities, including their workers and customers, are able to make informed choices and know how to respond to unsafe situations;
2. Promote a continuously improving safety culture within the entities the CPUC regulates;
3. Promote a safety culture within the CPUC by continuously improving safety oversight and outcomes and learning from experience—including near misses, incidents investigations, audits proceedings, consumer feedback and complaints.





Safety and Enforcement Division Overview



Mission

The CPUC's Safety and Enforcement Division (SED) works diligently to ensure that regulated services are delivered in a safe and reliable manner.





Office of the Safety Advocate Overview

The Governor and legislature approved legislation in late 2016, creating and authorizing the CPUC's new Office of the Safety Advocate (OSA).

The legislation mandates that OSA, among other things:

- Advocate for improvements to public utility safety management systems, safety culture, and aging infrastructure.
- Recommend improvements to the CPUC's own safety management systems and safety culture (Advisory role to the Commission).
- Advocate as a party in proceedings to assist the Commission in its efforts to hold public utilities accountable for their safe operation.

Mission

The Office of the Safety Advocate advocates for the continuous, cost-effective improvement of the safety management and safety performance of public utilities to prevent accidents, injuries, and to save lives.





1. Adopt an organization-wide systematic approach to safety that focuses on:
 - a. Safety Policy: Adopting leading safety policies and standards that maximize safety in a cost efficient manner above and beyond compliance;

Gas Safety Policy Proceedings:

- Mobile Home Parks Pilot Program (Implementing D.14-03-021) (ALJ Semcer/Commissioner Rechtschaffen)
- Gas Leak Abatement OIR (R.15-01-008) (Commissioner Rechtschaffen/ALJ Kersten)

Electric Safety Policy Proceedings:

- Utility Poles and Conduit Management (R.17-06-028; I.17-06-027)
- Competitive Local Exchange Carrier Wireless Facilities on Poles (R.17-03-009) (Commissioner Picker/ALJ Mason/ALJ Kenney)
- Fire Safety Rulemaking (R.15-05-006) (President Picker/ALJ Kenney/ALJ Kao)
- Proceeding to Consider Amendments to GO 95 (R.17-10-010) (Commissioner Picker/ALJ Mason/ALJ Goldberg)
- Repealing/Amendments to Rule 18 OF GO 95 (R.16-12-001)
- Physical Security of the Electric System (R.15-06-009) (Commissioner Rechtschaffen/ALJ Kelly)

Rail Safety Proceedings:

- R.09-01-020 Rulemaking into Railroad Worker Protections (Commissioner Rechtshaffen/ALJ Kim)





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Industry Engagement

- Gas safety staff are members of several committees with National Association of Pipeline Safety Representatives (NAPSR) and Pipeline and Hazardous Materials Safety Administration (PHMSA)
- Electric safety staff are members of the Transmission Maintenance Coordination Committee that helps the CAISO develop, review and revise Transmission Maintenance Standards
- Rail staff are members of the National Committee on Uniform Traffic Control Devices highway-rail committee, Federal Railroad Administration's Railroad Safety Advisory Committee and Federal Transit Administration's Transit Advisory Committee for Safety
- Close engagement with Institute of Electrical and Electronics Engineers (IEEE) National Electric Safety Code (NESC)

Agency Coordination

- Cal FIRE - fire prevention and response
- California Governor's Office of Emergency Services (Cal OES) - emergency response
- Division of Oil, Gas, and Geothermal Resources (DOGGR) – gas storage
- Federal Highway Administration (FHWA) and California Department of Transportation (Caltrans) – rail crossings





1. Adopt an organization-wide systematic approach to safety that focuses on:
 - b. Risk Management: Continually identifying, assessing, and mitigating or eliminating the safety risk faced or posed by the entities the CPUC regulates;

Utility Risk Assessment

- Organize and facilitate workshops and working groups to explore new models for risk assessment in rate cases and to develop safety performance metrics
- Safety and Enforcement Division and Energy Division staff work together to review utility safety accountability spending reports from the previous rate cases
- Review of safety and risk assessment in utility rate cases, including:
 - Sempra Utilities 2019 General Rate Case (A.17-10-007/008 consolidated) (President Picker/ALJ Lirag)
 - SCE 2017 General Rate Case (A.16-09-001) (President Picker/ALJs Roscow & Wildgrube)
- Administer and monitor the CPUC's whistleblower web site, ensuring that confidential complaints about utility practices are routed to the proper entities within the CPUC
- Safety Flag system for agency employees to report safety concerns and possible violations, and RASA works with the CPUC's Safety Ombudsman to manage that system





