

Company: Southern California Gas Company (U904G)/San Diego Gas & Electric Company (U902M)  
Proceeding: 2019 General Rate Case  
Application: A.17-10-007/-008 (cons.)  
Exhibit: SCG-250/SDG&E-252

**SOCALGAS/SDG&E**  
**REBUTTAL TESTIMONY OF**  
**DAVID L. BUCZKOWSKI AND DAVID L. GEIER**  
**(SAFETY POLICY)**

**JUNE 18, 2018**

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**





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1 **I. INTRODUCTION**

2 Our rebuttal testimony addresses the testimony of the Office of Safety Advocate (OSA)  
3 as submitted by Carolina Contreras and Jenny Au (Exhibit OSA-1), dated May 14, 2018.<sup>1</sup> In  
4 general, OSA provides recommendations that go beyond the current General Rate Case (GRC)  
5 Applications of Southern California Gas Company (SoCalGas) and San Diego Gas and Electric  
6 Company (SDG&E). OSA’s testimony is a result of their “holistic view of safety  
7 management,”<sup>2</sup> and focuses on the commitment to all forms of safety all the way from the top of  
8 the organization, identifying various metric concepts to assess safety performance, citing  
9 industry ‘best practices’ or studies, and suggesting safety assurances including new reporting  
10 requirements. While SoCalGas and SDG&E share many of the aspirational goals OSA  
11 discussed, absent concrete suggestions that can be implemented during the impending 2019  
12 GRC, some of the concepts are difficult to knit into this proceeding.

13 While our interests in safety are aligned with OSA, the focus of our rebuttal  
14 addresses some misconceptions raised and some recommendations proposed by Ms.  
15 Contreras and Ms. Au, specifically on OSA’s recommendations that SoCalGas and  
16 SDG&E:

- 17 • Increase focus on “process safety” as compared to occupational health and  
18 safety.<sup>3</sup>
- 19 • Implement a Safety Management System (SMS) for SoCalGas Gas Operations,  
20 SoCalGas Underground Storage, and SDG&E Gas and Electric Operations.<sup>4</sup>
- 21 • Establish leading indicators of process safety.<sup>5</sup>

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<sup>1</sup> May 14, 2018, Prepared Testimony of Carolina Contreras and Jenny Au on San Diego Gas and Electric Company and Southern California Gas Company 2019 General Rate Case, Exhibit OSA-1 (Contreras).

<sup>2</sup> Ex. OSA-1 (Contreras) at 1-1.

<sup>3</sup> *Id.* at 2-2, 2-4.

<sup>4</sup> *Id.* at 2-4.

<sup>5</sup> *Id.* at 2-2.

- 1 • Expand the role and capabilities of SoCalGas and SDG&E’s leadership and  
2 Boards of Directors in assessing and monitoring process safety.<sup>6</sup>
- 3 • Enhance the National Safety Council Foundation Safety Culture assessment by  
4 including expanding to contractors.<sup>7</sup>

5 As noted in SoCalGas and SDG&E’s (collectively, Utilities) discovery responses,<sup>8</sup> the  
6 California Public Utilities Commission (Commission) has been focused on ensuring the Utilities  
7 address safety risks for many years. The Commission’s Interim Decision Adopting the Multi-  
8 Attribute Approach (Or Utility-Equivalent Features) and Directing Utilities to Take Steps  
9 Toward a More Uniform Risk Management Framework, Decision (D.)16-08-018 (Interim S-  
10 MAP Decision”), adopted a Safety and Enforcement Division (SED) recommendation to “cover  
11 the company’s organizational structure as it relates to safety” and “safety culture” in their Risk  
12 Assessment Mitigation Plan (RAMP) report.<sup>9</sup> The Utilities included this information in their  
13 RAMP reports. Importantly, the Utilities’ 2019 GRC Application and supporting testimony  
14 show in great detail “how each organization contributes to driving safety culture” at SoCalGas  
15 and SDG&E.<sup>10</sup>

16 The Utilities have taken multiple, forward-thinking steps to address safety culture and  
17 associated safety policies and practices. Additionally, the Utilities routinely take a proactive and  
18 leading role in the Commission’s efforts to address a myriad of safety initiatives and risks. For  
19 these reasons, the Utilities welcome a partnership with OSA. Like OSA in its newly established  
20 role, the Utilities place safety as their highest priority.<sup>11</sup> In this regard, we hope to work closely  
21 with OSA in identifying potential opportunities to further our safety management policies and  
22 practices. In fact, on June 14 and 15, 2018, the Utilities hosted representatives from OSA for a

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<sup>6</sup> *Id.*

<sup>7</sup> *Id.* at 2-3.

<sup>8</sup> OSA-SEU-DR-002, attached as Appendix A.

<sup>9</sup> D.16-08-018 at 140-141.

<sup>10</sup> December 20, 2017, Revised Joint Testimony on Risk Management, Exhibit SCG-02-R/SDG&E-02-R, Chapter 1 (Diana Day) at DD-30.

<sup>11</sup> April 6, 2018, Second Revised Direct Testimony on Policy Overview, Exhibit SCG-01-2R (J. Bret Lane) at JBL-5-9; April 6, 2018, Revised Direct Testimony on Policy Overview, Exhibit SDG&E-01-R (Caroline A. Winn) at CAW-1-2.

1 comprehensive deep dive into their various safety programs and initiatives, including details  
2 about the Companies' Emergency Operations Center (EOC), Transmission, Distribution, and  
3 Storage Integrity Management Programs (TIMP, DIMP, and SIMP), Pipeline Safety  
4 Enhancement Plan (PSEP), Quality Management and Continuous Improvement, Leak Detection  
5 initiatives, and the Incident Evaluation Process, among others. Together we can establish safety  
6 priorities balanced against the Commission's reliability and affordability goals.

## 7 **II. REBUTTAL**

8 In this rebuttal testimony, SoCalGas and SDG&E will respond to some of the concepts  
9 and issues raised by OSA.

### 10 **A. INCREASE FOCUS ON "PROCESS SAFETY" AS COMPARED TO** 11 **OCCUPATIONAL HEALTH AND SAFETY**

12 SoCalGas and SDG&E have an unwavering commitment to protecting employees,  
13 contractors and the public. While OSA appears to recognize the Utilities' efforts with regard to  
14 "people" safety, our commitment to operational safety was overlooked in OSA's testimony  
15 which was prepared before the more recent deep dives the Utilities have provided to OSA.<sup>12</sup> As  
16 stated in the direct testimony of President and Chief Operating Officer (COO) of SoCalGas Bret  
17 Lane, "System integrity is an integral part of reducing safety risks. Thus, our proposals focus on  
18 enhancing system integrity through mandatory programs such as the Pipeline Safety  
19 Enhancement Plan (PSEP), Transmission, Distribution, and Storage Integrity Management  
20 Programs (TIMP, DIMP, and SIMP), as well as other activities to improve our system."<sup>13</sup> This  
21 commitment is echoed in the revised direct testimony of SDG&E's COO Caroline Winn.<sup>14</sup>

22 OSA mistakenly suggested the Utilities may have a "false sense of security with regard to  
23 process safety"<sup>15</sup> because SoCalGas and SDG&E focus on worker safety. OSA's argument  
24 misses the mark. People safety reverberates in multiple areas, particularly public and process  
25 safety. Further OSA has not recognized, for example, that both SoCalGas and SDG&E have  
26 policies and use metrics to measure operational/process safety (e.g., damage prevention, PSEP,

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<sup>12</sup> The Utilities use the terms "operational safety" and "process safety" synonymously herein.

