

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

Order Instituting Investigation on the
Commission's Own Motion to Determine
Whether Southern California Gas
Company's and Sempra Energy's
Organizational Culture and Governance
Prioritize Safety (U904G).

I.19-06-014
(Filed June 27, 2019)

**SOUTHERN CALIFORNIA GAS COMPANY (U 904 G)
SAFETY CULTURE IMPROVEMENT PLAN AND
SEMPRA SAFETY CULTURE OVERSIGHT AND INITIATIVES**

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July 29, 2022

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I. INTRODUCTION

In accordance with the Assigned Commissioner's April 27, 2022 Scoping Memo and Ruling, and Statutory Deadline Extension, Southern California Gas Company (SoCalGas) is proud to submit its Safety Culture Improvement Plan (Plan) for comment and ultimate approval by the Commission. SoCalGas's Safety Culture Improvement Plan is attached hereto as Attachment A, and Sempra's Safety Culture Oversight and Initiatives (Sempra Plan) is attached hereto as Attachment C.

II. SOCALGAS'S SAFETY CULTURE IMPROVEMENT PLAN

A. SoCalGas's Safety Philosophy and Journey

Safety is foundational at SoCalGas. Our approach to safety is built on our value and commitment to continuous improvement, and it is consistent with that commitment that we

welcome and appreciate opportunities to learn and improve, including those presented in the independent *Safety Culture Assessment of SoCalGas and Sempra Energy, A Report by Evolving Energy Consortium* (2EC Report). The following highlights some of the significant safety culture enhancements implemented over the last several years as a result of SoCalGas’s continuous improvement efforts.

<2010	2010 – 2015	2016 – 2017	2018 – 2019	2019 – 2020	2021
<ul style="list-style-type: none"> ▪ Executive Safety Council established ▪ Annual Employee Health & Safety Congress began ▪ ESCMP (based on ISO 14000 Standard) implemented ▪ Safety Information Management System (SIMS) and SIMS Portal rolled out 	<ul style="list-style-type: none"> ▪ SoCalGas formally starts exploring and assessing its safety culture and safety management capabilities ▪ Sought support from National Safety Council (NSC) and conducted first NSC Safety Barometer Survey ▪ Stop the Job formalized and implemented with employees/contractors ▪ Formal close call/near miss reporting program initiated ▪ Annual Contractor Safety Congress established ▪ NSC Safety Barometer Survey performed in 2013 	<ul style="list-style-type: none"> ▪ SoCalGas' initial 3rd Party Pipeline Safety Management System Gap Assessments conducted ▪ Established Pipeline Safety Management System (PSMS) Team within Gas System Integrity Staff and Programs (GSISP) organization ▪ ISN Contractor Safety Vetting, Grading & Variance Process implemented ▪ Contractor Safety Manual published ▪ NSC Safety Barometer Survey performed in 2016 	<ul style="list-style-type: none"> ▪ Established PSMS Director Steering Committee /Executive Steering Committee ▪ Established PSMS Tenet Champions ▪ Transitioned to SMS Organization ▪ NSC Safety Barometer Survey performed in 2018 	<ul style="list-style-type: none"> ▪ Established SMS Organization ▪ Established Safety Committee to Board ▪ Integrated ten PSMS tenets into seven SoCalGas Safety Values ▪ Published an inaugural 2020 SMS Plan ▪ Independent Safety Advisory Council established 	<ul style="list-style-type: none"> ▪ Aligned independent Chief Safety Officer reporting to CEO ▪ Completed first Annual Management Review of SMS by SMT ▪ Published SMS Company Operations Standard ▪ Comprehensive Maturity Assessment of SoCalGas SMS completed by American Petroleum Institute ▪ Safety Culture Oil Phase I Assessment completed by CPUC/2EC ▪ NSC Safety Barometer Survey performed

SoCalGas Executive Safety Council and Annual Employee Health & Safety Congress

Notable historical efforts include SoCalGas’s formation of the Executive Safety Council (ESC) and its annual Employee Health & Safety Congress. Although now these are considered best practices across the industry, they are efforts that SoCalGas adopted early, recognizing they were crucial to engaging our employees in the betterment of safety.

The purpose of the ESC is to provide safety oversight and encourage executive engagement with employees regarding safety matters. The ESC is chaired by the Chief Safety Officer and enables leadership to easily engage, on a regular basis, with represented employees, supervisors, and managers associated with an operating district or a region. Unique and separate employee dialogue sessions or focus groups are held to provide a forum for employees to share their feedback on what they perceive as working well and what could be improved. These

sessions enable executives and employees to share their perspectives on safety successes, challenges, and opportunities, and to also capitalize on information collected from various viewpoints. The ESC also meets regularly to discuss initiatives related to the 7 Safety Values underlying SoCalGas's Safety Management System (as discussed below).

SoCalGas holds an annual Employee Health & Safety Congress to provide a forum for employees to share and exchange safety information and ideas, and recognize safety standouts for embracing safety and demonstrating safety leadership. Since the COVID 19 pandemic began, these congresses have been consolidated into a single virtual event and made widely accessible to more employees. This congress expansion to include office and field employees provides the flexibility of attending online or in person. A recording of the congress is maintained on SoCalGas's intranet site and is available for employees to view and reference throughout the year, which is expected to further improve safety awareness and engagement across our workforce.

Environmental & Safety Compliance Management Program

SoCalGas's journey of implementing a formal management system to address safety began more than a decade ago, when SoCalGas first implemented its Environmental & Safety Compliance Management Program (ESCMP) to enhance the management of its environmental and occupational health and safety risks. ESCMP is conceptually based on the International Standards Organization (ISO) 14001 Environmental Management Systems standard and includes safety components that are unique to SoCalGas. ESCMP addresses compliance requirements, awareness, and goals, as well as monitoring and verification related to all applicable environmental, health, and safety laws, rules and regulations, and Company standards.

Safety Barometer Surveys

Recognizing the importance of understanding and measuring safety culture, SoCalGas began conducting safety culture assessments in 2013, using the National Safety Council (NSC) Safety Barometer Survey. The NSC Safety Barometer Survey is an employee safety perception survey that engages employees and asks for their anonymous feedback on safety by measuring elements of safety excellence in the following areas: organizational climate, management commitment, supervisor engagement, safety support climate, employee involvement, and safety support activities. NSC's rich database provides SoCalGas with the ability to benchmark our results with hundreds of other companies who have conducted similar surveys with NSC, enables measurement and tracking of progress and trends over time, and gives a comparative analysis of relative strengths and potential opportunities for organizational improvements as well as for individual work locations and departments. SoCalGas has completed four cycles of NSC Barometer Surveys over the last decade and has consistently scored in the top quartile when compared to hundreds of other companies in the NSC benchmarking database.