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Confirmed or Possible Whistleblower Complaints						
	CAB	Transportation	Electric Safety	Gas Safety	Telco Fraud	Rail
January	0	0	1	0	0	0
February	0	0	0	0	0	0
March	0	1	0	0	0	0
April	0	1	0	1	2	0
May	0	1	0	1	1	1
June	0	1	0	1	0	0
July	0	0	0	0	0	0
August	0	0	1	0	0	0
September	0	1	0	1	0	0
October	0	0	1	0	0	1
Total 2017	0	5	3	4	3	2





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Rail Risk Assessment

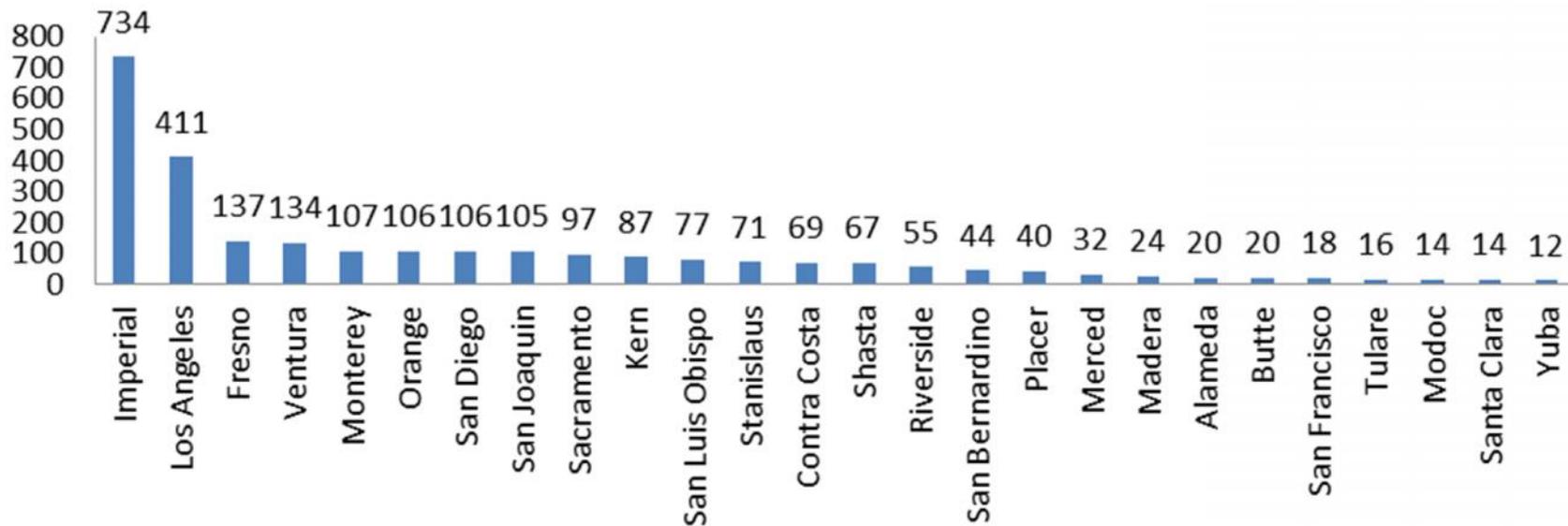
- Collection and analysis of 2,700 near-miss incidents (such as including runaway train or any other uncontrolled train movement that threatens public health and safety) to detect high-risk areas
- Office of Rail Safety utilizes a risk management process that enables staff to record any unsafe act, condition or situation they may find that are not addressed by regulations - 11 new Risk Management Status Reports in 2017
- Crude Oil Reconnaissance Team (CORT) monitors the railroads' infrastructure and performs frequent observations of crude oil transfer facilities to assesses and mitigates risks to public safety
- Railroad Bridge Evaluation Program:
 - 143 total bridge observations
 - 6 bridge field activities held jointly with the FRA
 - 9 risk notifications to railroads
 - 3 responses to a bridge-related informal complaint
- Railroad Tunnel Evaluation Project – new project to evaluate railroad tunnel conditions and collect historic data





