

PACIFIC GAS AND ELECTRIC COMPANY
General Rate Case 2011 Phase I
Application 09-12-020
Data Response

| | | | |
|------------------------|-----------------------------|-------------------|-------------|
| PG&E Data Request No.: | DRA_219-02 | | |
| PG&E File Name: | GRC2011-Ph-I_DR_DRA_219-Q02 | | |
| Request Date: | March 17, 2010 | Requester DR No.: | DRA-219-DAO |
| Date Sent: | March 30, 2010 | Requesting Party: | DRA |
| PG&E Witness: | Robert Fassett | Requester: | Dao Phan |

EXHIBIT REFERENCE: PG&E-3, CHAPTER 17

QUESTION 2

With regard to PG&E's response to DRA-DEF-19, Q. 11, please answer the following questions:

- a. Please define and explain "issues to be addressed"
- b. Please define and explain "incident history"
- c. Please explain how "Industry best practices benchmarking" will be carried out
- d. Please define and explain "develop OQ program changes"; also identify "changes"
- e. Please define and explain "perform assessments"
- f. Please explain how "Increase in OQ Assessment" will be carried out.

ANSWER 2

- a.
As noted in the testimony, Exhibit (PG&E-3), Chapter 17 (Page 17-12), PG&E will be using a systematic approach to human performance. The approach involves development of organizational conditions and culture where appropriate supervision (oversight) is developed, maintained, and emphasized and where there is a feedback loop for the ongoing evaluation of both process and human performance.

"Issues to be addressed" is in reference to a supporting mechanism of this systematic approach to human performance. PG&E will develop and implement an Issues Management and Control process for its OQ Program. The process will identify, track, review, resolve, and close issues associated with the OQ Program. It will provide the essential feedback necessary to ensure the OQ

content (Step-by-step procedures and evaluator/employee checklist) are current and effective. By performing issues management and control, PG&E will learn from past experience and will continuously improve its OQ Program.

The “issues to be addressed” as referenced in PG&E’s response to DRA DEF19-11, refers to the incremental cost associated with development and on-going maintenance of this issues management and control process.

b.

“Incident history” refers to historical events that have affected the maintenance and operations of PG&E facilities either in a favorable or unfavorable manner. These events will assist with identifying issues that will be included in the Issues Management and Control process.

The Issue Management and Control process classifies issues by 1) significant impacts, 2) nature of the impact, and 3) what actions were or could be used to address the issue. From this classification, trending can be performed and a proactive control established which would be used to predict and correct future human performance risk that may occur. Using incident history, PG&E supports this process by identifying issues that caused variances in the performance of the OQ covered task.

c.

Benchmarking, both internal and external, is an essential activity to ensure the continuous improvement of the OQ Program. PG&E will utilize existing industry liaisons such as American Gas Association, other utilities, regulatory agencies (including the CPUC and PHSMA), and industry consultants to review and evaluate best practices.

In addition, PG&E will utilize data from several internal sources such as a mobile platforms, training, assessment results, and voice of the employees (input from our field personnel) to assist with validating and improving the effectiveness of the OQ Content. This activity supports the “Issue Management and Control” initiative and provides an additional feedback loop.

d.

“Develop OQ program changes” refers to the process to be followed when a request is received to change, add, or delete a covered task, learning solution, and OQ Content. Working with internal and external resources, PG&E will approve, prioritize, schedule, secure funding, and develop the material for modifications to the cover task, learning solution, and OQ content. The “Develop OQ program changes” as referenced in PG&E response to DRA DEF19-11, refers to the incremental cost associated with performing these activities.

“Changes” refers to necessary modifications to a covered task, learning solution, or OQ Content to maintain and sustain the new OQ program.

- e. “Perform assessment”, as reference in PG&E response to DRA DEF19-11, refers to the incremental cost required by evaluators to assess individuals using the OQ Content and new evaluation process developed by Enhanced OQ Project.
- f. “Increase in OQ Assessment”, as referenced in PG&E response to DRA DEF19-11, refers to the incremental cost associated with the additional time necessary to qualify individuals using the OQ Content and new evaluation processes developed by the Enhanced OQ Project.

An OQ assessment requires an evaluator to assess the knowledge and skill level of an individual to ensure they are qualified to perform a covered task and can recognize and react appropriately to abnormal operating conditions that might occur while performing the task. PG&E enhanced its OQ Program by developing detailed checklist of step-by-step procedures (OQ Content) to improve employee performance. This OQ Content provides a tool for an evaluator and supervisor to evaluate employee knowledge and skills to perform the covered task. However, to effectively evaluate the employee and utilize this tool, additional time must be spent in the evaluation process. This will be partially offset by the development and utilization of Technology based training (Computer Based Training) and testing.

| Enhance OQ Program. | FTEs / Location | Annual Cost / Est. unit Cost (\$000) | Total (\$000) |
|---|-----------------|--------------------------------------|---------------|
| Staff | | | |
| Develop final set of issues to be addressed. Analyze issues and incident history. | 1 | \$ 213 | \$ 213 |
| Industry best practices benchmarking. | 0.5 | \$ 213 | \$ 107 |
| Develop OQ program changes | 1 | \$ 213 | \$ 213 |
| Perform assessments | 1.5 | \$ 213 | \$ 320 |
| Crew Participation | | | |
| Support analysis of issue/incident history | 0.5 | \$ 213 | \$ 107 |
| Increase in OQ Assessment | 3.5 | \$ 213 | \$ 756 |
| Total | | | \$ 1,716 |