

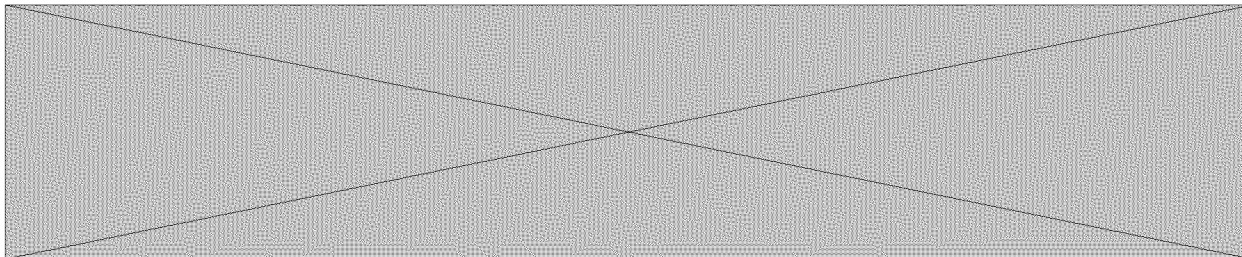
From: Florio, Michel Peter
Sent: 3/29/2012 7:49:03 PM
To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7)
Cc:
Bcc:
Subject: RE: Taking Action: A New Perspective on Employee and Public Safety

Excellent!! Just excellent. Thanks, Brian.

From: Cherry, Brian K [mailto:BKC7@pge.com]
Sent: Thursday, March 29, 2012 2:11 PM
To: Florio, Michel Peter
Subject: FW: Taking Action: A New Perspective on Employee and Public Safety

FYI

From: A Safety Message from Des Bell
Sent: Thursday, March 29, 2012 1:44 PM
To: All PG&E Mail Recipients; All PGE Corp Employees
Subject: Taking Action: A New Perspective on Employee and Public Safety



Taking Action: A New Perspective on Employee and Public Safety

Team:

I know that every single one of us believes in protecting the health and safety of our employees and the public. Nothing is more important. The fact is, as we close out the first quarter of the year, we're still having serious incidents. My commitment—and I need your commitment, too—is to change that. We have a

plan to get there and we are taking action. None of us, however, can do it alone. You are the most important part of our safety strategy and it's critical that you understand our plan and get behind it.

Last year, the company dedicated a lot of time and resources to assess our safety programs and processes, and I thank all of you who provided important feedback as part of that effort. The assessment findings—coupled with the NTSB and CPUC reports following the San Bruno tragedy—helped shape our new safety strategy and the initiatives that are now moving forward. [Click here](#) for a summary of the assessment findings.

Ever since I was appointed the company's lead safety officer, I have made it a priority to take stock and determine our path forward. We've established an Executive Safety Steering Committee comprised of senior leaders from each line of business (LOB) to develop our strategy and plan, and to promote public and employee safety across PG&E. Tony Earley, our chairman, CEO and president, has also created the Chairman's Safety Review Committee as a forum for regularly reviewing our safety strategy, serious incidents and the overall effectiveness of our safety programs. Both committees include IBEW and ESC leadership. With this leadership structure in place, and our plan taking shape, we have begun to take some important new steps to improve our safety performance. Let's take a look at some of them:

Creating a trust-based safety climate

At the heart of our safety strategy is the need to make safety the most fundamental and critical element of how we conduct our business. Employees across the company have told us we need to create a climate where every one of us feels confident and encouraged to talk openly about honest mistakes and report near hits. Right now, this doesn't always happen, and it's a missed opportunity to identify risks. We've got to work together to build a climate of trust, and break down barriers both to learning and to continuous improvement. That work starts now.

Nick Stavropoulos, executive vice president of Gas Operations, recently shared a great example of employees stepping up for public safety when they reported that maps were missing from our leak survey schedule. [Click here](#) to review Nick's message. I believe that there are similar examples across the company that demonstrate how PG&Eers put public and employee safety first; however, we've also received a lot of feedback telling us that our recognition and discipline

efforts don't foster this type of climate. We are taking action to change that through initiatives that are under way. We also know that our LOB grassroots programs are effective at building healthy safety climates, and we're looking at ways to provide additional support and structure to help our grassroots teams be even more effective.

Developing our leaders

Our leaders are critical in creating and sustaining a work environment where safety comes first. One example of how we're addressing this is through our Supervisor Leadership Program (SLP). In April, we will roll out SLP 2.0 which is even more focused on how supervisors can work with their employees to build a trust-based safety climate.

Changing our metrics to identify risks before they become incidents

We've taken a hard look at how we measure our safety performance and made changes—most notably in our revised STIP metrics. Our uncompromising focus on safety is reflected in our 2012 STIP, which carries a 40 percent weighting on safety and sets a new industry benchmark. Our primary focus on OSHA recordable injury (RI) rates wasn't helping us reduce serious incidents so we've made a change and have not set a target for RIs in 2012. We will still track them, but our first priority is to prevent serious incidents, and the 2012 safety dashboard begins to move us from after-the-fact measures to those that look ahead and help eliminate risks and exposure. We are also addressing gaps in our safety plans and creating a foundation for continuous improvement through several new companywide initiatives that build upon programs and processes already in place.

Following work procedures and improving Process Safety Management

An improved near-hit reporting process is on the way, as is a companywide Leadership Field Observation program that's intended to reinforce the importance of following our work procedures and improving communication around safety. Another initiative, known as Process Safety Management, focuses on safety as a key part of how we design, build, operate and maintain our systems. This includes documenting the work that has been performed; the last step to be completed before we can say a job is done.

When it comes to personal performance, it's also important to note that we have revised our competencies so that they are easier to understand and apply in promoting safety.

We all have a responsibility to work safely, speak up when we see potential risks

and to stop a job when safety is at stake. That requires a climate where we feel supported and confident to communicate openly and raise concerns. The senior leadership team is committed to creating a climate of trust and openness, and we are counting on you to make that commitment, too.

I welcome your ideas and feedback. [Click here to share.](#)

Best,

Des