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Near-Miss Rail Incidents By County Counties with Ten or More Incidents Reported 2016-17





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Enterprise Risk Assessment

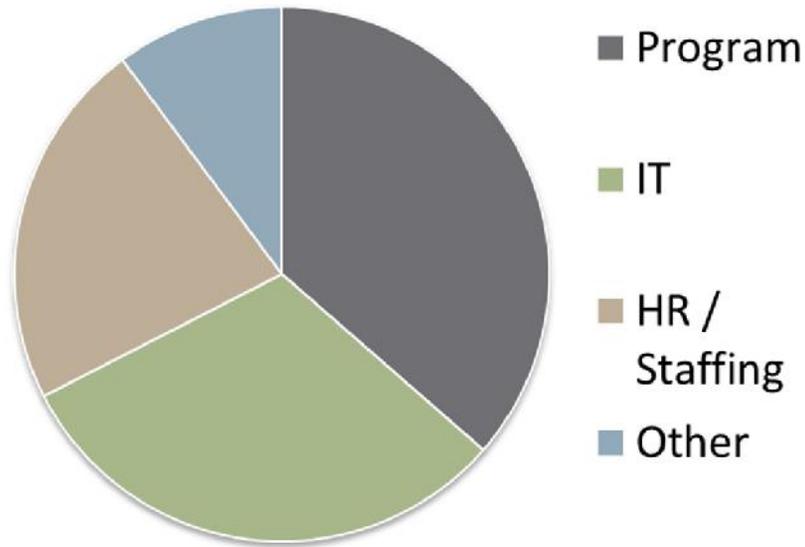
- State Leadership and Accountability Act (SLAA) requires departments to submit an enterprise risk assessment bi-annually and requires a follow-up every six months regarding the mitigation of the risk
- In addition, SLAA requires an assessment of the control process and the culture of the organization
- Culture and control environment assessment through a survey to managers and supervisors
- Management identified enterprise risks and documented them in a risk assessment matrix
- Risk categories assessed include:
 - Internal Risks- HR, IT, Admin, Contracts, Facilities, Programs
 - Strategic Risks - Strategic Directives, Policy
 - External Risks – Reputational, Legal, Political, Emergencies
- Enterprise risk assessment process identified a total of 209 risks
- SLAA report to be submitted to Department of Finance



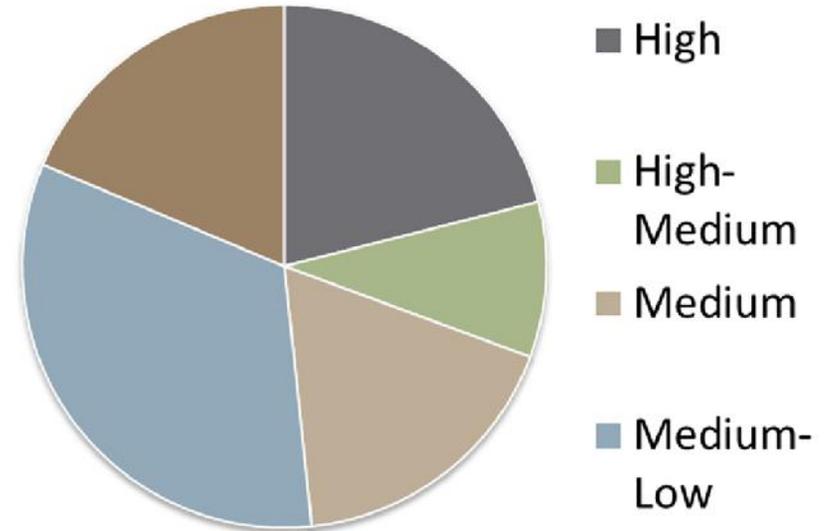


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Enterprise Risks by Category