Improvement opportunities presented from these surveys are captured and acted upon. Notably, two critical leading indicator focused safety programs—the “Stop the Job” tool and “Close Call” reporting—were borne out of feedback from the NSC Safety Barometer survey. NSC surveys confirmed that “Supervisor Engagement” has consistently been one of the highest ranked attributes. This is a valued strength of our safety culture as our front-line employees, who work in the field on jobs tied directly to our infrastructure and public safety, receive work direction, guidance, and coaching on a daily basis from their supervisors.

The results from safety culture surveys are capitalized upon through a continuous improvement process. The results are shared first comprehensively across the company and then in business unit groupings. Each business unit analyzes its individual results and discusses them

with employees to determine a business unit specific “improvement” plan. This plan is documented and proactively implemented until the next survey and resulting plan. This approach of sharing results with employees and creating an action plan to capture opportunities for improvement has proven to improve the safety culture survey scores for SoCalGas.

Best Practices Established in Contractor Safety

In 2015, SoCalGas held its inaugural Contractor Safety Congress, inviting construction contractors who work on our infrastructure projects, along with the employees who oversee our contractor partners, to dedicate a day to engaging in discussions on safety. This event continues to be hosted by SoCalGas on an annual basis, and we have leveraged the virtual delivery of the event due to COVID 19 conditions to expand attendee invitations to all our contractors. In 2017, SoCalGas published its Contractor Safety Manual to provide safety guidance to contractors working on our construction projects. SoCalGas also began vetting, grading, and monitoring its construction contractors for safety using an independent third party, ISNetWorld.

Adoption of a Safety Management System

When the American Petroleum Institute’s Recommended Practice 1173 (API RP 1173) was published in 2015, SoCalGas began to review the potential benefits of this new management system. SoCalGas engaged with its peers, the American Gas Association (AGA) member companies, to better understand how API RP 1173 could benefit SoCalGas with respect to the management of its pipeline safety risks. SoCalGas ultimately took a more expansive view to see how the principles of API RP 1173 could be applied beyond pipelines and into multiple assets and functions. From 2015 through 2018, SoCalGas took several key steps towards formally adopting the principles of API RP 1173, harmonizing them with the structures already in place, and enhancing and expanding them. In 2019, SoCalGas formally created its SMS based on seven Safety Values: Leadership Commitment, Risk Management, Employee and Stakeholder

Engagement, Competence Awareness and Training, Emergency Preparedness and Response, Safety and Compliance Assurance, and Continuous Improvement.

Expansion of Safety Leadership and Expertise

In 2019, SoCalGas created the Chief Safety Officer (CSO) position and a dedicated SMS organization that reports directly to the CSO. The SMS organization was established to more intentionally and transparently recognize and holistically address pipeline safety risks, occupational safety and health risks of SoCalGas's employees and contractors, customer safety risks, infrastructure safety risks, and public safety risks. In 2021, SoCalGas realigned the CSO function to be standalone with direct reporting to the CEO. Establishing a standalone CSO allows an executive to be dedicated to focus solely on safety and fosters greater independence and objectivity when addressing safety issues, consistent with lessons learned from peer utilities and best in class companies.

In 2020, SoCalGas's Board of Directors created a Safety Committee to advise and assist SoCalGas's Board of Directors on safety matters. Among other things, The Safety Committee reviews and monitors SoCalGas's safety culture, goals, risks, and performance.

Separately, in 2020, SoCalGas established an independent Advisory Safety Council to bring the perspective of external experts to help guide SoCalGas's safety culture journey by providing safety advice and feedback to the Chief Safety Officer and other members of SoCalGas's senior management team, which is also shared with SoCalGas's Board.

American Petroleum Institute (API) Assessment

Beginning in 2020, SoCalGas undertook an assessment by the American Petroleum Institute of the maturity of its Safety Management System. As part of this assessment, API evaluated consistency with API RP 1173, assessed SoCalGas's program maturity, and provided

recommendations for improvement. SoCalGas intends to conduct similar SMS maturity assessments in the future to continue to learn from industry experts.

The above-described efforts and initiatives, which occurred separate from the 2EC Assessment and this proceeding, demonstrate that SoCalGas has lived its safety values, which include continuous improvement. This is a manifestation of the sentiment expressed by Commissioner Shiroma at the January workshop: “It is essential and important that we collectively focus on continuous improvement and safety together and keep in mind that safety needs to be a perpetual value, a core part of a company culture both internally and externally for management and staff and a keen awareness of the impact on customers and neighbors.”¹

B. Development of the Safety Culture Improvement Plan

1. An Ethos of Continuous Improvement

The Safety Culture Improvement Plan, like the past efforts outlined above, will continue to build upon SoCalGas’s strong safety foundation through continuous improvement to achieve and maintain SoCalGas’s safety culture vision: a culture that embraces learning, improvement, and risk mitigation as core aspects of our shared duty to protect the public, the environment, our system, and each other. The Plan responds to and capitalizes on the inspirations and recommendations in the 2EC Report, and also advances and supports certain continuous improvement activities that were already in development when the 2EC Assessment was issued. It is important to note that the activities in the Plan will also be subject to SoCalGas’s continuous improvement efforts and thus it, too, will be improved upon as impact is measured and insights become available. For this reason, as noted below, SoCalGas requests flexibility with the Plan

¹ CPUC Workshop on Independent Report on SoCalGas/Sempra Safety Culture in I.19-06-014, January 26, 2022.

so that it can continue to evolve based on ongoing feedback and conditions, and nimbly implement adjustments as the benefits of potential changes are identified.

SoCalGas also emphasizes that this Safety Culture Improvement Plan is neither its first nor last effort to enhance its safety culture. A number of efforts are described above that were designed to support and advance a positive safety culture; and it is SoCalGas’s intention that, even after the Safety Culture Improvement Plan has been fully implemented, SoCalGas will continue to undertake efforts to assess its safety culture and additional, new efforts to enhance SoCalGas’s safety culture will be devised and implemented. This is consistent with the acknowledgement in the 2EC Report that SoCalGas’s efforts to “learn and continuously improve from external stakeholders are noteworthy.”²

Plan development was further influenced by 2EC’s guidance regarding sustainable change, as stated in the 2EC Report:

*The areas needing attention, along with the supporting data, discussed for each of the Overarching Themes provide numerous opportunities to improve. The Positive Observations discussed similarly provide opportunities to enhance safety culture by building on what is already working. Each of these items merit attention, discussion and deliberation. However, the data obtained during this assessment indicated that attempts to address individual items needing attention by incremental improvement is unlikely to result in substantive or lasting change. Culture change takes time and starts with an evolved understanding about the underlying drivers of the organizational behaviors. Sustainable change addresses the underlying assumptions and perceptions that drive the organizational behaviors. Often organizations tend to create corrective actions addressing the visible manifestations of the culture such as behaviors, policies, metrics, instructions. These corrective actions will not be effective in the long term. Similar or the same kind of issues will occur again as the root of the issues were not addressed, i.e., the underlying dynamics of assumptions and perceptions.*³

* * *

² 2EC Report at 9.