<sup>13</sup> Ex. SCG-01-2R (Lane) at JBL-1.

<sup>14</sup> Ex. SDG&E-01-R (Winn) at CAW-1.

<sup>15</sup> Ex. OSA-1 (Contreras) at 2-4.

1 TIMP, DIMP, wires down, wildfire (Fire Risk Mitigation Program) and vegetation-related  
2 activities, to name a few). In its discussion of metrics, OSA’s recommendations with respect to  
3 the Utilities’ Incentive Compensation Plan (ICP)-related metrics fail to account for the breadth of  
4 safety metrics in ICP. For a more detailed discussion of ICP metrics, please refer to the  
5 Compensation and Benefits rebuttal testimony of Debbie Robinson (Exhibit SCG-230/SDG&E-  
6 228).

7 In recommending the Utilities “increase their focus on process safety,”<sup>16</sup> OSA appears  
8 not to recognize that process safety risks are being addressed by SoCalGas and SDG&E every  
9 day and that SoCalGas and SDG&E are committed to the critical safety principles of continuous  
10 improvement and the cycle of “Plan-Do-Check-Act.”<sup>17</sup> These commitments are expressed by  
11 SDG&E’s Chief Operating Officer, Caroline Winn and SoCalGas’ Chief Operating Officer, J.  
12 Bret Lane in their GRC testimony.

13 In her testimony, Ms. Winn notes: “At SDG&E, safety isn’t a goal – it is part of the  
14 Company’s DNA. Nothing is more important than keeping our employees, contractors and the  
15 public safe. We are making strategic investments in culture, technology, system upgrades and  
16 community partnerships to enhance the safety of our customers and the communities we  
17 serve.”<sup>18</sup>

18 Similarly, in his testimony, Mr. Lane addresses process/operational safety: “In line with  
19 SoCalGas’ deep-seated culture of employee/contractor, customer/public, and system safety, our  
20 GRC proposals will allow us to continue to invest to enhance safety and thereby mitigate risks  
21 that could impact our employees, customers, and/or system.”<sup>19</sup>

22 Additionally, in her direct testimony, Ms. Diana Day, the Utilities’ Vice President of  
23 Enterprise Risk and Compliance, explains: “My risk management organization generally  
24 facilitates the identification, analysis, evaluation, and prioritization of risks, with an emphasis on  
25 safety, to ultimately inform the investment decision-making process, and works to integrate risk

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<sup>16</sup> *Id.* at 2-2.

<sup>17</sup> American Petroleum Institute Recommended Practice 1173.

<sup>18</sup> Ex. SDG&E-01-R (Winn) at CAW-1.

<sup>19</sup> Ex. SCG-01-2R (Lane) at JBL-1.

1 management with asset and investment management through the creation of governance  
2 structures, competencies, and tools.”<sup>20</sup>

3 For SoCalGas and SDG&E, process/operational safety is considered to be a blend of  
4 engineering, operational, and management expertise focused on preventing everything from near  
5 misses to catastrophic events. Similar to the Utilities’ focus on addressing risk, the emphasis on  
6 process/operational safety is not new. In fact, this concept of “Process Safety” has been in place  
7 at both Utilities for decades.

8 Historically, SoCalGas and SDG&E have addressed process safety by meeting or  
9 exceeding various regulations which informed the Utilities’ gas and electric operating standards.  
10 Furthermore, many of the tenets of American Petroleum Institute Recommended Practice 1173  
11 (API 1173), such as leadership, commitment and stakeholder engagement – critical elements to a  
12 strong safety culture – are well-established at SoCalGas and SDG&E. That said, the Utilities see  
13 the value in continuous improvement and are now seeking to more formally implement a safety  
14 framework that incorporates existing and new safety measures through a pipeline SMS and its  
15 related tenets (i.e., API 1173) in the context of this GRC for their Gas operations. In addition,  
16 and as discussed later herein, SDG&E’s Electric operations is committed to implementing an  
17 SMS including International Organization for Standardization (ISO) 55000 and its tenets.  
18 Likewise, SoCalGas’ Underground Storage operations is implementing API 1171 and are  
19 committed to implementing an SMS. SoCalGas and SDG&E are respectively seeking funding  
20 for the implementation of API 1173 and ISO 55000 in this proceeding. This evidences  
21 SoCalGas’ and SDG&E’s continued commitment to the implementation of a formal process  
22 safety framework and that their actions align with OSA’s process safety interests emanating from  
23 both API 1173 and SMS proposals.

24 **B. IMPLEMENT A SAFETY MANAGEMENT SYSTEM FOR SOCALGAS**  
25 **GAS OPERATIONS, SDG&E GAS AND ELECTRIC OPERATIONS, AND**  
26 **SOCALGAS UNDERGROUND STORAGE**

27 SoCalGas and SDG&E leadership have long been committed to operating safe utilities  
28 and continue, as reflected in Ms. Day’s direct testimony, to aggressively enhance the focus on  
29 the implementation of effective safety risk mitigations, including asset health and safety.<sup>21</sup>

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<sup>20</sup> Ex. SCG-02-R/SDG&E-02-R, Chapter 1 (Day) at DD-2.

<sup>21</sup> Ex. SCG-02-R/SDG&E-02-R, Chapter 1 (Day) at DD-26.