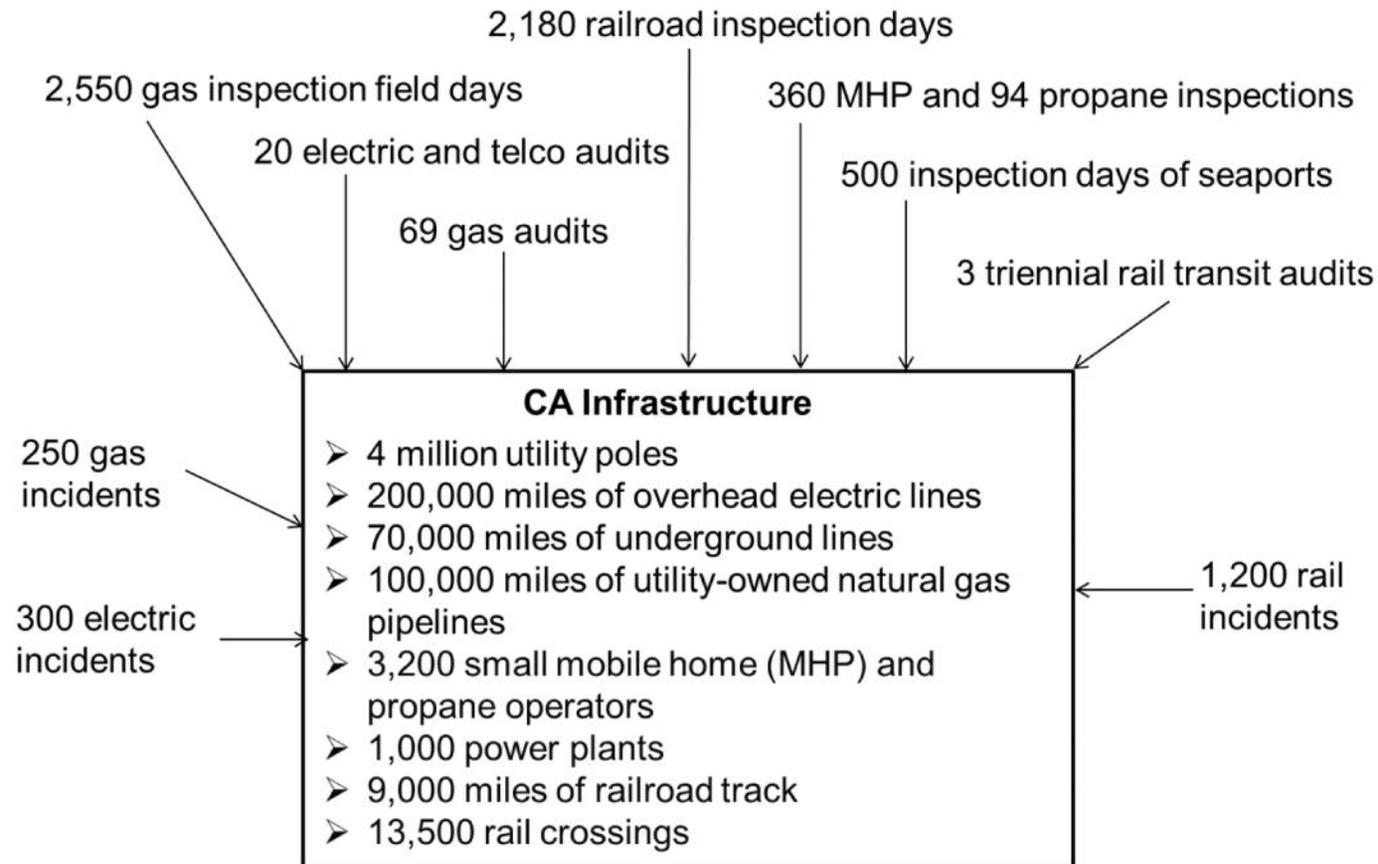
Enterprise Risks by Level





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 - c. Safety Assurance: Assuring that the entities the CPUC regulates comply with the law and have sufficient resources to ensure the safety of the public, their workers, and the environment;

Utility and Rail Safety Assurance





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Utility Safety Assurance Activities

- Conducted 65 scheduled gas safety inspections/audits and 11 electric inspections/audits
- Comprehensive power plant audits, including Topaz Solar, High Winds Energy Facility audit, Mandalay Generating Station and Sentinel Energy Project inspection conducted in conjunction with the CEC
- Monitored more than 120 forced and 170 planned outages that were reported by natural gas and renewable power plants
- SoCal Gas Aliso Canyon gas storage facility Comprehensive Safety Review, including safety inspections conducted in conjunction with DOGGR
- SCE Long Beach Investigation and OII - \$4 million penalty and \$11 million towards various system enhancement projects
- \$400,000 citation to PG&E for October 18, 2015 Incident near Moss Landing Substation/Monterey
- \$8.3 million of citations to PG&E for pertaining to Butte Fire
- \$200,000 citation to Southwest Gas for audit finding of continuing violation since establishment of the Distribution Integrity Management Program (DIMP)





