

OSA-SEU DATA REQUEST-004
SOCALGAS- SDG&E 2019 GRC – A.17-11-007/8
DATE RECEIVED: MARCH 15, 2018
DATE RESPONDED: MARCH 29, 2018

1. Safety culture:

- a.** Describe the Utilities’ plan, if any, to continue building a “strong safety culture in every part of the organization.”¹
- b.** Do the Companies apply a PDCA cycle approach to safety culture improvement? Please explain.
- c.** How do the companies’ assess their safety culture? Please describe the approach, scope, tools, methods, and frequency of the safety culture assessments conducted at the Companies. Please provide a copy of the questions used in surveys, if any, results of the assessments for the last 5 years², and supporting policies and procedures.
- d.** Explain if and how the safety culture assessments were used to identify gaps, drive improvement, and learn; describe the measures identified to address deficiencies, and specify their implementation status.

Utilities Response 1:

1.a. Our plan to continue to build a strong safety culture is to continue to support our numerous, comprehensive safety programs which address safety throughout the company. As discussed in the SoCalGas and SDG&E’s response to the OSA data request 003 informal, these programs range from safety trainings, behavior based safety programs, contractor safety programs, various safety committees, and more. Such programs along with our senior leadership’s strong safety focus builds and maintains our strong safety culture as described in the Policy Overview testimonies of SoCalGas witness J. Bret Lane (Exhibit SCG-01-R) and SDG&E witness Caroline Winn (Exhibit SDG&E-01) as well as the witnesses representing the Safety Departments for the utilities, Tashonda Taylor (Exhibit SDG&E-30) and Mary Gevorkian (Exhibit SCG-32). As discussed further in the responses to Question Q1.c and 1.d, SoCalGas and SDG&E evaluate their safety programs and generally have found that the current programs are working as intended.

¹ Utilities’ Direct Testimony of Diana Day (Chap 1.) DD-3 at 5.

² In their respective Gas Safety Plans submitted to the Safety and Enforcement Division in 2017, the Utilities state that each “regularly assesses its safety culture and encourages.”

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Utilities Response 1 Continued:

1b. The Plan-Do-Check-Act cycle is currently being applied at SoCalGas and SDG&E. The companies began the “Plan” phase of the PDCA cycle upon evaluating the most effective safety management systems for implementation, and culminated in GRC testimonial commitments by Risk Management and Policy witness Diana Day (*see* Exhibit SCG-02-R/SDG&E-02R at DD-27), Electric Distribution O&M witness William Speer (*see* Exhibit SDG&E-15-R at WHS-4, 60-61), and Gas System Integrity witness Omar Rivera (*see* SCG-05-R at OR-23, 44, 46 and SDGE-05 at OR-12, 14-17) to implement API 1173 and ISO 55000. As SoCalGas and SDG&E are currently instituting API 1173 and ISO 55000 for their gas and electric systems, the “Do” phase of the PDCA cycle is underway. As the PDCA cycle is the core component of both API 1173 and ISO 55000, the formal PDCA framework for continuously improving safety culture will be set in motion upon the completion of implementation.

1.c. SoCalGas and SDG&E regularly assess the safety culture in a number of ways, all of which are discussed extensively in the prepared testimony of Mary Gevorkian (Exhibit SCG-32, at MG 8-10) and Tashonda Taylor (Exhibit SDG&E-30, at TT 6-11). One measurement is the Safety Barometer. Copies of the 2013 and 2016 National Safety Council Safety Barometer - Safety Culture Surveys were previously provided in response to data request OSA-SEU-001 Question 1.

1.d. To maximize survey results, internal departments formed teams which included employees from appropriate levels of the organization to review and further understand survey results. As recommended by the National Safety Council, we implemented the three-step results interpretation process: 1) results interpretation, 2) development of action-oriented strategies, and 3) creation of action plans that contain appropriate indicators that were measured and shared. We used these results as a guide for making initial safety program improvements within various parts of the organization. Some of the safety improvements include: incident investigation, safety communication, and additional training with safety committees. At SDG&E the formation and initial efforts by the Safety Center of Readiness and Excellence (SCORE) was a direct result of barometer scores and feedback across the construction and operating centers in the areas of frequency of detailed inspections, adequacy of safety staff, and management participation in safety. Under this SCORE program, focus was placed on field safety visits intended to demonstrate leadership commitment in these areas, as well as verifying use of approved standards practices and work methods.