1 SoCalGas and SDG&E both currently have elements of an SMS in place, some with varying  
2 levels of maturity. As part of such initiatives, SoCalGas, in its implementation of API 1173 for  
3 gas pipeline operations, has adopted a three-pronged approach that requires vigilant attention to:

- 4 a. Employee/Contractor Safety
- 5 b. Customer/Public Safety
- 6 c. Safety of SoCalGas' gas delivery systems<sup>22</sup>

7 Each of these prongs is addressed within the context of SoCalGas' risk management  
8 policies, processes and practices as well as through day-to-day operations. Moreover, these are  
9 all reflected in our RAMP filing.<sup>23</sup>

10 Similarly, SDG&E, in its asset management work (e.g., ISO 55000), has identified four  
11 pillars on which to continue to build each utility's SMS. The four pillars are:

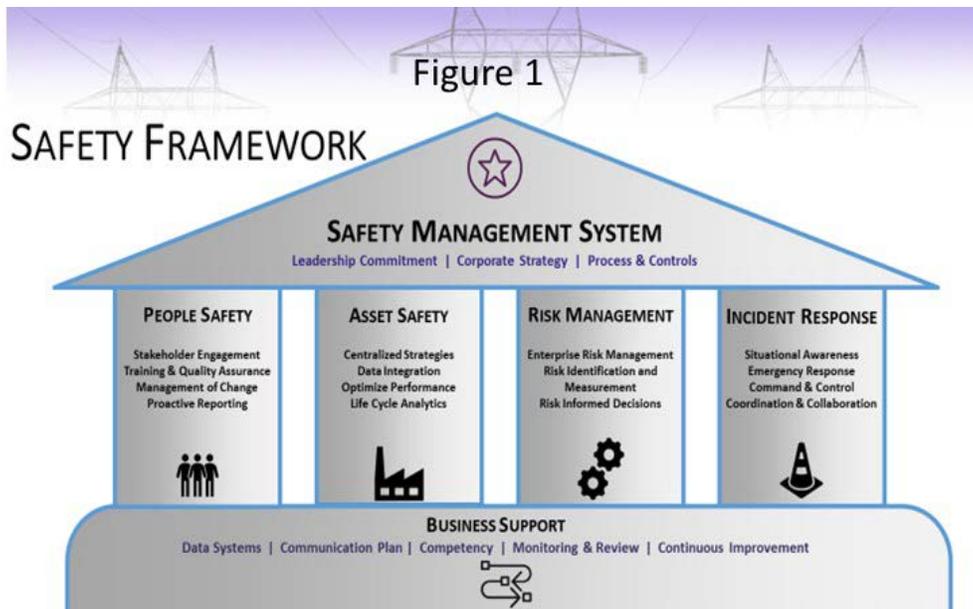
- 12 a. People Safety
- 13 b. Asset Safety
- 14 c. Risk Management
- 15 d. Incident Response

16  
17 On top of these four pillars stands the SMS. Figure 1 below reflects how SDG&E Electric  
18 operations will continue to build their SMS.

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<sup>22</sup> Ex. SCG-01-2R (Lane) at JBL-5.

<sup>23</sup> The RAMP Report is available at <https://www.sdge.com/regulatory-filing/20016/risk-assessment-and-mitigation-phase-report-sdge-socalgas>. I.16-10-015/-016 (cons.), Risk Assessment and Mitigation Phase Report of San Diego Gas & Electric Company and Southern California Gas Company (Filed November 30, 2016).



1  
2 OSA also recommended that “SDG&E should be required to submit an Electric  
3 Operations Safety Plan to the Safety and Enforcement Division.”<sup>24</sup> While SDG&E notes that it  
4 presently does a considerable amount of reporting to the Commission on an annual basis (e.g.,  
5 the Fire Prevention Plan), SDG&E can incorporate OSA’s requested Electric Operations Safety  
6 Plan into its overall implementation of the Electric SMS. Similarly, OSA suggested “the  
7 Commission should verify the Utilities’ implementation of their Natural Gas Safety Plans before  
8 submittal of the next rate case Application.”<sup>25</sup> This recommendation is addressed in the rebuttal  
9 testimony of Omar Rivera (Exhibit SCG-205).

10 The Utilities want to strategically and thoughtfully implement their respective SMS’s.  
11 However, the creation of an SMS and implementation of API 1173 takes time. In discussing the  
12 Gas operations’ efforts to implement API 1173, OSA notes: “The Utilities must develop a long-  
13 term multi-year plan based on what will be prioritized and how to get there.”<sup>26</sup> OSA also notes  
14 they would like the Utilities to “feverishly seek implementation of API 1173.”<sup>27</sup> In discussions  
15 with OSA, SoCalGas and SDG&E leadership have made clear their respective commitments to

<sup>24</sup> Ex. OSA-1 (Contreras) at 2-4.

<sup>25</sup> *Id.* at 2-3.

<sup>26</sup> Ex. OSA-1 (Contreras) at 3-4.

<sup>27</sup> *Id.*

1 implementation of a pipeline SMS, API 1173, but this must be done thoughtfully and not  
2 impulsively. API 1173 implementation is discussed in more detail in the Mr. Rivera’s rebuttal  
3 testimony (Exhibit SCG-205).

4 Similarly, SDG&E Electric operations is focused on creating a sustainable and high-  
5 quality SMS. As noted in Ms. Day’s testimony, this process of continuing to build upon the  
6 Utilities’ SMS has already begun.<sup>28</sup> OSA suggests “... SDG&E is relying on its adoption of ISO  
7 55000 ... to manage safety of their electric . . . operations....”<sup>29</sup> OSA then suggests SDG&E  
8 place its entire focus on ISO 55000.<sup>30</sup> This is incorrect. As explained in Figure 1 above, Asset  
9 Safety is one pillar of SDG&E’s Electric operations’ SMS. It is a necessary pillar because it  
10 focuses on data analytics to determine the health and condition of assets. Not addressing the  
11 safety (health and condition) of a utility’s assets would be equivalent to the airline industry  
12 developing an SMS without considering data analytics (within FAA’s Safety Assurance Pillar<sup>31</sup>)  
13 to determine the health and condition of aircraft. However, as mentioned above, SDG&E is  
14 committed to implementing an SMS for Electric operations and, as suggested by OSA, will move  
15 towards “present[ing] its proposal in the next GRC.”<sup>32</sup> The resources included in SoCalGas and  
16 SDG&E’s GRC application are required to support SoCalGas’ three-pronged approach to safety  
17 and SDG&E’s four pillars reflected in Figure 1. The ISO 55000 implementation for pursuing an  
18 asset safety program for Electric operations is discussed in the rebuttal testimony of Kenneth  
19 Deremer (Exhibit SDG&E-251).

20 Similar to ISO 55000, API 1171 is an integral component of creating an SMS for  
21 Underground Storage. Specifically, “[s]torage design, construction, operation, and maintenance

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<sup>28</sup> Ex. SoCalGas-02-R/SDG&E-02-R, Chapter 1 (Day) at DD-25. Specifically, SoCalGas and SDG&E plan to implement API 1173 Pipeline Safety Management System on the gas side and ISO 55000 Asset Management standards on the electric side.

<sup>29</sup> Ex. OSA-1 (Contreras) at 2-21.

<sup>30</sup> *See id.* at 2-22.

<sup>31</sup> *See* Fed. Aviation Admin., *Safety Management System: Components* (last modified Sept. 11, 2017), available at <https://www.faa.gov/about/initiatives/sms/explained/components/>.

<sup>32</sup> Ex. OSA-1 (Contreras) at 2-4.