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Gas Safety Incident Investigations

TOTAL reported in 2017	247	Percent
Open	196	79 %
Closed	51	21 %

The CY 2017 incidents are categorized as follows:

- 148 – Level 1 incidents
- 84 – Level 2 Incidents
- 8 – Level 3 Incidents
- 7 – Level 4 Incidents

Level 4: The incident resulted in injury, fatality, fire or explosion caused by release of natural gas from the Operator's facilities.

Level 3: The incident resulted in a release of gas but the incident did not result in injury, fatality, fire or explosion.

Level 2: The incident did not result in injury, fatality, fire or explosion. The incident may have been reported due to Operator judgment.

Level 1: The incident did not result in injury, fatality, fire or explosion.





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Electric and Communication Facilities	Level 1	Level 2	Level 3	Level 4	Total
Total open incidents	9	15	64	34	122
Total incidents reported in 2017	12	17	60	30	119
Total incidents closed in 2017	12	21	23	33	89
Total open 2017 incidents	9	11	55	24	99
Electric Generation Incidents	Level 1	Level 2	Level 3	Level 4	Total
Total open incidents	0	0	1	2	3
Total incidents reported in 2017	0	0	1	2	3
Total incidents closed in 2017	0	0	1	0	1
Total open 2017 incidents	0	0	1	2	3
Customer Complaints					206
Total Investigations					308

- Level 4: Incident resulted in a fatality or injury requiring hospitalization and that was caused, at least in part, by the utility or its facilities.
 Level 3: Incident involved damage estimated to exceed \$50,000 and caused, at least in part, by the utility or its facilities.
 Level 2: Incident involved a power interruption not due solely to outside forces.
 Level 1: A safety incident that doesn't meet Level 2, 3, or 4 criteria.





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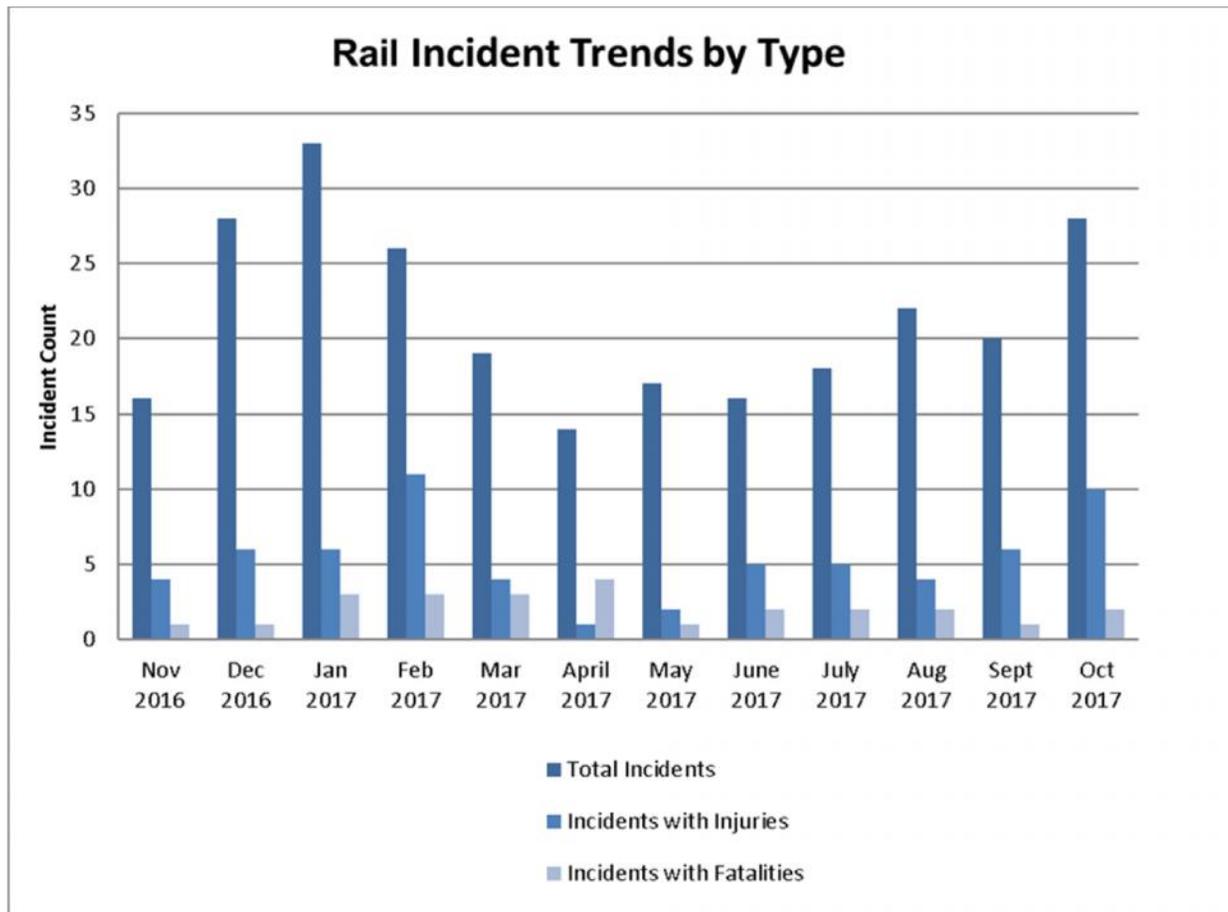
Rail Safety Assurance