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2. Safety Management System (SMS):

- a.** Please explain why the (SMS) proposed in this general rate case (i.e. API 1173) was not identified in the RAMP proceeding.
- b.** Describe if and how this SMS is captured in the “RAMP Integration to GRC” chapters of the Utilities’ testimony⁴ in terms of risks to be mitigated and costs.
- c.** Have the Utilities performed any third-party audits of the safety management system or do they plan to do so in the future? Please explain.

Utilities Response 2:

- a.** As noted on page SDGE/SCG A-11 of the RAMP Report, filed on November 30, 2016 in I.16-10-015 (consolidated), “The RAMP is based on controls and mitigations in place in 2015, but safety activities cannot be fully captured by viewing one moment in time.” Similarly, as explained in the response to OSA data request-03 Q1 and in the Direct Testimony of RAMP to GRC Integration witness Jamie York, “it was anticipated that the Companies might identify additional RAMP-related activities after the filing of the RAMP Report that contribute to the mitigation of one or more of the 28 RAMP risks. These mitigation activities would normally have been captured in the Companies’ RAMP Report, but were not, either because such activities were unknown when the RAMP Report was submitted, or upon further examination, certain activities were considered to be a RAMP mitigation. Such activities in this GRC are referred to as RAMP Post-Filing.” (Exhibit SCG-02-R/SDG&E-02-R, Chapter 3, at JKY-5 lines 17-22.) The first edition of API 1173 was not released until July 2015 which meant that the specifics of API 1173 and the practices related to implementing a SMS (as addressed under API 1173) were not incorporated in the RAMP Report. However, the focus and intent of RAMP, as indicated in the report and in CPUC Decisions (i.e., D.14-12-025 and D.16-08-018), is safety risks and the actions taken to address safety risks. Therefore, SMS is addressed in the RAMP Report without directly addressing it as SMS or API 1173. Please refer to OSA-SEU Data Request-003, Question 7a.
- b.** Please see the response to Question 2.a above. Also, the revised Direct Testimony of Risk Management and Policy witness Diana Day (Exhibit SCG-02-R/SDG&E-02, Chapter 1) at pages DD-26 and DD-27 includes references the implementation of API 1173 and ISO 55000 future investments.
- c.** Please see the response to OSA-SEU Data Request-003 Question 2bii. Additionally, as discussed on page DD-19 of Ms. Day’s testimony, an assessment was completed in 2017 by a third-party that included an evaluation SoCalGas and SDG&E’s asset management maturity. Ms. Day explains “The maturity assessment not only compared the

⁴ SCG-02 and SDG&E-02

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Utilities Response 2 Continued:

Companies' progress over time (from 2014 to 2017), but also assessed the Companies' maturity relative to other utilities' level of maturity in the industry. The level of maturity in the utility industry was defined largely by conformance with International Organization for Standardization (ISO) 31000, Risk Management." One of the findings by the third-party was that the Companies have committed to developing a comprehensive asset management system that aligns with industry-leading practices. The maturity assessments are appended to Ms. Day's testimony as Appendices C and D.

The Companies have incorporated the findings from the third-party maturity assessment into Ms. Day's strategic trajectory, Figure DD-4 on page DD-25 and future planned initiatives. Regarding the future asset management initiatives, Ms. Day explains on page DD-26-27, "This commitment is demonstrated through the newly named Asset Management Vice Presidencies with dedicated Asset Management organizations at each company as well as initiatives to enhance our asset information systems and analytics." SoCalGas and SDG&E are committed "to moving forward with a more formalized asset management program" (Exhibit SCG-02-R/SDG&E-02-R, Chapter 1 at DD-26).

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3. Provide the yearly count of instances where “stop-the-job” authority was used by employees for each utility vs the number of employees covered under the “stop-job program” since inception of the program. Please explain how effectiveness of the program is evaluated.