1 include activities in risk management, site security, safety, emergency preparedness, and  
2 procedural documentation and training to embed human and organizational competence in the  
3 management of storage facilities.”<sup>33</sup> As reflected in Mr. Navin’s rebuttal testimony,  
4 Underground Storage will incorporate the tenets of API 1173 not incorporated in API 1171.<sup>34</sup>  
5 The resources required to support the implementation of API 1171 for Underground Storage are  
6 included in this GRC.

### 7 C. ESTABLISH LEADING INDICATORS OF PROCESS SAFETY

8 SoCalGas and SDG&E support OSA’s recommendation to establish and focus on leading  
9 indicators of process safety; however, like other aspects of OSA’s testimony, OSA may have  
10 lacked an appreciation of the extent of SoCalGas and SDG&E’s commitment to process safety,  
11 our use of metrics, and the connection of each to the existing safety driven regulatory processes  
12 and compliance requirements. In other words, our relentless efforts to comply with the myriad  
13 of regulations placed upon us and our regular submission of metrics to demonstrate compliance,  
14 are what OSA essentially seeks. OSA states, “Most of the efforts cited to formalize ‘operational’  
15 metrics however, are related to regulatory requirements and proceedings at the Commission.  
16 This is of concern to OSA as regulatory compliance should not be the goal to strive for; doing so  
17 is a major contributor to many ineffective safety programs and management cultures, not to  
18 mention safety incidents. *Instead, it is important to focus on the goal – managing safety.*”<sup>35</sup>

19 Since the Commission plays an essential role in mitigating safety risks largely through  
20 regulation, it seems anomalous that OSA would discount operational safety achieved through  
21 SoCalGas and SDG&E’s compliance goals. As noted by the Commission in D.14-12-025, “The  
22 framework and parameters that we adopt today will assist the utilities, interested parties and the  
23 Commission, in evaluating the various proposals that the energy utilities use for assessing their  
24 safety risks, and to manage, mitigate, and minimize such risks.”<sup>36</sup> By focusing on developing

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<sup>33</sup> API 1171, Preamble, *available at*  
[http://www.api.org/~media/files/publications/whats%20new/1171\\_e1%20pa.pdf](http://www.api.org/~media/files/publications/whats%20new/1171_e1%20pa.pdf).

<sup>34</sup> June 18, 2018, Rebuttal Testimony on Underground Storage, Exhibit SCG-210 (Neil P. Navin).

<sup>35</sup> Ex. OSA-1 (Contreras) at 2-9 (emphasis in original).

<sup>36</sup> D.14-12-025 at 2.

1 regulatory compliance metrics to demonstrate the effectiveness of their safety risk mitigations,  
2 the Utilities are, in part, addressing OSA’s metrics recommendation.

3 But mere compliance is not the goal at the Utilities. SoCalGas and SDG&E leadership  
4 have consistently made safety their highest priority for many reason, not just to achieve  
5 “regulatory compliance.” Measuring the Utilities’ heightened safety goals is already in play.  
6 Some examples of leading operational metrics used to gauge safety at the Utilities, include (i)  
7 near miss statistics; (ii) average number of field rides per employee; (iii) number of stop-the-job  
8 events; (iv) response time (minutes) to gas leaks; (v) total miles of transmission pipe inspected  
9 by in-line inspection; (vi) average response time for emergency, branch, and circuit outages  
10 (minutes); (vii) transmission and distribution overhead wires down; (viii) transformers at seismic  
11 guidelines; and (ix) inspections (such as vegetation) and the Corrective Maintenance Program  
12 (CMP).<sup>37</sup> As noted by Ms. Day, “Over the next few years, the ERM<sup>38</sup> department is committed  
13 to developing metrics that can be used to measure the effectiveness of our risk management  
14 efforts. This may include performance metrics to measure particular risks, methods of  
15 evaluating the effectiveness of risk mitigants, or overarching metrics, such as a risk reduction per  
16 dollar spent.”<sup>39</sup>

17 In summary, while SoCalGas and SDG&E disagree with OSA’s suggestion that safety  
18 metrics are lacking, the Utilities agree with OSA that there is always more that can be measured,  
19 through both leading and lagging indicators, to further improve both operational and  
20 occupational safety.

21 **D. EXPAND THE ROLE AND CAPABILITIES OF SOCALGAS AND**  
22 **SDG&E’S LEADERSHIP AND BOARDS OF DIRECTORS IN**  
23 **ASSESSING, AND MONITORING PROCESS SAFETY**

24 OSA suggests SoCalGas and SDG&E safety processes fall short of their expectations  
25 because the members of the Utilities’ Board of Directors (BoD or Boards) are not “sufficiently

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<sup>37</sup> Some examples of important lagging operational metrics used to gauge safety at the Utilities, include (i) number of damages due to mismarks; (ii) damages on medium pressure lines per 1,000 USA tickets; (iii) number of fire ignitions; (iv) number of dig-ins; (v) number of curtailments due to unplanned pipeline and equipment outages; and (vi) aviation incident rate.

<sup>38</sup> Enterprise Risk Management (“ERM”).

<sup>39</sup> Ex. SoCalGas-02-R/SDG&E-02-R, Chapter 1 (Day) at DD-26.

1 qualified and knowledgeable in all forms of safety.”<sup>40</sup> Therefore, the Boards will be “unable to  
2 effectively exercise their oversight”<sup>41</sup> duty. Once again, this conclusion is incorrect.

3 Both the SoCalGas and SDG&E executive leadership teams and Boards have skills and  
4 processes in place to monitor, evaluate, and oversee process and occupational safety. In addition  
5 to having practices in place to ensure the Boards of each utility effectively review safety for each  
6 company, both Utility Boards include senior Officers with extensive operational and safety  
7 experience specific to a natural gas or electric utility. At the Board level, both Utilities discuss  
8 safety-related issues at every meeting. The following are just a handful of topics discussed at the  
9 Utilities’ Board meetings: Grassroots Safety Culture; Fire Preparedness, Response and  
10 Meteorology; Environmental and Safety Compliance Management Program Certification  
11 Update; Risk Assessment Mitigation Phase Update; Cybersecurity and Crisis Communications  
12 Update; and Century Park Facility Safety Enhancements.

13 In addition, both Utilities’ executive leadership oversee safety on a daily basis and report  
14 concerns to the respective BoDs. The SoCalGas Executive Safety Council and SDG&E  
15 Executive Safety Council, chaired by their respective COOs, and comprised of key HR, Safety  
16 and operations executives, actively seeks employee engagement and feedback on safety issues  
17 and performance from front line employees and supervision. Additionally, the SoCalGas and  
18 SDG&E executive teams are made aware of safety and compliance issues through the Pipeline  
19 Safety Oversight Committee. The Pipeline Safety Oversight Committee is structured to review  
20 issues, identify solutions and resolution, and track follow up.<sup>42</sup> The SDG&E Executive Team  
21 also monitors and tracks safety and compliance issues through the Corrective Maintenance  
22 Program and the associated Quality Assurance/Quality Control Program.<sup>43</sup>

23 Finally, while all Officers of each utility are **responsible** for safety, there is one Officer at  
24 each utility who is **accountable** for safety. In both cases, this person is the Chief Operating  
25 Officer, who is designated as the Chief Safety Office and is also the Chair of the respective  
26 Safety Committees.

