

BEFORE THE

PUBLIC UTILITIES COMMISSION OF THE STATE OF CA

Order Instituting Rulemaking on the Commission's Own Motion to Adopt New Safety and Reliability Regulations for Natural Gas Transmission and Pipelines and Related Rate-making Mechanisms.

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COMMENTS OF THE UFWA
On the
REPORT OF THE INDEPENDENT REVIEW PANEL

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Carl Wood, Director of Regulatory Affairs, Utility Workers Union of America, 10103 Live Oak Ave, Cherry Valley, CA 95922. Phone: (951) 110-9670. Email: c.wood@verizon.net
William Julian II, 43556 Almond Lane, Davis, CA 95618. Phone: (530) 836-2119. Email: billjulian@sbcglobal.net

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COMMENTS OF THE UWUA
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REPORT OF THE INDEPENDENT REVIEW PANEL

I. Introduction and Overview

The Report of the Independent Review Panel is a foundational document for improving safety culture and safety practices in industry. It is the Report that has benefited the perspectives brought about by inclusion and participation of employees union representative, as well as a member experienced in the utility. UWUA is particularly impressed that the distinction made by PG&E between employee safety and public safety is clear that both are beneficiaries of safety programs the large are stakeholders whose views should be addressed by a functioning organization. UWUA fully agrees with this perspective.

These Comments will primarily focus on the Report's emphasis on the importance of safety culture for improving utility performance of gas service for the benefit of the public and employment assessment of and recommendations for improving the regulatory performance of the California Public Utilities Commission. These are closely related by the transparency and participation by all stakeholders in shaping gas utility operations, best articulated by the

...[S]uccessful implementation of the actions we recommend is only possible through the active commitment of all stakeholders. There will be arguments over which should be made, who will pay them, and what represents an acceptable level of safety. *There is no safe path to a safer gas transmission system.* In addition, the Panel is hopeful

¹ IRP Report at page 7 and footnote 4.

² Comments of UWUA filed R. April 11, 2016 at pages 2

commitment to investments in infrastructure will bring with investment in the talents and new capabilities of engineers, technologists, and other professionals. IRP-Report page 27 (emphasis in original)

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In adopting this tone the IRP echoes the Commission itself:

...This Commission is currently confronting the most deadly California history from public utility operations. We are committed to improve the safety of natural gas transmission. In this context, it is absolutely essential that our regulatory display the highest level of honesty. We understand that these issues at hand implicate substantial expenses and capital and that the optimum means to address these safety subject to reasonable To-Defeat-Our-Constitutional-and-Statutory-duties, We-must-have-thorough-and-timely-explanations-of-the-issues, as-well-as-comprehensive-analysis-of-the-advantages-and-disadvantages-of-potential-actions D1106-04-CG Section 3 (issued June 9, 2011) emphasis added

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These two notes in the Comprehensive Fact-G discussion among all stakeholders and among stakeholders including regulators critical to the creation of a safety culture by the Commission in its Order in proceeding.³ As one essential stakeholder group in the industry safety process at Southern (SC) employees Gas represented by UWUA seek to contribute based on the Commission's act and to fully participate in meaningful, substantial and dialogue in the Commission colloquy among stakeholders" including the Commission by IRP-Report

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II. Safety Culture

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The IRP-Report is necessarily specific aspects of corporate culture. In general observations in that provide appropriate guidance to the industry as a whole. Of particular importance reference to the

³ D1106-04-CG issued February 24, 2011 at Section 6.