- Performed 4,064 inspections and follow-up inspections to monitor the railroads' compliance with federal and state laws, and CPUC General Orders
- Identified 10,089 federal regulation defects
- Recommended civil penalties for 258 federal regulation violations and 2 citations for violations of state laws
- Completed 248 CPUC GO reports that identified 828 defects
- Performed 17 focused inspections
- Investigated 154 accidents and incidents
- Performed 37 security inspections for risk assessment and to ensure each railroad that operates in California has a complete infrastructure protection plan
- Investigated and resolved 22 railroad safety complaints from railroad employees, other public agencies, and the general public
- Fine of \$659,000 to BART for fatal incident on BART incident on tracks





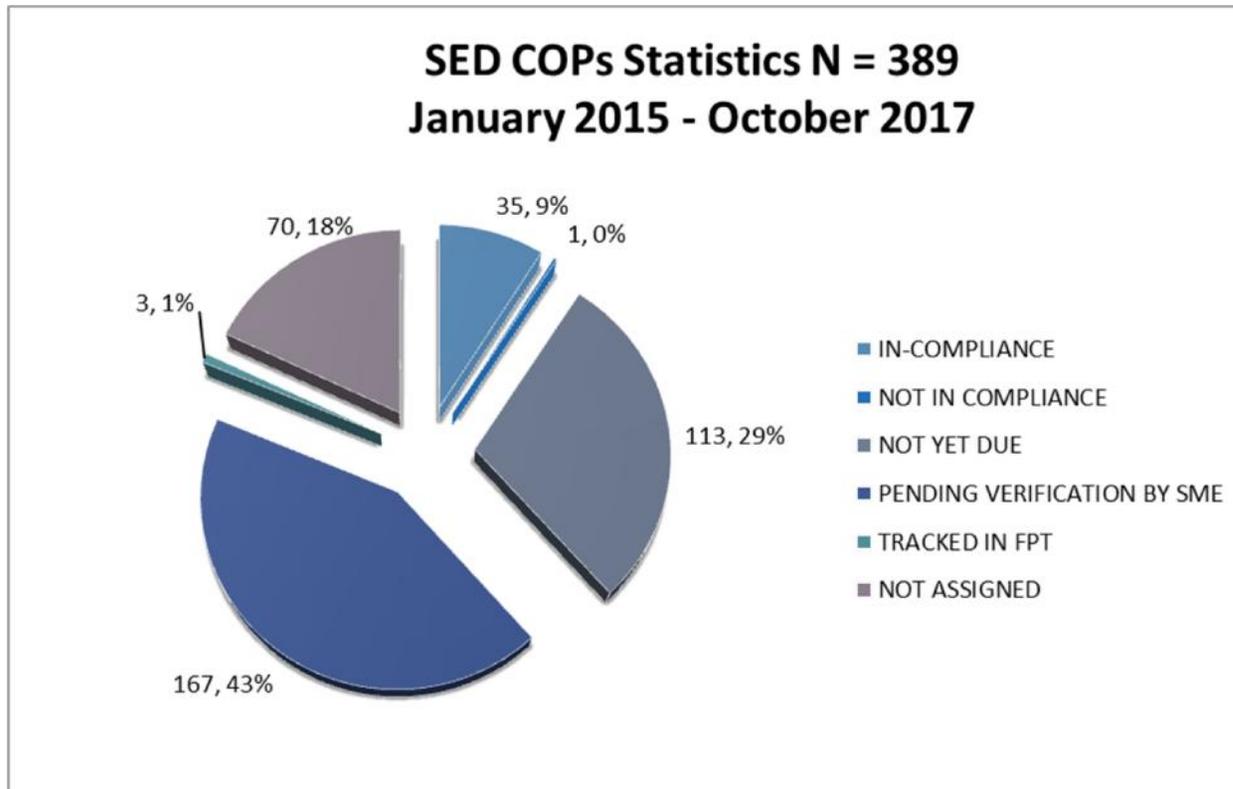
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SED – Assurance of Compliance with Ordering Paragraphs (COPS)





