

Safety and Enforcement Division ALJ-274 Workshop - August 1st 2013  
Comments of Pacific Gas and Electric Company

General Comments

- PGE appreciates the open dialogue approach promoted by SED as PGE and the Commission share a common goal - to enhance the safety of PGE's system
- Successful self-reporting and risk-based programs encourage reporting to promote industry safety (e.g. FAA, NRC, FERC, PHMSA), and provide industry participants an opportunity to cure identified deficiencies in a non-punitive manner
- To establish a safety culture, information and lessons learned should be discussed openly within California and across the United States

Comments on SED ALJ-274 Workshop Notes

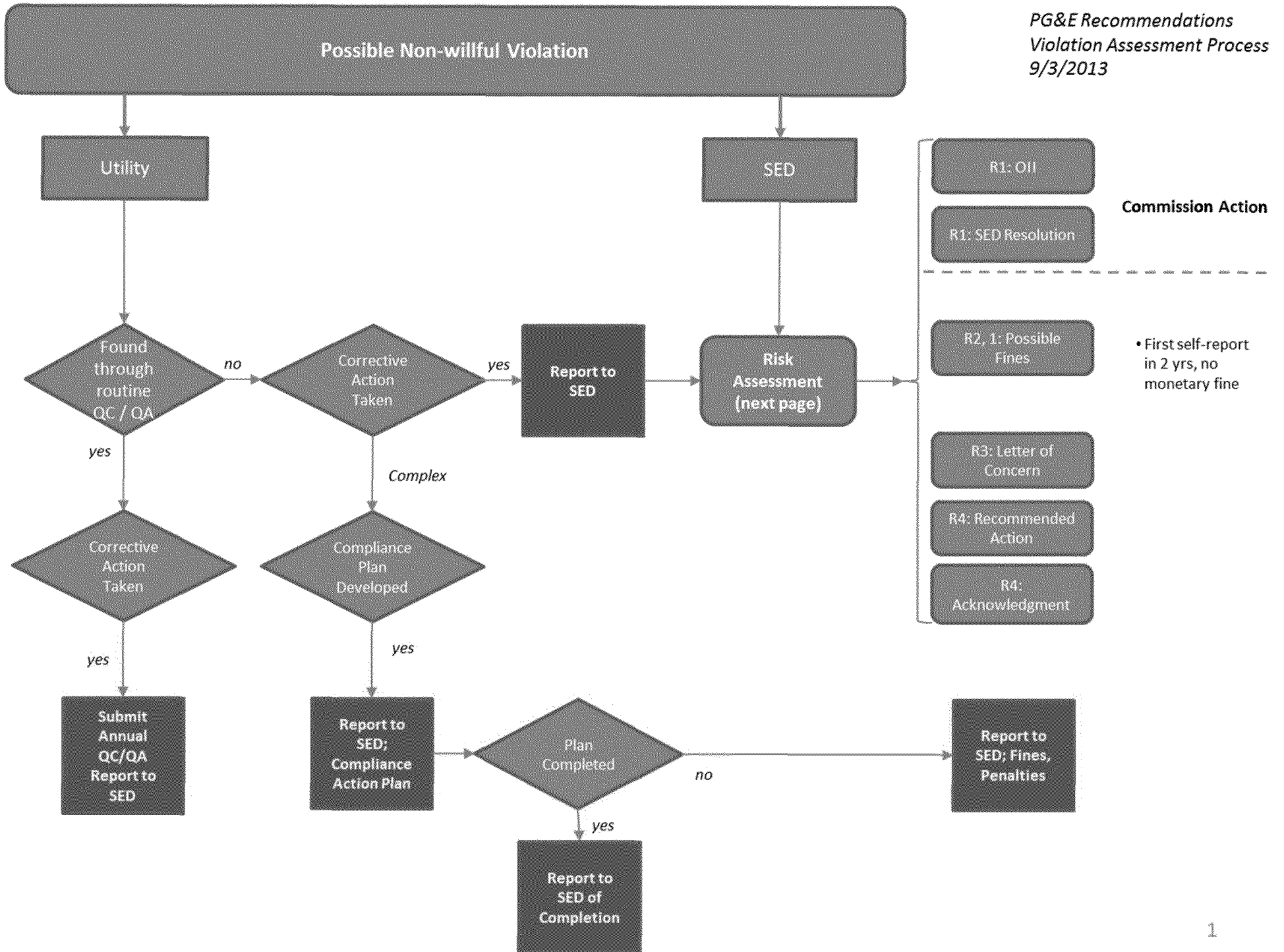
- PGE encourages SED to engage in a dialogue with the Utilities on SED's initial assessment of reported violations, prior to further SED action
- PGE encourages a graduated fine assessment approach be used, after a meet and confer between SED and the Utility
- PGE supports development of defined graduated assessment scale for violations which could include (in increasing levels of seriousness):
  - 1) acknowledgement of a reported violation
  - 2) recommended action
  - 3) letter of concern
  - 4) graduated monetary fines up to some defined limit
  - 5) SED Resolution for Commission decision
  - 6) recommendation for an Order Instituting Investigation