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<sup>40</sup> Ex. OSA-1 (Contreras) at 2-10.

<sup>41</sup> *Id.*

<sup>42</sup> SoCalGas Company Operation Standard 183.09.

<sup>43</sup> SDG&E Electric Standard Practice No. 612 (Rev.).

1  
2 **E. ENHANCE THE NATIONAL SAFETY COUNCIL FOUNDATION**  
3 **SAFETY CULTURE ASSESSMENT INCLUDING EXPANDING TO**  
4 **CONTRACTORS**

5 Throughout their testimony, OSA suggests the Utilities’ use of the National Safety  
6 Council (NSC) Foundation’s safety culture assessment is not a best practice. Specifically, OSA  
7 states, “The Utilities, especially SDG&E must: ...Follow best practices for effective safety  
8 culture assessments, such as those promulgated by safety culture experts or equivalent  
9 documents from other industries.”<sup>44</sup> While surveys can always be improved and there must be  
10 follow-up to survey results, SoCalGas and SDG&E find it very difficult to accept OSA’s  
11 contention that the NSC Safety Culture Assessment is not a leading practice approach to  
12 evaluating safety culture for the following reasons:

- 13 1. NSC’s mission is safety – eliminating preventable deaths, through leadership,  
14 education and advocacy.
- 15 2. The Survey is led by third-party experts.
- 16 3. SoCalGas and SDG&E can compare themselves to almost 1000 other  
17 companies.
- 18 4. The practices included in the survey are the leading practices drawn from the  
19 1000 other survey participants.
- 20 5. The survey goes well beyond the utility industry and includes other industries.

21  
22 Detailed discussions about the NSC survey, questions used, ways the utilities have  
23 expanded upon the questions used in the standard NSC survey, and the Utilities’ close working  
24 relationship with contractors and their involvement in safety generally, please refer to the rebuttal  
25 testimony of Ms. Mary Gevorkian (Exhibit SCG-232) and Ms. Tashonda Taylor (Exhibit  
26 SDG&E-230). For all these reasons and because the Utilities find great value in this safety  
27 survey, SoCalGas and SDG&E plan to continue to use the NSC assessment to evaluate their  
28 respective safety cultures.

29 **III. CONCLUSION**

30 SoCalGas and SDG&E have been focused on all aspects of safety for many  
31 years. Whether it is process safety, employee safety, public safety, or contractor safety, the  
32 Utilities’ lead in this area through our innovative and vigorous safety programs and policies. We  
33 believe strongly in our safety culture and our safety core value is driven from the very tops of our

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<sup>44</sup> Ex. OSA-1 (Contreras) at 2-3.

1 | respective organizations. We also know better than to rest of our laurels, which is why we are  
2 | eager to work closely with OSA in the coming months and years, to further bolster our safety  
3 | efforts and find new and innovative ways to provide energy safely, reliably, and affordably.

4 |         This concludes our prepared rebuttal testimony.  
5 |

1 **IV WITNESS QUALIFICATION**

2 **A. DAVID L. BUCZKOWSKI**

3 My name is David L. Buczkowski. As of October 7, 2017, I am Vice President of Gas  
4 Engineering & System Integrity for SoCalGas and San Diego Gas & Electric Company. My  
5 business address is 555 West Fifth Street, Los Angeles, California 90013-1011. In my role, I am  
6 responsible for leading the Gas Engineering organization that is responsible for engineering  
7 policies, procedures, and oversight; the System Integrity organization that is responsible for  
8 system integrity policies and programs; and, the Major Projects organization that is responsible  
9 for the development, project management and construction of large, complex gas infrastructure  
10 projects for both SoCalGas and SDG&E.

11 I first joined SoCalGas as the Director of Major Projects in May of 2011. I was promoted  
12 to Senior Director of Major Projects in 2014, and then promoted to Vice President of Gas  
13 Engineering and Major Projects in June of 2016. In these positions, my responsibilities included  
14 overseeing the project management and project execution of major capital and expense gas  
15 infrastructure projects for SoCalGas and SDG&E. The scope of my responsibilities increased  
16 through my promotion from Director to Vice President.

17 Prior to joining SoCalGas, I served as a project director on several multi-billion dollar  
18 mega-projects. Throughout my career my roles have included project management, engineering  
19 management, start-up, and O&M engineering for projects in refineries, oil and gas processing  
20 facilities, biofuels, and petrochemical plants. Project scopes included conceptual engineering,  
21 basic engineering, front-end engineering, program management, and detailed engineering and  
22 design, procurement and construction efforts. From 2001 to 2011, I worked for Fluor in various  
23 project management positions of increasing responsibility, ultimately serving in the role of  
24 Project Director. In that role, I had overall responsibility for project cost, schedule, and  
25 execution, including engineering/design, procurement, contracts, and construction of large  
26 capital energy infrastructure projects.

27 From 1997 to 2001, I was employed by Parsons Corporation, first as a Project Engineer,  
28 then in various project management positions of increasing responsibility. From 1990 to 1995, I  
29 was employed by Shell Oil Company, first as an Operations Support Engineer and subsequently  
30 in various roles of increasing responsibility, including project management of major refinery

1 projects and ultimately ascended to the position of Start-Up Engineer for the Shell Refinery  
2 Expansion and Clean Fuels megaproject.

3 I graduated from the University of Illinois in 1989 with a Bachelor of Science degree in  
4 Mechanical Engineering. I have over 27 years of domestic and international experience in  
5 various energy industries.

6 I have previously testified before the California Public Utilities Commission.

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1           **B.     DAVID L. GEIER**

2           My name is David L. Geier. I am Senior Vice President of Electric Operations for San  
3 Diego Gas & Electric Company (SDG&E). In my present position I oversee the planning,  
4 design and engineering of SDG&E's distribution, transmission and substation facilities. I am  
5 also responsible for operating the transmission grid.

6           I have held several previous management positions at SDG&E, including director of  
7 electric grid and distribution services, manager of direct access implementation, and supervisor  
8 of several SDG&E operations and facilities. Before joining SDG&E in 1980, I worked for  
9 Wisconsin Electric Power Co. in Milwaukee. I hold a bachelor's degree in Electrical  
10 Engineering and Power Engineering curriculum from the University of Illinois, Urbana. I also  
11 hold a Master's Degree in Electrical Engineering and Computer Engineering curriculum from  
12 San Diego State University. I am a registered professional engineer in California.