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Guiding Principles of the Interstate Natural Gas Association of America core concept that the integrity of its pipeline is imperative in December 2010.⁴

- Our goal is zero incidents
- We are committed to safety culture as a critical dimension
- We will be relentless in our pursuit of improving by
- We are committed to applying integrity management system wide basis
- We will engage our stakeholders so they understand and reducing risk

INGAA advocates IRB Report recommends a systems approach to which a continuous process embodying its employee principles approach the goal of zero incidents:

...it is essential that an operator maintain a virtuous following elements, shown pictorially below:

- Identify segments and threats
- Inspect and assess
- Mitigate; remediate
- Quality assurance (QA)
- Generate new data and analysis
- REPEAT⁵

Of particular importance in the INGAA Guiding Principles elements that emphasize “Active stakeholder communication” and “long term commitment.” IRB Report communication among stakeholders distinguished from peremptory IRB Report communication, is at IRB Report’s safety culture concept

⁴ IRB Report page 4 at footnote 2 and at 65, fn 53. The at <http://www.ingaa.org/File.aspx?id=13189>

⁵ IRB Report at 4, and at 65, graphic format showing circled elements omitted. The Report graphic was adapted from Principles.

The IRP-2 Report makes clear that the safety culture and to safety it **embodies** engage every employee:

Recommendation 5.1.4.1 P&E needs to create a system culture integrity that enables every employee to recognize and understand to day's actions affecting system

Although this recommendation at the end of the **discussions** of senior management specifically criticizing emphasis on their valuation of financial performance as opposed to operational excellence and all relevant to engagement of workers and in the **supervision** conjunction with this recommendation the IRP Report **decreases** the organizational distance between field workers responsible for deli and management and focusing on core operational **operational**

Transparency and **Way**wood Communication

At the core IRP-2 Report the safety culture is transparent communication among stakeholders, with the goal being progress incidents:

Recommendation 5.4.4 P&E needs to establish a pipeline culture integrity that enable field **and** **staffing** of deviations from company policies, processes, **CLUC** **practices** safety inspectors should view **self** deviations as performance rather than noncompliance

Recommendation 5.4.5 P&E should develop and adopt a maintenance framework that reflects the **importance** of thinking of pipeline integrity and safety as **inherently** **applied** across the enterprise, where progress **is** **and** **transpa**, and is consistent with the best thinking on pipeline safety integrity a

⁶ IRP-2 Report at 56

⁷ IRP-2 Report Recommendation 5.1.4.2, and discussion 5.1.4.2 pages 54

management.⁸

Recommendation 5.4.4 is evidently intended to reduce the open and transparent communication about and near the wellbore occurrences that involve the well with standards and requirements. An important feature of a safety culture that identifies and reports proactively, because it “encourages” self With the disciplinary removed, a constructive approach to identification and elimination instituted, where “progress is transparent and measurable” although the IRP’s Recommendations are made in the context of a revised CF the suggestion is even more significant in the present operating condition and employees are knowledgeable and most responsible potentially most at risk from a straightforward assessment of human factor issues.

Among the significant barriers to effective communication among stakeholders and a transparent and diligent to safety improvement is what the IRP “compliance” a “culture of

Compliance and expenditures for projects authorized in rates forces affecting the infrastructure investment and maintenance PG&E’s gas atop a “compliant” company may or may not safe system. Rather, only if the adherence to the let to an overall approach of process excellence (emphasis added)

Related to weakness is what IRP calls “App’s strategy setting,” which emphasizes image management over substance and which

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⁸ IRP-Report at 75, footnote 67 omitted

⁹ IRP-Report at page 54

undermines the company's credibility with its employees as well as the public. The IRP-2 Report contrasts this with what it actually calls a "ma-

An organizational maturity in the area of risk management is a priority, actively sought and effort is allocated to this to meet the challenge of addressing the complexities inherent in management, the leadership of the organization needs to promote a thorough and honest companywide communication system ensuring management receives all of the information to identify the key risk decisions should be made to take well informed decisions about them in a systematic fashion. A mature risk culture is one willing and able to make the organization's significant decisions in a thorough yet risk culture is set by the top management team, can be of Directors, and is informed by a workforce engaged in communication process, underpinned by subject matter expertise business. (emphasis added)

By emphasizing a "gotcha" approach to standards enforcement with a systems approach that identifies and eliminates hazard a robust communication process, the outlined an organizational culture that can empower all employees to participate in the public level of service and insulating that California UAWA membership. This is what the Commission is driving efforts in this proceeding.