³ 2EC Report at 10.

Safety culture improvement requires an iterative process of reflection and improvement in understanding what influences safety performance.⁴

* * *

Safety culture improvement recommendations tend to be broad based and focus on approach rather than a specific tool or activity. This means that linear corrective actions (information campaigns, changes in procedures, metrics, behavioral change programs) will not resolve underlying weaknesses in beliefs, perceptions, and assumptions that drive organizational behavior. Therefore, a change in the understanding is the first step for cultural change.⁵

Consistent with this guidance, SoCalGas’s strategy was to design a Plan that is a comprehensive effort to strengthen SoCalGas’s safety culture and build upon our learning and continuous improvement values. As described below, our Plan details fifteen initiatives that are structured to support five workstreams which are intended to help us realize interconnected growth and improvement opportunities. Early initiatives and activities have also been structured and designed to lay a foundation for Plan refinement and implementation through dialogues, communications, and training to build trust, excitement, engagement, and understanding of the Plan drivers and objectives. SoCalGas has also drafted the Plan to be a living, learning, and evolving initiative that can continue to be enhanced throughout implementation, using a “Plan-Do-Check-Adjust” cycle to create an iterative process of learning and continuous improvement.

2. Stakeholder and Expert Engagement

a. Prompt Socialization of the 2EC Report

Consistent with SoCalGas’s demonstrated desire to seize improvement opportunities, development of the Plan began before the Scoping Ruling was issued. The first step was to share the 2EC Report with internal stakeholders—it was promptly shared with the SoCalGas executive

⁴ 2EC Report at 17.

⁵ 2EC Report at 18.

leadership team and subsequently shared with all SoCalGas employees.⁶ 2EC also presented its report directly to SoCalGas executives and employees at two separate live and virtual events which were attended by the Commission’s Safety Policy Division. Participants were encouraged by SoCalGas to attend and engage with 2EC through questions.

Since the report was released, stakeholder engagement efforts continued to expand, with broadening efforts to reach additional employees, unions, contractors, the public, our regulator, parties to this proceeding, and others. Communication with internal and external stakeholders has been an important and ongoing part of our approach to understanding the 2EC Report and developing a plan to improve company culture. For example, in December 2021, SoCalGas kicked off its “WE [With Everyone] Lead” tour, wherein the SoCalGas executive team has been visiting all 64 SoCalGas work locations—including operating bases, compressor and transmission stations, call centers, headquarter locations, and storage facilities—to hear directly from employees and discuss plans for the future. A key topic of dialogue during these tours is safety, with a specific focus on the 2EC Report.

b. Independent Expertise

Because many of the “cultural facts” identified by 2EC are complex, efforts were taken to obtain independent expertise to help inform the interventions that would be developed to address them. First, SoCalGas launched a broad search for a safety culture expert with appropriate knowledge of utilities, academic insights, and cutting-edge approaches to maintaining and advancing safety culture. After multiple interviews following a Request for Proposal (RFP)

⁶ For example, following the 2EC Assessment’s January 13, 2022 release, on January 20, 2022 SoCalGas issued a Special Edition of its Connected Newsletter that provided an update on the SoCalGas Safety Culture Assessment and shared the entire report with every SoCalGas employee. The update indicated that “2EC identified four themes for us to focus on as we continue to think about improvement and growth” and closed by noting, “These observations provide us with valuable opportunities to collaborate and improve.”

solicitation, SoCalGas is pleased to partner with the National Safety Council, America's leading nonprofit safety advocate, who assembled a team of subject matter experts to support SoCalGas's effort to develop as comprehensive and effective a Safety Culture Improvement Plan as it could.

SoCalGas's selection of NSC⁷ brought synergistic value because NSC has not only extensive safety and safety culture expertise, including with utilities, but also a relationship with and understanding of SoCalGas. Based on this, NSC had an existing knowledge base regarding SoCalGas, enabling them to onboard quicker, and the ability to staff the project with informed and qualified professionals and subject matter experts with extensive careers and experience in organizational change and corporate safety leadership roles. The team assembled by NSC includes consultants with U.S. Navy operational leadership experience; past service as Vice Presidents and corporate directors of Health, Safety, and Environment for large U.S. companies; leadership experience as the head of government agencies (National Transportation Safety Board) and sections at the U.S. Department of Labor; and specialists in leadership coaching, organizational development, and culture change. SoCalGas is working with 8 individuals through NSC who have subject matter knowledge and experience assisting other companies (including utilities and those operating in other complex environments) in developing, implementing, and project managing large transformation initiatives.

⁷ NSC recently acquired ORCHSE Strategies, LLC, a Washington, D.C. based health, safety and environmental networking and consulting firm. This acquisition enabled NSC to expand its capabilities and integrate a consultant function with significant experience assisting companies in improving safety culture through networking, cross-industry working groups, professional education, and consulting solutions.

NSC and SoCalGas collaborated to introduce new concepts and principles into the Plan based on the study of Human and Organizational Performance, High Reliability Organizations, and Learning Organizations.

c. Commission Safety Policy Division and Expert Input

At the direction of the Safety Policy Division, SoCalGas entered into an agreement to retain Dr. Mark Fleming to advise Safety Policy Division in this proceeding. Dr. Fleming was part of the 2EC team that conducted the assessment. Since the 2EC Report was published, SoCalGas has convened several meetings with Safety Policy Division and Dr. Fleming to discuss the Plan. These informal meetings allowed for valuable exchange of insights and advice; in particular, Dr. Fleming has challenged SoCalGas to be pioneers in the industry and develop a Plan that could serve as an exemplar for other utilities who may embark on similar safety culture advancement journeys, which is contemplated in R.21-10-001, *Order Instituting Rulemaking to Develop Safety Culture Assessments for Electric and Natural Gas Utilities*.

d. Intervenor Input

SoCalGas also recognizes that intervenors in this proceeding could provide valuable insights for development of the Safety Culture Improvement Plan. SoCalGas conducted outreach and arranged multiple meetings with intervenors (including the Commission's Public Advocates Office, The Utility Reform Network, and Center for Accessible Technology⁸) to present SoCalGas's approach to development of the Plan and solicit early insights. The Center for Accessible Technology promoted consideration of vulnerable communities throughout the

⁸ SoCalGas also included Southern California Generation Coalition (SCGC) in its outreach efforts, but SCGC did not attend the scheduled meetings.