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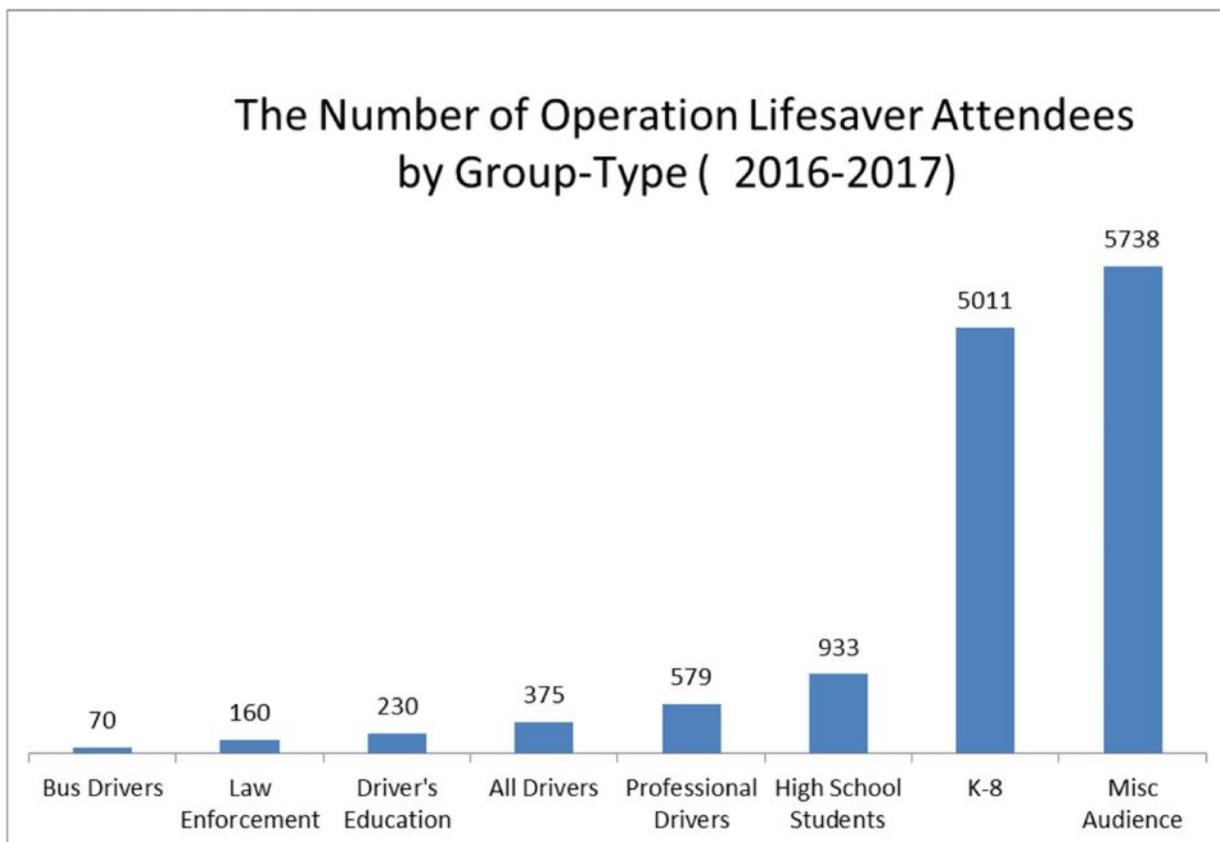
d. Safety Promotion: Supporting efforts to assure that the public and CPUC-regulated entities, including their workers and customers, are able to make informed choices and know how to respond to unsafe situations;