Utilities Response 3:

Every employee has the responsibility and authority to stop work when they encounter unsafe conditions, actions, or are unsure about a Gas or Electric Standard or how to correctly perform a job task that could potentially endanger themselves, employees, contractors, customers, the public, equipment, or facilities. No activity is so important that a person’s safety or health is ever to be compromised.

- All employees are responsible for their personal safety and recognizing when others’ safety is at risk.
- All employees are to take responsibility for protecting themselves and others.
- All employees are accountable for decisions that may compromise personal, contractor, customer, or public safety including, but not limited to, behavioral, engineering, design, or construction aspects.

While all employees assume the responsibility of supporting any decision to stop work, no one should fear reprisal simply for stopping a job in good faith. In fact, under no circumstances will retribution of any kind be directed toward any employee who in good faith exercises their authority to STOP THE JOB.

After stopping work, all employees are expected to promptly take the steps necessary to begin resolving the condition, which typically includes notifying supervision with information supporting their decision. If the STOP THE JOB condition cannot be resolved, work is to remain suspended until proper resolution is achieved.

When opinions differ regarding the validity of a STOP THE JOB action or a decision to resume work, persons with proper authority or those with related operational expertise (e.g. Next level of management, Safety department representative, department staff, etc.) will participate in resolving the matter. When appropriate, a local Union representative will also participate in the resolution process.

Management and the Union will work together to create an environment where all employees feel empowered to STOP THE JOB. Management and the Union together will support and reinforce appropriate decisions to stop work, resolve hazardous conditions, and recognize safety-oriented decision-making.

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Utilities Response 3 Continued:

Both SDG&E and SoCalGas educate employees during training, verbally discuss during safety meetings, tailgates and employee dialogue sessions. Both companies also communicate the importance of stop-the-job authority via various communication methods such as email, digital boards, bulletins and videos.

SDG&E currently does not have a formalized method for capturing the number of stop-the-job occurrences. Please see the attachment OSA-SEU-004 Q3 Attachment – PERSONALLY IDENTIFYING INFORMATION REDACTED for a listing of the SoCalGas stop-the-job occurrences.

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4. Natural Gas System Operator Safety Plan⁵:

- a.** Provide a high-level overview of this plan, including its scope (i.e. what assets are covered by this plan).
- b.** Provide a copy of the plans.
- c.** Is there an equivalent for electric system operations? If so, please provide a copy of this plan. If not, please explain why.
- d.** Please provide a copy of the Natural Gas System Operator Safety Plan

Utilities Response 4:

- a.** The Natural Gas Safety Plans for SoCalGas and SDG&E convey the safety performance expectations of the utilities' Senior Management Team, and describes all of the safety plans, programs, policies, standards, and procedures that are designed to accomplish those expectations. In the hierarchy of utilities' documents that communicate their safety programs, this Safety Plan is at the top.

Public Utilities Code Sections 961 and 963 require that the gas system operator safety plans establish how the utility will achieve certain specified goals, and the Commission has organized these goals into five overall categories: (1) safety systems, (2) emergency response, (3) state and federal regulations, (4) continuing operations, and (5) emerging issues. These Safety Plans follow this organizational structure as outlined by the Commission and is divided into sections corresponding to these five categories, with each section representing a required Safety Plan element or other significant element or aspect of the Safety Plans. The requirements of Code Section 956.5 are addressed within the category of emergency response.

The utilities have numerous existing safety programs, plans, and procedures in place that address specified infrastructure or areas of company activity. The intent of these Safety Plans is not to duplicate these existing safety program components, but to provide an overarching safety strategy that will encompass all the plans, programs, and policies, and affirm the utilities' commitment to safety.

- b.** Separately attached is the SoCalGas and SDG&E 2018 Natural Gas Safety Plan.
- c.** No. In R.11-02-019, only the natural gas operators were ordered to submit a natural gas safety plan to the Commission per D.12-04-010.
- d.** See response 4b.

⁵ Appendix C of the testimony of Diana Day, Exhibits SCG/SDG&E-02 at 2.