Plan development process, and this was incorporated.⁹ Cal Advocates proactively provided analysis and suggestions for the Safety Culture Improvement Plan and presented at multiple meetings; this feedback, too, was considered and incorporated as appropriate.¹⁰ Some of these meetings were also attended by Safety Policy Division and Dr. Fleming, and they provided valuable feedback and suggestions as well.

e. Public and Community Transparency and Feedback

Several years ago, SoCalGas created Community Advisory Councils throughout its service territory to facilitate community and public engagement on SoCalGas's operations, enable feedback, and answer questions. Following issuance of the 2EC Report, SoCalGas scheduled meetings with these Community Advisory Councils to share information about the assessment, dialogue for purposes of informing the Safety Culture Improvement Plan, receive feedback, and answer questions. As part of this effort, SoCalGas met with Community Advisory Councils from across SoCalGas's service territory, including the Aliso Canyon, Goleta, and Honor Rancho storage facilities, from the Westside of Los Angeles, and from downtown Los Angeles.¹¹ During these meetings, public representatives expressed that they were appreciative of the information shared, provided helpful feedback, and asked thoughtful questions (e.g., how they can participate in the Plan effort and whether this would have tangible impacts to them as customers).

⁹ SoCalGas has considered this feedback and has specifically identified the safety of vulnerable populations as an important topic to discuss during the dialogues and employee engagement activities proposed as part of Workstream 1 (Drive a holistic view of safety) of the Plan.

¹⁰ Similarly, SoCalGas has reviewed Cal Advocates' feedback, and has incorporated several aspects and concepts identified by Cal Advocates into the Plan. For example, SoCalGas has focused Workstream 2 (Enhance dynamic risk assessment capability), with focus on expanding risk assessment activity.

¹¹ SoCalGas intends to continue meeting with the Community Advisory Councils from these locations, as well as others.

Additionally, on July 20, 2022, SoCalGas conducted a virtual Safety Webinar with key stakeholders throughout its service territory, ranging from governmental agencies to non-profits,¹² to brief them about the 2EC Report and the Safety Culture Improvement Plan. The session also allowed these stakeholders to provide feedback and engage about their own safety journeys to improve safety for their organizations and the public. It also created an opportunity for SoCalGas to collaborate and start a two-way safety conversation with these stakeholders.

f. Contractor Engagement

SoCalGas discussed the 2EC Report at its 2022 Contractor Safety Congress and shared a link to the 2EC Report by letter to 800 of its Class 1 contractors and subcontractors with active ISNetWorld subscriptions. The letter solicited feedback based on the 2EC Report and further notified those contractors that SoCalGas would seek to have dialogues with them to advance safety.

g. Internal Dialogues

Following internal distribution of the 2EC Report, SoCalGas engaged in several communication and dialogues efforts with internal stakeholders to support awareness and inform the development of the Plan. These activities included the following:

- Regular written communications to employees¹³

¹² Participants included AES, American Red Cross, Antelope Valley Economic Development and Growth Enterprise (AV EDGE), City of Glendale, City of Monterey Park, City of Santa Barbara, Eastern Municipal Water District (EMWD), Habitat Riverside, Los Angeles Unified School District, Los Angeles World Airports, Metro, Mexican American Opportunity Foundation (MAOF), Ollivier Corporation, Orange County Fire, Orange County Intelligence Assessment Center, Orange County Sheriff, Port of Los Angeles, Renova Energy, San Bernardino County Fire, Tulare Chamber of Commerce, Ventura County Fire Dept, Ventura County Sheriff's Office, and Ventura County Office of Emergency Services.

¹³ Beginning in September 2021, SoCalGas's CSO began sending regular safety messages to all employees. In November 2021, these messages began being issued on a bi-weekly basis and detailed the commitment and objectives of the CSO and SMS team, highlighting efforts to positively influence

- Safety Town Halls
- “WE Lead” tour
- Bi-weekly messages from Chief Safety Officer
- Quarterly Workshops with Advisory Safety Council
- Employee Focus Groups
- Employee Safety Congress
- Monthly Executive/Employee Dialogue Sessions
- Joint (Union) Steering Committee Engagement

Throughout the Safety Culture OII and 2EC assessment, SoCalGas leadership has been engaged and supportive of this important opportunity to learn and improve and continues to support the development of a comprehensive and enterprise-wide effort to advance company safety culture. For example, throughout the 2EC assessment process, SoCalGas leadership sent out several communications to employees and contractors stressing the importance of the assessment as a continuous improvement opportunity. After the 2EC Report was finalized and shared with employees, SoCalGas leadership began engaging and dialoguing with the employees within their organizations to share the results and contextualize some of the complex cultural observations identified in the report. These dialogues were valuable for obtaining feedback that could be incorporated into the Plan.

The safety culture improvement efforts can only succeed with the buy-in and commitment from each level of leadership. SoCalGas’s executives have been and are fully

safety culture, processes, systems, and outcomes. These regular messages provide an ongoing and regular means to communicate successes, challenges, provide safety resources and information, and generally provide a vehicle to communicate about safety issues. This has and will continue to include discussion of the 2EC Assessment and this Safety Culture Improvement Plan to keep employees informed and engaged.

supportive of these efforts and the Plan. They also provided input on Plan development, allowing SoCalGas to incorporate their knowledge based on their lived experiences. Since the very early stages of Plan development, all SoCalGas executives were asked to provide input, and their feedback was solicited throughout Plan development as it was fleshed out further. The leadership team was also asked to review the Plan throughout its development to provide feedback and specifically share their relevant expertise on how best to approach the issues. This allowed SoCalGas to incorporate feedback from various operational areas and refine the Plan to promote the enhancements SoCalGas seeks to achieve.

SoCalGas also turned to its Executive Safety Council to provide engagement and feedback, oversight, and guidance on the creation and effective execution of the Safety Culture Improvement Plan. The input from this group in particular was invaluable—SoCalGas executive leadership recognizes that the culture change effort must be owned and championed by cross-functional leaders and teams, and determined that each Plan workstream should have an executive sponsor. These sponsors, from across the organization, will demonstrate enterprise-wide leadership support and engagement. This approach will promote a more integrated and systematic approach to Plan implementation.

SoCalGas had discussions with the SoCalGas unions, and the Plan was shared with them before being finalized. Our unions are powerful allies in advancing our safety culture, and SoCalGas recognizes that their input is invaluable, and their buy-in is essential, to realize our safety culture goals.

And finally, to further inform Plan development, and to obtain different perspectives and thereby illuminate further opportunities to refine and improve, SoCalGas met with subject matter

experts from across the organizations to discuss the specific workstreams and initiatives identified in the Plan and solicited their feedback.

h. Sempra Engagement and Alignment

Throughout the Plan development process, SoCalGas and Sempra met to discuss safety culture improvement opportunities and alignment. These meetings included efforts with several committees intended to solicit feedback and enable Sempra to provide oversight, including the Safety, Sustainability, and Technology Committee, Compliance and Enterprise Risk Committee, and SoCalGas Board & Safety Committee.

As detailed in Section III, the attached Plan has the full support of Sempra.