- Completed 168 Operation Lifesaver presentations. These railroad safety awareness campaigns reached more than 13,000 people who live or work in proximity to railroad tracks
- Promoted 811 dig-in prevention and established an informal partnership with California Underground Facilities Safe Excavation Board
- Provided information on our website and via social media engagement on safety issues; created new webpages for major incidents
- Provided information on CPUC investigations and safety efforts to local government officials, community based on organization and others
- Created and distributed fact sheets on the role of utilities during emergencies, such as the October 2017 Fire Siege
- Brought together stakeholders such as local government, utilities, and industry Divisions to discuss safety issues, such as rail crossing safety in the San Joaquin Valley
- Provide reporters, local governments, community based organizations, and others with information on safety proceedings, actions, and initiatives through email, meetings, calls, etc.





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 - d. Safety Promotion: Supporting efforts to assure that the public and CPUC-regulated entities, including their workers and customers, are able to make informed choices and know how to respond to unsafe situations;





2. Promote a continuously improving safety culture within the entities the CPUC regulates;

- Focus on safety culture at regulated entities is embedded in compliance and enforcement activities of SED staff and is being further extended by newly established OSA
- SED administers a utility whistleblower program, through which utility employees report concerns and are legally protected from retaliation
- CPUC is conducting an investigation into safety culture of Pacific Gas and Electric Company and PG&E Corp. (I.15-08-019)
 - CPUC staff hired a third-party, NorthStar, to review PG&E culture; NorthStar produced a report in Q2 2017.
 - In September 2017, the Commission hosted a workshop during which NorthStar principles were available to answer questions about the findings of the report.
 - PG&E stated it has created a “One PG&E Safety Action Plan” that will address the major recommendation for an “enterprise wide” plan, and that it intends to implement other recommendations as soon as possible.
 - SED staff will continue to support the proceeding and identify opportunities to perform similar reviews of other regulated entities
- SED staff worked with Sempra on results of a “2016 Safety Barometer Survey” conducted by the National Safety Council





3. Promote a safety culture within the CPUC by continuously improving safety oversight and outcomes and learning from experience—including near misses, incidents investigations, audits proceedings, consumer feedback and complaints.

- Created a new Division, Office of the Safety Advocate, responsible for recommend improvements to the CPUC's own safety management systems and safety culture
- Continuous operations of the Safety Flag system for agency employees to report safety concerns and possible violations
- Working to improve building safety, particularly evacuation of 505 Van Ness:
 - Working with Department of General Services on emergency alarms
 - Updating procedures and training information
 - Re-establishing emergency response teams
- Overview of safety at the CPUC for new and existing employees, performed as a Pop-Up and new employee onboarding orientation
- Cross-divisional training on gas safety performed by SED gas safety experts for the total of 2 days
- Training on electric safety General Order 95 performed by SED staff for Communications Division
- Continuous learning from experience and feedback, including from audits





The CPUC secures health and safety with a goal of achieving zero accidents and injuries across all the entities it regulates, and within the CPUC workplace.

- All CPUC staff have a role in safety, especially in promoting a safety culture at the CPUC and the entities that the agency regulates
- CPUC is primarily a safety agency, with a third of staff working on safety across different divisions
 - Safety and Enforcement Division is focused on infrastructure safety and compliance of electric, gas and rail regulated entities
 - Office of the Safety Advocate advocates for the continuous, cost-effective improvement of the safety management and safety performance of public utilities to prevent accidents, injuries, and to save lives
 - Legal Division provides legal support to SED on advocacy matters and advises the Commission
 - Administrative Law Judge Division dedicates judges to safety-related proceedings and assures that safety is considered in all cases
 - News and Public Information Office provides safety-related information to the news media and the public
 - All Divisions work together to assure the fulfillment of the CPUC safety mission

CPUC staff considers that the agency is substantially in compliance with the **SD-02 Safety** Strategic Directive.





Questions?



<http://cpuc.ca.gov/safety/>