13           I have previously testified before the Commission.  
14  
15

**APPENDIX A**  
**Data Request**  
OSA-SEU-002

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1. Provide an overview, including graphics if possible, of the safety governance framework employed by the Companies

**Utilities Response 1:**

**Responsive Information Provided in Accordance with D.16-08-018:**

The Commission's *Interim Decision Adopting the Multi-Attribute Approach (Or Utility-Equivalent Features) and Directing Utilities to Take Steps Toward a More Uniform Risk Management Framework*, D.16-08-018 (the "Interim S-MAP Decision"), adopted a Safety and Enforcement Division (SED) recommendation to include the following "safety culture and organizational structure" information in their Risk Assessment Mitigation Plan (RAMP) report, described as follows:

The SED Staff Report recommended that RAMP filings should show whether the utilities' executive and senior management are sufficiently engaged in the risk assessment, prioritization, mitigation, and budgeting process and how they are engaged. Further, SED recommended, RAMP filings should also inform the Commission of the utility board's level of engagement and oversight over its safety performance and expenditures. The company's compensation policies related to safety also should be included in the RAMP filing.

RAMP filings should also cover the company's organizational structure as it relates to safety. Each utility should analyze its successes and failures at improving its safety culture and describe its path forward toward a deep and pervasive safety culture.

Beyond this, the Commission in other proceedings has expressed its interest in ensuring that executive and senior management are not only engaged in the risk management process, but that these executives also have a defined stake in the safety outcomes of utility operations.

D.16-08-018 at 141 (internal citations omitted). SoCalGas and SDG&E accordingly provided responsive information within their respective RAMP Reports, available at <https://www.sdge.com/regulatory-filing/20016/risk-assessment-and-mitigation-phase-report-sdge-socalgas> (see, e.g., the following RAMP Chapters: RAMP-B (Risk Management Framework), RAMP-C (Safety Culture), SCG-2 and SDG&E-3 (Employee, Contractor, and Public Safety), and SDG&E-17 and SCG-7 Workforce Planning)).

**Responsive Information Provided in GRC Testimony:**

Additionally, the Companies have provided an extensive amount of detailed information regarding the above-described "safety culture and organizational structure" topics within their Test Year (TY) 2019 GRC testimony chapters, as summarized below:

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**Utilities Response 1 Continued:**

***Risk Management Framework and Processes***

The revised Risk Management and Policy testimony of Diana Day (Exhibit SCG-02-R/SDG&E-02-R, Chapter 1) describes how the Companies have a long history of prioritizing safety and managing risks in their electric and gas operations, and have built and refined their risk management organization and program in light of the Commission’s still-developing plans for a statewide risk-informed GRC framework. Ms. Day explains: “My risk management organization generally facilitates the identification, analysis, evaluation, and prioritization of risks, with an emphasis on safety, to ultimately inform the investment decision-making process, and works to integrate risk management with asset and investment management through the creation of governance structures, competencies, and tools.” (At DD-2.)

The Companies’ risk framework is modeled after ISO 31000, an internationally recognized risk management standard. This framework consists of an enterprise risk management governance structure, which addresses the roles of employees at various levels ranging up to the Companies’ Board of Directors, as well as risk processes and tools. (*See discussion beginning at DD-8.*)

The Enterprise Risk Management organization facilitates and advises on risk management efforts company-wide, but does not “own” the risks, as Ms. Day explains:

Each of the Companies’ identified enterprise-level risks, which are in our enterprise risk registry, *has one or more risk owner(s), a member of the senior management team who is ultimately responsible and accountable for the risk, and one or more risk manager(s), who is responsible for ongoing risk assessments and overseeing implementation of risk plans.* My testimony describes the risk framework through which the various risk owners and managers identified and assessed their key risks and incorporated activities to mitigate those risks through the operations witness areas in these TY 2019 GRC applications. In addition, the Companies’ risk management practices are integrated with asset and investment management.

(at DD-2, emphasis added.) Thus, the Companies’ senior management team is engaged and accountable for identifying, managing, and mitigating enterprise risks, using the “bottom-up” and “top-down” risk management process described at DD-8 – DD-11 and shown in Figure DD-1 below. This six-step process “aims to provide consistent, transparent, and repeatable results” (at DD-8-DD-9).

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**Utilities Response 1 Continued:**

Figure DD-1: Risk Management Process:



***Strategic Planning Trajectory Integrating Risk, Asset and Investment Management***

Ms. Day’s testimony provided a summary of the Companies’ progress thus far to develop their risk, asset, and investment management programs, overall integration of the three, and future commitments to continue developing repeatable, consistent, and transparent processes, at pp. DD-20 – DD-28. *See also the discussion of “Maturity and Progress of Risk, Asset, and Investment Management Processes”* at DD-19 – 20, and Appendices C and D, SoCalGas’ and SDG&E’s third-party maturity assessment reports.

Additional discussion of the Companies’ asset management processes is provided in the testimony of Gas System Integrity witness Omar Rivera (Exhibits SCG-05-R and SDG&E-05) and Electric Distribution – O&M witness William Speer (Exhibit SDG&E-15-R). A summary of the Companies’ investment processes is provided in the Rate Base testimony of Patrick Moersen (Exhibit SCG-35-R) and R. Craig Gentes (Exhibit SDG&E-33-R).

***Senior Management and Board Engagement and Oversight***

The Board of Directors at SoCalGas and SDG&E comprise employee-officers with extensive and diverse backgrounds (*see* SDG&E-44/SCG-45, at JKY-B-11 – JKY-B-7), who are aware of and actively engaged in safety and compliance issues through their various roles at the company, including participation in the ISO 31000-modeled risk management framework and processes described above, as well as the activities described below:

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**Utilities Response 1 Continued:**

*SoCalGas*

- The SoCalGas Executive Safety Council, chaired by the COO and comprising key HR, Safety and operations executives, actively seeks employee engagement and feedback on safety issues and performance from front line employees and supervision.
- The SoCalGas executive team is made aware of safety and compliance issues through the Pipeline Safety Oversight Committee. The Committee is structured to review issues, identify solutions and resolution, and track follow up.

*SDG&E*

- The SDG&E Executive Safety Council, chaired by the COO and comprising key HR, Safety and operations executives, actively seeks employee engagement and feedback on safety issues and performance from front line employees and supervision.
- The SDG&E executive team is made aware of gas-related safety and compliance issues through the Pipeline Safety Oversight Committee. The Committee is structured to review issues, identify solutions and resolution, and track follow up.