3. Plan Features

SoCalGas's Safety Culture Improvement Plan is a comprehensive effort intended to strengthen SoCalGas's culture and build upon our learning and continuous improvement values. In designing the Plan, SoCalGas embraced a holistic view of safety that is intended to advance more systematic safety activities to benefit our stakeholders. The Plan builds upon SoCalGas's existing safety culture and intends to advance it to the next level. The Safety Culture Improvement Plan has certain hallmarks that were strategically designed to promote successful implementation and lasting change.

a. Implementation Roles and Responsibilities

SoCalGas recognizes that establishment of a tailored delivery structure and formation of dedicated teams of highly respected and qualified employees is essential to successfully implementing the Plan. With that in mind, SoCalGas designed our program delivery structure to facilitate engagement, accountability, and a systematic approach to the Plan. It identifies specific

roles and responsibilities to support Plan implementation.¹⁴ These include several components of executive leadership to adopt workstreams and provide oversight and guidance, Plan-level execution and implementation to provide strategic leadership and support, external safety culture and project management support to provide safety culture expertise and assist with managing interdependencies, and workstream and initiative level leadership and execution focus.

With these roles and responsibilities clearly delineated, and the appropriate team structure and resources put in place, SoCalGas is situated for a successful implementation of the Plan.

b. Change Management and Communications and Engagement Strategy

Implementing the Safety Culture Improvement Plan successfully to effectuate a culture change will require the communication and adoption of change across every aspect of SoCalGas's vast organization. Thus, the Plan includes provisions for systematic and consistent change management. SoCalGas plans to support the changes through leadership sponsors of change, centralized project delivery structure, frequent and consistent communication, engagement, and appropriate allocation of resources (including consultant resources as needed).¹⁵

Communication is intended to be comprehensive and collaborative (two-way), so that SoCalGas can identify and mitigate barriers preventing the adoption of change and obtain information that may require modifications to the Plan or its implementation methods. The communications strategy is multifaceted to reach external and internal stakeholders, dialogue

¹⁴ Plan at 4-6.

¹⁵ Plan at 6-7.

with employees and contractors across the entirety of SoCalGas’s organization, emphasize the commitment of all levels of the company, reinforce messages, and allow for feedback.¹⁶

c. Workstreams and Initiatives

To holistically address the observations embodied in the 2EC Report in a systematic and cohesive way, SoCalGas has created five workstreams comprising fifteen separate initiatives. Details on the workstreams and initiatives, including specific actions, expected benefits, completion milestones, anticipated resourcing needs and estimated costs, and steps following implementation are provided in the Safety Culture Improvement Plan.¹⁷ An illustrative timeline for completion of implementation of the workstreams and initiatives are also provided therein.¹⁸

i. Workstream 1 is intended to build and operationalize a comprehensive understanding of safety across the entirety of SoCalGas’s organization. Initiatives within this workstream entail conducting dialogues to better understand current views and norms, identify opportunities to improve, and ultimately derive a more holistic view of safety, as well as take action to incorporate the resulting comprehensive understanding of safety into work processes and practices.

ii. Workstream 2 is intended to develop a more dynamic approach to risk assessment and enhance systems and processes. Initiatives within this workstream include introducing and integrating the concept of “Dynamic Risk Assessment” into training and hazard assessments and enhancing systems and processes through dynamic risk assessment practices.

iii. Workstream 3 is intended to enhance SoCalGas’s approach to resource allocation and align it and its safety operating model with safety management goals. Initiatives within this

¹⁶ Plan at 8-11.

¹⁷ Plan at 11-31.

¹⁸ Plan at 32.

workstream include evaluating resource allocation to validate technology, staffing, and equipment are aligned with safety and risk management goals, evaluating and enhancing safety capabilities and organizational structure to promote safety management objectivity and controls, and obtaining advice for implementing a systematic approach to safety and safety culture from the SoCalGas Advisory Safety Council.

iv. Workstream 4 is intended to expand data gathering and enhance integration across key safety information processes and systems. Initiatives within this workstream include evolving SoCalGas's current "Incident Evaluations Teams" model to a "Event Learning Teams" model that incorporates dialogue, feedback, and follow up, developing a technology roadmap to support an integrated view of comprehensive safety information, and expanding SoCalGas's Safety Incident Management System to include a more comprehensive view of potential threats and risk.

v. Workstream 5 is intended to enable and influence a shift in safety culture by fostering a more collaborative learning environment. Initiatives within this workstream include refining and implementing leadership training to expand management influence on advancing safety culture, enhancing existing enterprise training to focus on safety holistically and to promote interdisciplinary transparency and collaboration, developing and implementing an executive safety leadership training program to introduce and explore safety culture concepts and their potential application to SoCalGas, and assessing existing internal and external organizational learning practices that advance safety culture and performance and explore concepts and practical approaches that may be deployed within SoCalGas.

d. Accountability Model

A hallmark of SoCalGas's Safety Culture Improvement Plan is the accountability model proposed therein. A Plan feature that SoCalGas is most proud of was recommended by the Executive Safety Council during Plan development: each workstream will have an executive leadership sponsor who will champion the workstream and ultimately is accountable for successful implementation. Features of the accountability model enable SoCalGas to measure progress, identify opportunities to refine and improve the Plan, workstreams, and initiatives, sustain and continue to improve the changes that are implemented, provide visibility to stakeholders, and facilitate CPUC collaboration and oversight. The model includes milestones, metrics, indicators, and future assessment activities that will form the basis for ongoing stakeholder dialogues and reporting to the Commission and other stakeholders. In order to assure this data is meaningful and can inform progress and success, SoCalGas plans to establish baselines to help understand and measure progress. It should be noted that some data may not be available immediately, as it is expected that it will take time to capture new data streams.

To promote transparency and oversight, SoCalGas proposes to file bi-annual (i.e., two per calendar year) Advice Letter filings reporting on Safety Culture Improvement Plan implementation and progress, including metrics when available. SoCalGas intends to provide these reports to all company employees to promote transparency and dialogue, and to Sempra to facilitate support, oversight, and governance. SoCalGas also intends to make these reports available to the public and to allow a means for external stakeholders to provide continued feedback or ask questions. Finally, as explained below, the reports will detail changes to the Plan, including an explanation for why the change was necessitated.

e. *Need for Flexibility*

SoCalGas does not intend that the Safety Culture Improvement Plan is set in stone. This is consistent with 2EC's observations that mere compliance, or being overly prescriptive about matters, does not result in an optimal culture change and improvement effort.¹⁹ True advancement, and a genuine cultural shift, may require a process of testing, refining, re-testing, and further refining before getting the right fit. As 2EC has stated consistently, cultural change takes time,²⁰ and the need for trying different methods accounts for this. Dr. Fleming shared his belief at the June workshop that the Plan is part of SoCalGas's journey, and it must have the flexibility to refine its contemplated plans as the need to do so becomes apparent:

So it's important as we go forward in this process that you know SoCalGas is given a space and freedom to come up with its own solutions, even when we know now that some of those solutions are not going to work, right? They're going to get stuff wrong and it's quite difficult I think sometimes in the politicized environment to accept that people make mistakes and that people with their best effort do things that -- with the benefit of hindsight were a dumb idea, right? I -- my life is littered with them, but you know, sometimes we're not so [inaudible] other people, so that's probably the other -- that's my big fear in the back of my head is how comfortable would the CPUC be to accept that SoCalGas and Sempra are going to make mistakes in this process. It's just a reality, right?²¹

At a workshop in R.21-10-001, Dr. Paul Schulman from The Center for Catastrophic Risk Management at the University of California, Berkeley, shared the same sentiment:

An effective safety culture cannot be imposed simply by top-level executive orders in an organization nor can that implementation be offloaded onto a single safety officer or safety department. Development of safety culture has to evolve, adjust, correct and improve down through all levels and across all departments and units in an organization.²²

¹⁹ 2EC Report at 17-18.

²⁰ 2EC Report at 10.

²¹ CPUC Workshop on SoCalGas and Sempra Safety Culture Investigation, I.19-06-014 June 13, 2022.

²² CPUC Workshop on Safety Culture Assessments in R.21-10-001, March 11, 2022.

In contemplation of Dr. Fleming's and Dr. Shulman's experienced viewpoints, the Plan is intended to be flexible. This is not to say that SoCalGas seeks to curtail implementation of any of the workstreams or initiatives; rather, SoCalGas seeks flexibility in implementation methods of the workstreams and initiatives and the ability to make adjustments as the need for them arises. Costs and resources required may differ; approaches may differ; and implementation timelines may vary. Accordingly, SoCalGas requests that the Commission allow SoCalGas the flexibility to change these matters as required in the interest of achieving the ultimate goal of advancing SoCalGas's safety culture. As noted above, SoCalGas would inform the Commission and stakeholders through the proposed reporting process of any such changes.²³

4. Further Input Expected

As described above, SoCalGas has already done significant outreach to inform stakeholders about the Plan and obtain input that could be incorporated into the Safety Culture Improvement Plan that is filed with the Commission today; but SoCalGas still expects to receive additional helpful feedback through this filing and comment process which could be incorporated into the Plan. SoCalGas looks forward to additional productive comment from the Commission, Commission staff, and intervenors at the workshop in this proceeding that can help further advance its safety culture.

C. The Safety Culture Improvement Plan Satisfies the Requirements of the Scoping Ruling

The Scoping Ruling establishes that the purpose of Phase 2 of this proceeding is for SoCalGas and Sempra to prepare plans to address areas of improvement identified in the 2EC

²³ Reporting could also include costs recorded to the SCIAMA.

Report.²⁴ Eleven specific requirements for the Plan are enumerated, and each of them is addressed by SoCalGas in the Plan as follows.

1. Identifies improvement actions which directly respond to each of the “Overarching Themes” identified in the 2EC Report (as informed by the report’s findings, conclusions, and recommendations) and its associated goals.

The workstreams and initiatives interrelate to fully respond to the four “Overarching Themes” in the 2EC Report, and they are aligned generally as follows:

2EC Overarching Theme	Safety Culture Improvement Plan Responsive Workstreams and Initiatives
1. Safety is most often perceived as personnel safety.	Workstream 1 Drive a holistic view of safety
2. Safety and risk are perceived as achieved by compliance.	Workstream 2 Enhance dynamic risk assessment capability
3. Resources are needed to promote a healthy safety culture.	Workstream 3 Optimize safety operating model
4. Learning and safety improvement require an integrated management system.	Workstream 4 Enhance SMS integration

Other aspects of the Plan also address aspects of the above themes. Attachment B provides additional detail on how each overarching theme is addressed by the Plan.

2. Directly responds to all of the 2EC Report findings, including those related to corporate governance.

The 2EC Report does not contain findings, but rather cultural facts, which 2EC notes “consist of perceptions, beliefs and values.”²⁵ Many of the cultural facts are not facts in a traditional sense, but rather represent indicators of perceptions, beliefs, or values. According to 2EC, it remains important to understand cultural facts because “Safety culture improvement requires deep reflection and understanding of the underlying factors that drive actions as

²⁴ Scoping Ruling at 6.

²⁵ 2EC Report at 4. According to 2EC, “A cultural fact is information that will help in understanding the underlying assumptions, values, perceptions, and beliefs of an organization.” Id. at 21.

understood from the cultural facts.”²⁶ Accordingly, SoCalGas details how the Plan responds to these cultural facts in Attachment B, which describes how the cultural facts in the 2EC Report are addressed. Notably, SoCalGas has developed several initiatives that specifically address governance and are intended to understand, evaluate, and enhance our safety processes, structures, systems, and mechanisms. For example:

- *Initiative 1A*: Leadership dialogues to define and implement a more comprehensive concept of safety and risk with guidance from an external expert;
- *Initiative 2A*: Improve systems and processes through dynamic risk assessment practices;
- *Initiative 3B*: Evaluate and enhance safety capabilities and organizational structure to promote safety management objectivity and controls; and
- *Initiative 3C*: Obtain advice for implementing systematic approach to safety and safety culture through the SoCalGas Advisory Safety Council.

Sempre also describes its corporate governance strategy in Attachment C.

3. Incorporates the following principles:

- a. *Continually promotes and reinforces a commitment to safety that is responsive to the risk and complexity of the utility’s activities.*

This requirement is addressed through SoCalGas’s development of the Plan, which included two-way dialogue with all levels of employees; solicited feedback, which assists with getting buy-in from employees; and leadership support and commitment. SoCalGas also selected a safety expert with significant experience with utilities and companies that engage in complex activities. Workstream 1 (Drive a holistic view of safety) provides processes to continue to promote and reinforce this commitment to safety and goal of continuous learning through structured dialogues to continue to discuss the 2EC Assessment and its findings, the utilities safety and work activities, and our commitment to safety. Workstreams 2 (Enhance dynamic risk assessment capability) and 5 (Mature as a learning organization) also address this

²⁶ Id. at 4-5.

requirement by focusing certain initiatives toward enhancing dynamic risk assessment capabilities and maturing as a learning organization to promote greater organizational focus on learning and safety and risk reduction

- b. Adopts a systematic approach to safety. A systematic approach to safety considers the complex interactions of the (utility) system, from a micro through to a macro level, including the human, technical, and organizational factors at play.*

To adopt a systematic approach, SoCalGas's Plan is designed to create a shared vision for culture, specify responsibilities, create plans and actions, assess culture on an ongoing basis, evaluate processes and progress, and engage in sustainment and improvement actions. To inform this systematic approach to safety and consider the complex interactions and perspectives involved in SoCalGas's operations, as detailed above, SoCalGas engaged with employees, subject matter experts, consultants, the public, and the Commission through extensive internal and external dialogues to leverage insight and expertise from stakeholders. There are also specific workstreams in the Plan that are intended to support identifying, understanding, and learning from relevant complex interactions. For example, Workstream 1 (Drive a holistic view of safety) is designed to facilitate dialogues and better understand human factors. Workstreams 2 (Enhance dynamic risk assessment capability) and 5 (Mature as a learning organization) also address this requirement by focusing certain initiatives on learning, safety, and risk reduction to better understand technical contributors and complexities. And Workstream 3 (Optimize safety operating model) evaluates SoCalGas's safety operating model, helping address organizational factors.

