

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

Probability

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

Consequence of Failure