Ms. Day's testimony (*passim* and at Appendix E) provides an overview of executive engagement in risk management (including safety risks) engagement and communications at both Companies, including:

- The Companies' six-step process used to identify, analyze, evaluate, mitigate and monitor risk. (See Figure DD-1 above.)
- The annual development of an enterprise level risk registry, which facilitates top-down and bottom-up risk discussion in each organization:
  - Subject matter experts and risk managers from throughout the organization provide insight on the risk drivers, impacts and mitigants for risks that are being assessed.
  - The risk owners and senior management team at each utility discuss the enterprise level risks throughout the organization and mitigants for those risks.
  - Risk owners and risk managers then have the opportunity to ensure that mitigations for top risks are transparent in the business process, and are prioritized in decision making.
- On an annual basis, the Vice President of Enterprise Risk Management & Compliance provides the Boards of SoCalGas and SDG&E with a risk update which focuses on key enterprise-level risks and associated mitigants.

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**Utilities Response 1 Continued:**

- As Ms. Day explains (at Appendix E, DD-E-6):  
SoCalGas and SDG&E have processes, programs, and committees in place that welcome feedback on safety from employees on the management of risks and unsafe practices or incidents. The vision and emphasis on risk management begins at the top, with strong support for the risk management process. The companies have an open-door policy that promotes open communication between employees and their direct supervisors. In addition to these culture-based items, there are formal programs designed to encourage employees to speak up if they see unsafe behaviors, such as Stop the Job. Each company also has a Safety Congress as well as safety meetings for field employees that provide safety training, share best practices and promote leadership and employee engagement. If an employee does not feel comfortable reporting unsafe behaviors and incidents through the above-mentioned avenues, there are anonymous means including the Ethics hotline, employee engagement surveys, and National Safety Council Culture Survey.

*Sempra Energy Board of Directors*

- The Sempra Board is made aware of and actively engaged in safety and compliance issues through committees, as well as regular Board meetings and reports. Periodic updates regarding safety are also made to the Environmental, Health & Safety Committee (EHS&T Committee) of the Sempra Board of Directors. *See Ms. Day's testimony (Exhibit SCG-02-R/SDG&E-02-R, Chapter 1) at Appendix E for a discussion of Sempra Board engagement on safety.*

***Safety Organizational Structure and Culture***

*SoCalGas*

- The SoCalGas Safety organization reports to the Chief Human Resources and Administrative Officer who in turn reports to the SoCalGas CEO. A description of the Safety department and its responsibilities is contained in the prepared testimony of Mary Gevorkian, Exhibit SCG-32, at 25-26.
- For an overview of the SoCalGas safety culture and other safety governance activities, please refer to the revised testimony of J. Bret Lane, Exhibit SCG-01-R.

*SDG&E*

- The SDG&E Safety organization reports to the Chief Human Resources and Administrative Officer who in turn reports to SDG&E President. A description of the Safety department and its responsibilities is contained in the prepared testimony of Tashonda Taylor, Exhibit SDG&E-30, at 13-8.
- For an overview of the SDG&E safety culture and other safety governance activities, please refer to the prepared testimony of Caroline Winn, Exhibit SDG&E-01.

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**Utilities Response 1 Continued:**

Ms. Day’s testimony (at DD-28 – DD-30) provides an overview of how risk management informs a strong safety culture at both Companies. As Ms. Day testifies:

Safety is a core value of the Companies. We treat safety as a way of life. Core values are those behaviors that define a company culture, and the Commission has stated that “An effective safety culture is a prerequisite to a utility’s positive safety performance record.”<sup>1</sup> The Commission defines “Safety Culture” as follows:<sup>2</sup>

[T]he collective set of that organization’s values, principles, beliefs, and norms, which are manifested in the planning, behaviors, and actions of all individuals leading and associated with the organization, and where the effectiveness of the culture is judged and measured by the organization’s performance and results in the world (reality). Various governmental studies and federal agencies rely on this definition of organizational culture to define “safety culture.”

SDG&E and SoCalGas’ leadership hold regular safety meetings at many levels, including Executive Safety Council meetings, which have been in place for well over a decade, and annual Contractor Safety Summits, which have included hundreds of participants, representatives from other California utilities and the Safety and Enforcement Division of the CPUC. Our executive management, and specifically the Companies’ Executive Safety Councils, is committed to and accountable for the development and maintenance of safety culture. The Companies put safety first and have an aspirational goal to have zero safety incidents for every task, every job, every day. This is aligned with the Commission’s overarching safety mission: “Ultimately we are striving to achieve a goal of zero accidents and injuries across all the utilities and businesses we regulate, and within our own workplace.”<sup>3</sup> SoCalGas and SDG&E have developed their shared attitudes, values, goals, and practices for a safety culture throughout their history as a compilation of the Companies’ experiences, programs, policies, procedures, guidelines, and best practices, to improve the safety of its service and performance.

(at DD-28.) Safety culture at both utilities includes:

- The Companies’ Environmental & Safety Compliance Management Program (ESCMP), which is an environmental, health and safety management system to plan, set priorities, inspect, educate, train, and monitor the effectiveness of environmental, health and safety activities.

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<sup>1</sup> I.15-08-019 (Order Instituting Investigation of Pacific Gas and Electric Company’s Safety Culture, August 27, 2015), at 4.

<sup>2</sup> Id.

<sup>3</sup> Safety Policy Statement of the California Public Utilities Commission, [http://www.cpuc.ca.gov/uploadedFiles/CPUC\\_Public\\_Website/Content/Safety/VisionZero4Final621014\\_5\\_2.pdf](http://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/Safety/VisionZero4Final621014_5_2.pdf).

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**Utilities Response 1 Continued:**

- SoCalGas and SDG&E both regularly assess their safety culture through the National Safety Council Barometer Safety Culture Survey, which measures the overall health of the Companies' safety climate and identifies areas of opportunity to eliminate injuries and improve focus and commitment to safety. The Companies share results, develop targets, implement plans and measure progress through routine surveys.

(at DD-29.) Throughout both SoCalGas' and SDG&E's TY 2019 GRC testimony presentations, operational witnesses provide testimony regarding how each organization contributes to driving safety culture through their respective operations.

***Compensation Policies Related to Safety***

The direct testimony of Debbie Robinson (SDG&E-28/SCG-30) describes how the Companies' compensation programs are designed to focus employees on safety priorities through the use of compensation metrics and key performance indicators to drive improved safety performance. Ms. Robinson testifies that both SoCalGas and SDG&E have increased the weighting of their safety measures in variable pay plans over the past two years, such that safety measures now comprise 70% of the company performance component (*see, e.g.*, discussions at pp. DSR-10 – DSR-15). Benefit programs that promote employee health and welfare also contribute to SoCalGas and SDG&E's safety performance and culture (*see, e.g.*, discussions at pp. DSR-36 – DSR-39).

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**2. For the Companies' Board of Directors:**

- a.** Provide a list of the skills/qualifications used to select the members.
- b.** Provide a brief summary on the current members and their credentials related to safety and utility operations.
- c.** Identify if there are any independent members.
- d.** Describe how safety information and performance is communicated to the members.
- e.** Provide meeting minutes for the past 12 months.