- c. Reflects a robust shared understanding of the report's findings.*

This requirement is satisfied through the significant stakeholder engagement on the 2EC Report that informed Plan development, through the Plan itself (including the details provided in

Attachment B), and through the ongoing dialogues and activities that are part of Plan implementation. Attachment B also demonstrates that each cultural fact identified in the 2EC Report is addressed by the Plan. Workstream 1 (Drive a holistic view of safety) also addresses this requirement by intentionally engaging in structured dialogues to continue to discuss the 2EC Report, safety, and opportunities to improve, and to promote a shared understanding of SoCalGas's safety culture and how it can be improved.

- d. Is goal-oriented and employs a methodical approach for continual improvement of safety culture, providing for both short- and long-term change and sustainability (e.g., utilizes management system principles).*

This requirement is satisfied throughout the Plan, which has specific goals and objectives; an overarching change management strategy to support comprehensive and systematic efforts to drive, attain, sustain, and continue to improve safety culture over time; and an accountability model to enable SoCalGas to measure progress, identify opportunities to refine and improve the Plan, and sustain and continue to improve the changes that are implemented.

- e. Is based on a demonstrated and thoughtful strategy that is informed by the learnings and recommendations imparted by the 2EC Report and by an inclusive process throughout the organizations, including contractors, surrounding community and external stakeholders. The strategy should aim to create a shared vision of and set goals for safety culture, including, but not limited to, roles and responsibilities to support ongoing improvement.*

This requirement is satisfied through the development of the Plan as well as the structure and activities detailed in the Plan itself. First, as detailed above, to inform Plan development, SoCalGas engaged in significant and broad internal and external stakeholder outreach (including contractors and Safety Policy Division and their consultant Dr. Fleming, a member of the 2EC assessment team). Moreover, the Plan includes a vision, goals, a project delivery structure with specific roles and responsibilities, and accountability model. Additionally, the Plan

communications strategy and Workstream 1 (Drive holistic view of safety) are designed to continue these inclusive dialogue and engagement efforts through formal and informal activities structured to facilitate two-way dialogues on the 2EC Report and our Safety Culture Improvement Plan.

- f. Explains how the proposals are effectively integrated into relevant governance and management systems, policy, processes, and plans.*

This requirement is satisfied through the leadership engagement and commitment described above, the cross-functional project delivery structure, and the incorporation of formalized change management provisions into the Plan, which will support implementing changes throughout the enterprise. In addition, certain workstreams are also designed to incorporate integration into relevant governance and management systems, policy, processes, and plans. For example, Workstream 1 (Drive holistic view of safety), and particularly Initiative 1c, involves reviewing and updating company documents, processes, and communications to incorporate a more comprehensive view of safety.

- g. Demonstrates genuine leadership engagement, commitment, and accountability at the highest levels of the organization throughout the continuous improvement cycle (e.g., the Plan Do Check Act Cycle as incorporated in the American Petroleum Institute Recommended Practice 1173).*

As detailed in this filing, leadership has been engaged and committed to Plan development and is committed to Plan success. A focus of SoCalGas's strategy is that leadership continues to demonstrate commitment and belief in the change in a visible way. This approach is detailed in the Plan and includes (1) the role of the Executive Safety Council in providing oversight and guidance; (2) the Plan structure, which has assigned leaders sponsoring and accountable for workstreams and initiatives; and (3) the communications strategy, which calls

for leaders to demonstrate strong and visible engagement and leadership, emphasizing their commitment to the change to employees at all levels.

h. Is widely communicated and understood throughout the organization.

This requirement is satisfied through our past, present, and future internal stakeholder engagement efforts. As detailed in this filing, SoCalGas engaged in extensive internal engagement to support awareness and understanding of the 2EC Report and the Plan. Further, the Plan itself details expansive and extensive internal stakeholder engagement, dialogues, and support for the Plan's successful implementation.

4. Describes the key steps for the development of a systematic approach to safety.

This requirement is satisfied by the Plan's strategy for enhancing SoCalGas's safety culture, as set forth in the 5 workstreams and 15 underlying initiatives. The development and implementation of the Plan embraces the importance of a holistic view of safety and is intended to advance more systematic efforts to understand and improve safety culture. To adopt a systematic approach, SoCalGas's Plan details efforts to create a shared vision for culture, specify responsibilities, create plans and actions, assess culture on an ongoing basis, evaluate processes and progress, and engage in sustainment and improvement actions.

5. Explains how the Safety Culture Improvement Plan is effectively integrated into relevant governance and management systems, policy, processes, and plans.

This requirement is satisfied by the change management provisions of the Plan, which will support successful implementation of changes throughout the enterprise, and specific workstreams designed to incorporate Plan integration into relevant governance and management systems, policy, processes, and plans. For example, Workstream 1 (Drive holistic view of safety), particularly initiative 1c, involves reviewing and updating company documents, processes, and communications to incorporate the more comprehensive view of safety.

Additionally, Workstream 4 (Enhance SMS integration) describes significant efforts to expand data gathering and reporting in support of the Plan's objectives, and Workstream 5 (Maturing as a learning organization) describes enhancements to existing training and development of new training to incorporate new culture and learning concepts.

6. Shows how the Safety Culture Improvement Plan is developed with the support and guidance of qualified external expertise with demonstrated experience in safety culture improvement for high hazard industries.

This requirement is satisfied through the development of the Plan with NSC's input and support, and the input of the Commission's Safety Policy Division and its expert, Dr. Fleming. As detailed above, SoCalGas partnered with the National Safety Council, who assembled a team of subject matter experts to support SoCalGas's effort to develop a comprehensive and effective Safety Culture Improvement Plan. Also, at the direction of Safety Policy Division, SoCalGas also entered into an agreement to retain Dr. Mark Fleming to advise Safety Policy Division in this proceeding. Dr. Fleming was part of the 2EC assessment team and has been part of several meetings and workshops to provide feedback on SoCalGas's thinking and approach.²⁷

7. Provides for ongoing review and monitoring of implementation progress and effectiveness supported by quantitative and qualitative leading and lagging indicators and metrics.