III. Strengthening the Role of Employee Communications

One of the truly significant IRP-2 Elements is its recognition of the centrality of the relationship between utility and regulator in sustaining a safety culture. The insightful observations about potential improvements at the CPUC in technical and professional skills

¹⁰ IRP-2 Report at page 18

¹¹ IRP-2 Report at page 16

procedures; and internal communication among the disparate org make up the CPUC are meritorious and should be taken of formal action in a number of cases. UWUA is prepa for additional budgetary resources and improved professional skill and deployment. Support of CPUC participation and structural forums dealing with gas system safety is another significant taken to assure that a meaningful approach to safety culture implemented for the public benefit

Employee representatives can play a crucial role in the agency element of the safety culture. Improved flow of information inspections and day-to-day practical handling on procedures and prog between inspection and audit intervals; program experiments and use of knowledgeable employees in these roles can reduce thorough and effective surveillance of utility safety activities.

In this vein, the UWUA made several specific suggestions communication among utility, utility employees and its regulators
Comments¹² in this regard:

C. Transparency of the Safety Commitment for Go

“A systems approach to safety requires removing obstacles safety issues, both compliance and enforcement, to regulators and enforcement agencies. The goal is a cooperative proact that avoids damage before it happens, replacing a reacti approach to damage that might have occurred. When proposed a regular and consistent flow of communication among utility employees and government agencies, in accordance with the principles:

- Gas pipelines are essential facilities providing a critical to the public. Safe operation is of paramount importance to employees of the utility and for the consuming public gas transport and delivery facilities.

¹² UWUA Comments to CPUC file R.11 April 11, 2011, at 11

- There should be regular institutionalized channels of communication between the three sets of safety stakeholders with direct responsibility: (1) utility managers with operational responsibilities including monitoring and remediation including repair and replacement; employees performing transmission, distribution and field service functions; (3) government agency investigative and enforcement personnel. They should be empowered to carry out their respective roles in assuring that the systems are operated and maintained in a safe and effective manner to the benefit of the public and consumers of gas service.
- Utility employees through their bargaining representatives should fully and equally participate in development, implementation, interpretation and modification of programs for protecting the safety of the employees, recognizing that in industry cooperation and maintenance programs have implications for safety. They should be consulted in presentations to agencies having approval authority and when enforcement authorities come on the property to utility operation, maintenance, construction or other activities.

“Utility employees through their bargaining representatives should establish channels of communication at regular intervals with management and public agencies having regulatory authority.”

These recommendations should be acted on expeditiously in congruent suggestions from the public. The institutional underpinnings of such a process – both within the utility and in the Commission – should make a meaningful contribution to developing the safety culture envisioned in the IRP Report. The Commission has made it plain that the exchange it seeks with gas utility employees formally and informally is an initial order proceeding the Commission requested comment on the advisability of whistle-blower protections. The creation of a “mature” organization as advocated in the IRP Report would make repetitive safety oriented communication unnecessary and potentially counterproductive.

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¹³ The Commission issued February 26, 2011, Item 10.

CONCLUSION

For the foregoing reasons the California Public Utilities Commission act on the Report of the Independent Review Panel Incidents objective and system approach to safety, incorporating made above to fully include fully employee transparency two communications process including safety systems for hazard identification, assessment, and elimination communication and back to long term commitments to safety promotion.

Respectfully submitted

/s/ [redacted] /s/ [redacted]

Carl Wood [redacted] William Julian II
Regulatory Affairs Director [redacted] 43556 Almond Lane
Utility Workers Union [redacted] Davis CA 95618
10103 Live Oak Ave. [redacted] Phone: (530) 838-2119
Cherry Valley CA [redacted] 92223 [redacted] E-mail: billjulian@sbcglobal.net
Phone: (951) 11096 [redacted]
E-mail: carl.wood@uwna.net

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[redacted]
[redacted]
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