**Utilities' Response 2:**

- a.** Please see the Direct Compliance Testimony of Jamie York, Appendix B (Exhibit SCG-45/SDG&E-44). The Board of Directors at SoCalGas and SDG&E comprise employee-officers with extensive and diverse backgrounds (*see* SDG&E-44/SCG-45, at JKY-B-11 – JKY-B-7), who are aware of and actively engaged in safety and compliance issues through their various roles at the company, as summarized above in response to Question 1. Please note that since Ms. York's direct testimony was submitted on October 6, 2017, Steven Davis, who was a member of the Board of Directors of SoCalGas and SDG&E, has retired.
- b.** Please see the Direct Compliance Testimony of Jamie York, Appendix B (Exhibit SCG-45/SDG&E-44).
- c.** There are no independent directors on the utilities' Boards of Directors. Sempra Energy's Board of Directors has 12 independent members. The Sempra Board's Environmental, Health, Safety and Technology Committee (the EHS&T Committee) consists entirely of members that are independent directors of Sempra Energy.
- d.** Please see the Companies' response to Question 1, above.
- e.** SoCalGas and SDG&E object to this request pursuant to Rule 10.1 of the Commission's Rules of Practice and Procedure on the grounds that it seeks the production of information, specifically minutes from Board meetings, that is neither relevant to the subject matter involved in the pending proceeding nor is likely reasonably calculated to lead to the discovery of admissible evidence, and on grounds that the burden and intrusiveness of the discovery outweighs the likelihood that the information sought will lead to the discovery of admissible evidence. SoCalGas/SDG&E objects to the extent the request seeks information protected by the attorney-client privilege, the attorney work product doctrine, or any other applicable privilege or evidentiary doctrine.

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**Utilities Response 2 Continued:**

No information protected by such privileges or evidentiary doctrines will be knowingly disclosed and exceeds the scope of permissible discovery under Rule 10.1 of the Commission's Rules of Practice and Procedure. Notwithstanding the companies' objections, please provide an explanation for why Board meeting minutes are requested and if possible, identify more precisely, what type of information OSA is seeking so that SoCalGas and SDG&E can explore mutually-agreeable and acceptable alternatives to production.

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**3. For the Companies' Board of Directors and Senior Executive Management:**

- a.** Explain what system safety or other safety training is required, if any, for each level of leadership, and its required frequency. Please provide a copy of the material or course content used in the training if available.
  
- b.** For each level of leadership, explain what their interactions are with employees, such as visits to field locations and offices, describe the frequency of these interactions, and whether these are considered routine leadership duties.

**Utilities Response 3:**

For purposes of this response, SoCalGas and SDG&E respond to the utilities' Boards of Directors and assume the term "Senior Executive Management" includes all executives with the title of Vice President or higher.

- a.** Please see the Direct Compliance Testimony of Jamie York, Appendix B (Exhibit SCG-45/SDG&E-44), for discussion of qualifications and experience. The Board of Directors at SoCalGas and SDG&E comprise employee-officers with extensive and diverse backgrounds (*see* SDG&E-44/SCG-45, at JKY-B-11 – JKY-B-7), who are aware of and actively engaged in safety and compliance issues through their various roles at the company, as summarized above in response to Question 1. While there is no special system safety or safety training for Senior Executive Management or members of the utilities' Boards of Directors, executives and Board members have significant safety experience, formal training as a result of prior jobs at the companies, and a tremendous degree of on-the-job or incident-specific training, consistent with each Board member's experience. *See* the Human Resources, Disability and Workers Compensation and Safety testimony chapters of Tashonda Taylor (SDG&E-30) and Mary Gevorkian (SCG-32), which provide additional information regarding SoCalGas' and SDG&E's training programs, as well as the Companies' RAMP Reports chapters regarding Workforce Planning (SCG-7/SDG&E-17) and Employee, Contractor and Public Safety (SCG-2/SDG&E-17), which show the extensive and voluminous amount of safety training provided throughout the workforce at each utility.

See the response to Question 1, the Revised Direct Risk Management Policy Testimony of Diana Day (SCG-02/SDG&E-02-R), at Section V and Appendix E, and the safety culture testimony found in the revised testimony of J. Bret Lane, Exhibit SCG-01-R, prepared testimony of Caroline Winn, Exhibit SDG&E-01, prepared testimony of Mary Gevorkian, Exhibit SCG-32, and in the prepared testimony of Tashonda Taylor, Exhibit SDG&E-30. Executives at the utilities interact with employees at all levels, from informal base visits to regular organized 'chats' with executives where any employee can attend to raise questions or concerns. Executives consider interacting with employees at all levels a routine part of their job. The frequency and nature of field or office visits varies greatly depending on the roles and responsibilities of each executive (e.g., the Senior Vice President of Gas Engineering and District Operations will meet with field

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**Utilities Response 3 Continued:**

employees for different reasons than the Vice President of Customer Service or Gas Acquisition might).

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4. Explain if the Companies have or plan to have an officer who is designated as accountable for their *ultimate* (public, employee, and environment) safety management? If so, identify:

- a. the person, their title, general duties and responsibilities, where they fit in the Company's organizational structure; and
- b. if they have *final authority and control* over all human and financial resources required to establish and maintain safety management initiatives, programs, and systems required to meet the company's safety objectives, goals, and requirements.

**Utilities Response 4:**

- a. At SoCalGas and SDG&E, safety is everyone's responsibility. Each employee is individually accountable with respect to safety; all officers are ultimately responsible for their respective business units/organizations, and the Chief Operating Officers are ultimately responsible for safety management of their respective companies. See the above response to question 1 regarding Safety Culture, as well as the description of the "Risk Owner" concept and the "bottom-up" and "top-down" Risk Management Process.
- b. The phrase "final authority and control" in this context are difficult to understand given the realities of how companies operate. While the COOs of each utility have meaningful and significant authority to implement any and all safety management initiatives, programs, and systems required to meet the respective safety objectives, goals, and requirements, guidance and control also exists with the respective Chief Executives, utility Boards of Directors, and Sempra's Board and Chief Executive Officer. Please see the above discussion in response to Question 1 regarding the Companies' risk management framework and processes, and the strategic planning trajectory integrating risk, asset and investment management.

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**5.** Describe how safety performance is reported and safety information communicated to senior management, including CEO and COO.

**Utilities Response 5:**

Safety performance and information is reported to senior management via multiple methods, such as during one of the many safety meetings held at the companies, as a portion of a non-safety meeting where safety discuss might arise, via distribution of safety performance documents and statistics, informally, during small group meetings with employees, through one of the various employee reporting tools (e.g., the Helpline or an employee survey), via informal communications, in a safety-focused committee meeting (e.g., Pipeline Safety Oversight Committee), or via distribution of a formal safety filing with a government agency.

See also, the Revised Direct Testimony of Diana Day, (SCG-02/SDG&E-02-R, Chapter 1), Appendix E.