This requirement is satisfied by the accountability model and reporting proposed in the Plan. As detailed in the Plan, the proposed reporting process includes the tracking and monitoring of milestone progress and key metrics through formalized periodic reporting, with ongoing updates, data, and narrative descriptions to enable the Commission to close this

²⁷ Dr. Fleming has also been a panelist at workshops in R.21-10-001, *Order Instituting Rulemaking to Develop Safety Culture Assessments for Electric and Natural Gas Utilities*.

proceeding from its docket while maintaining Commission oversight and transparency for all stakeholders.²⁸

8. Includes implementation timelines for each element of the Safety Culture Improvement Plan, as applicable.

This requirement is satisfied by the projected timelines identified for each initiative.

SoCalGas notes that the timelines are anticipated, and may need to be adjusted as the initiatives are refined, and may vary depending on initiative requirements.

9. Identifies mechanisms and processes that incorporate and respond to feedback from activities that monitor, review, and verify progress and effectiveness of its implementation, to refine the Safety Culture Improvement Plan.

This requirement is satisfied by the Plan's accountability model, which follows the "Plan-Do-Check-Adjust" model to allow for learning and continuous improvement. As detailed in the Plan, SoCalGas proposes demonstrating and documenting progress through milestones, metrics, indicators, assessments, and related reporting. These processes and data will be used to measure progress, identify opportunities to refine and improve the Plan, and sustain and continue to improve the changes that are implemented. SoCalGas envisions ongoing opportunities for continuous learning, refinement, and enhancement based on stakeholder feedback and implementation progress and data.

²⁸ Commissioner Houck commented at the January workshop: "I am concerned about the number of safety proceedings that the commission and the safety staff are engaged in and I think that this assessment here is very important first step in addressing how we can move forward and look at safety culture overall for the utilities." CPUC Workshop On Independent Report On SoCalGas/Sempra Safety Culture in I.19-06-014, January 26, 2022. Closing the proceeding while maintaining the transparency, accountability, and Commission oversight under the process proposed by SoCalGas can serve as a model for all the utilities. Commissioner Houck had further commented, "I hope that the lessons learned in this proceeding can inform our other safety culture assessments that we're engaging in, including the safety culture rulemaking." *Id.*

10. Includes a cost estimate of the actions associated with implementing the elements of the Plan, broken down by activity or action.

This requirement is satisfied by the incremental cost estimates provided for each initiative. SoCalGas notes that these are preliminary estimates and that just as the Plan can and should be refined based on ongoing feedback and learnings, these adjustments in Plan implementation may require commensurate revision of the estimates.

SoCalGas additionally requests to record the costs incurred to implement the Plan to the existing Safety Culture Investigation Assessment Memorandum Account (SCIAMA). The SCIAMA was authorized by the Commission to allow SoCalGas to record costs associated with consultants performing the Commission-ordered safety culture assessment,²⁹ and the recent Scoping Ruling authorized SoCalGas to additionally record consultant costs associated with preparing the Plan to the SCIAMA.³⁰ At this time SoCalGas seeks authority to record costs to the SCIAMA and proposes that recovery of incremental costs be considered in a separate Commission ratemaking proceeding, such as a General Rate Case, where interested parties can be afforded an opportunity to be heard.

11. Includes reporting requirements.

This requirement is satisfied by the Plan's accountability model, which proposes bi-annual (twice a year) reporting to the CPUC on Safety Culture Improvement Plan implementation and progress through Advice Letter filings.³¹ SoCalGas will use these reports and associated data to measure progress, identify opportunities to refine and improve the Plan, and sustain and continue to improve the changes that are implemented. Further, to promote

²⁹ *Administrative Law Judge's Ruling Granting Motion to Establish Memorandum Account as Modified* (July 14, 2020).

³⁰ Scoping Ruling at 11-12.

³¹ SoCalGas proposes submitting the first report six months from final Commission approval of the Plan.

engagement, reinforce commitment, and enhance transparency, the bi-annual reports will be provided to all company employees and be the topic of future employee engagement activities. Consistent with “Sempra’s Safety Culture Oversight and Initiatives,” SoCalGas will also provide the reports to Sempra to facilitate their support, oversight, and governance. Finally, SoCalGas will post the bi-annual reports online so that external stakeholders can access and review the reports and submit questions or suggestions.

III. SEMPRA’S SAFETY CULTURE OVERSIGHT AND INITIATIVES

As explained in Sempra’s Safety Culture Oversight and Initiatives, appended hereto as Attachment C, Sempra’s initiatives involve two components. First, Sempra will support SoCalGas’s Plan in its oversight and governance capacity. As explained in Attachment C, Sempra exercises formal oversight through its officers that serve on SoCalGas’s Board of Directors, and through the Safety, Sustainability, and Technology Committee of the Sempra Board of Directors. The companies also coordinate informally.

Second, Sempra is pursuing 2EC’s guidance for Sempra. In particular, Sempra is engaging an outside expert in safety culture, as recommended by 2EC. As detailed in Attachment C, this expert will be working with Sempra to explore ways to expand employees’ vision of safety, and to promote that vision within Sempra and to Sempra’s subsidiary companies. Sempra will be looking to leverage its strengths and understand areas for improvement. The consultant will be working closely with Sempra executives to develop a customized strategy for change that includes training and communications. Sempra understands that a strong safety culture supports Sempra’s high-performance culture.

In sum, Sempra is acting on the recommendations in the 2EC Report, which satisfies the Commission’s intentions for Sempra in this proceeding. As stated in footnote 3 in the Scoping

Ruling, not all of the criteria apply to Sempra. The key point is that Sempra is learning from the safety culture assessment exercise and is embracing the themes in the 2EC Report. In this regard, Sempra is guided by and consistent with the Commission's purpose here:

...we expect this proceeding to be forward-looking, and to focus on improving integration of safety awareness and related attitudes and practices into many aspects of SoCalGas communication, decision-making, and work-processes. The focus on SoCalGas recognizes that that is the regulated utility at issue in this proceeding; nevertheless, where relevant the proceeding may reference or suggest improvements for the parent company Sempra Energy.³²

Sempra welcomes this opportunity to improve.

IV. CONCLUSION

The attached Plan was developed with significant feedback from stakeholders and the expertise of world-class safety professionals. It reflects SoCalGas's commitment to safety on the face of it, showing a clear strategy, thoughtfulness, deliberation, and allocation of resources necessary to achieve a successful implementation. Most importantly, the Plan is neither the beginning nor the end of SoCalGas's safety journey; rather, it is one of the many enhancement efforts along the way. The Plan complies with all the directives set forth in the Scoping Ruling. Accordingly, the Plan should be approved.

³² Assigned Commissioner's Ruling Launching Phase Two Activities (Jan 13, 2022). [Emphasis added; footnote omitted.]