Comments on SED ALJ-274 Workshop Presentation

- P. 30 – SED Citation Assessment Process:
  - PGE recommends that the first step of the process, the "violation" be clearly defined: To encourage Utilities to continue to implement practices that exceed existing law or code, PGE recommends SED define a violation as a deviation from established law or code, not a deviation from a Utility-specific practice or procedure.  
PGE strongly recommends that findings that are identified and corrected through routine QC processes and self-audits should follow a separate process and be reported annually and shared at annual CRC audits  
PGE recommends addressing self-identified issues that will require broad corrective actions through a compliance action plan approved by the SED; the plan will include identified fines for failure to meet the approved plan.  
PGE recommends that self-reported non-willful violations which are the first to be reported in 2 years, receive a credit for self-identification and correction

equal to the amount of a fine, and that a letter of concern, recommendation or acknowledgment be issued.

- P&E recommends SED clarify how non-willful violations will be counted for the purposes of computing whether or not a Utility has incurred more than 1 non-willful violation, of a specific risk level, in the prior 2 years.  
P&E recommends SED consider the entire context and gravity of the violation in its approach, and not automatically count individual occurrences of low risk violations  
Should SED believe a Utility has incurred more than 1 non-willful violation in years, P&E recommends a meet and confer with the Utility
  
- P. 31 / 51 –Draft Risk Matrix:
  - For violations that do not have safety consequences, P&E recommends SED meet and confer with the Utility on the assessment of the contributing factors, and what prevented a possible safety event from occurring
  - For consistency, P&E recommends that:
    - An event “unlikely” to affect life or property and considered “serious” be categorized as a risk level (RL) 3, instead of a RL 2
    - An event “highly likely” to affect life or property and considered “minor” be categorized as a RL 4, instead of a RL 2
  - P&E recommends that SED, ensure reporting requirements provide sufficient opportunity for a Utility to provide context to aid in SED’s determination of likelihood and consequence of failure
  - P&E recommends the definitions for “minor/local media event” and “significant media event” be consistent with current G-112 reporting requirements
  
- For both the Citation Assessment Process and Draft Risk Matrix, please see the following pages for illustrations of recommendations



Risk Assessment

THREATS TO OPERATIONS

<b>Highly Likely</b> <i>Almost with Certainty</i>	<b>RL 4</b> Acknowledgement Recommendation	<b>RL 2</b> Possible Fine	<b>RL 1</b> Possible Fine	<b>RL 1</b> Possible Fine
<b>Likely</b> <i>Need one contributing factor</i>	<b>RL 4</b> Acknowledgement Recommendation	<b>RL 3</b> Letter of Concern	<b>RL 2</b> Possible Fine	<b>RL 1</b> Possible Fine
<b>Possible</b> <i>Need more than one contributing factor</i>	<b>RL 4</b> Acknowledgement Recommendation	<b>RL 3</b> Letter of Concern	<b>RL 3</b> Letter of Concern	<b>RL 2</b> Possible Fine
<b>Unlikely</b> <i>Need ideal condition or unique sequence of events</i>	<b>RL 4</b> Acknowledgement Recommendation	<b>RL 4</b> Acknowledgement Recommendation	<b>RL 4</b> Acknowledgement Recommendation	<b>RL 3</b> Letter of Concern
	<b>Minor</b> No injury, Property damage <\$5k Minor/local media	<b>Moderate</b> No injury Property damage <\$50k Safety-related condition Significant media	<b>Significant</b> Minor injuries (no hospitalization) Property damage >\$50k	<b>Serious</b> <b>Fatality or injury (hospitalization)</b>

Consequence of Failure