

From: Cherry, Brian K  
Sent: 5/21/2014 6:19:55 PM  
To: Scott Murtinshaw (sgm@cpuc.ca.gov)  
Cc:  
Bcc:  
Subject: Fwd: Safety Citation Program OIR Issued

FYI. Fixed.

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Begin forwarded message:

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**Date:** May 21, 2014 at 6:07:25 PM PDT  
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**Subject: Safety Citation Program OIR Issued**

**Purpose:** Provide update on the Safety Citation Program OIR

**Summary:** Today, the Commission issued the Safety Citation Programs Order Instituting Rulemaking (OIR), [R.14-05-013](#). The OIR does not contain the interim per citation cap of \$20million that was in the original OIR, and instead states that the Commission will consider whether a per-citation limit should be implemented. *Please note that the wrong version of the OIR was served earlier this afternoon by the CPUC, and contained the \$20 million cap. This error has been fixed and the CPUC has sent notice to the service list of this correction.*

The OIR attaches a revised version of the draft Resolution for an electric safety citation program as a starting point for the parties and Commission to work from. Attached for ease of reference is the summary of the proposed electric safety citation program that we circulated earlier. As a reminder, the OIR concludes that the Commission’s current gas safety enforcement program adopted in ALJ-274 appears to satisfy the requirements SB 291; therefore, issues relating to the improvement and refinement of the gas and electric safety programs may be addressed once the basic SB 291-compliant electric safety citation program is implemented.

**Next Steps:** Comments on the OIR itself are due June 3<sup>rd</sup> and opening comments on the proposed electric safety citation program are due June 19<sup>th</sup>.

This proceeding will have an aggressive schedule as SB 291 requires the Commission to implement an electric safety program by January 1, 2015.

Please let us know if you have any questions,

Redacted

Steve Garber (3-8003)

Regulatory Proceedings and Rates

Law

**From:** Redacted

**Sent:** Thursday, May 15, 2014 6:27 PM

**To:** Stavropoulos, Nickolas; Williams, Geisha; Bottorff, Thomas E; Soto, Jesus (SVP); Horner, Trina; Cherry, Brian K; Harvey, Kent M; Hartman, Sanford (Law); Loduca, Janet C.; Livingston, Randy; Kiraly, Gregory; Johnson, Kirk; Knapp, Kevin; Mistry, Dinyar; Anderson, Barry; Cherry, Sara; Hogan, Patrick; Lemler, Gregg (ET); Soto, Jesus (SVP); Pruett, Greg S; Bedwell, Ed; Park, Hyun; Suri, Anil K; Fitzpatrick, Tim; Conway, John

**Cc:** Kraska, David (Law); Ferrara, Steven; Wilson, Michelle (Law); Redacted  
Reda Yee, Frances; Thalman, Jon Eric; Redacted  
Redacted Allen, Meredith; Doll, Laura; Redacted Garber, Stephen (Law); Vallejo, Alejandro (Law); Redacted Singh, Sumeet; Christopher, Melvin J. (GSO); Wvspianski, Martin; Everett, Margot; Markland, Janaize; Ramaiva, Shilpa R.; Redacted Moniz-Witten, Tanya; Redacted  
Redacted; Kauss, Kent; Murphy, Margaret; Redacted Chord, Brittany; Redacted Hayes, Kathleen (Law); Back, Eric (ET); Redacted  
Redacted Schirle, Stephen L (Law); Kauss, Kent; Gardyne, Jennifer; Marre, Charles; Wells, Kenneth (ET); Gibson, Bill (Codes); Howe, James; Molica, Joe; Redacted

**Subject:** Safety Citation Program OIR

**Purpose:** Provide update on the Safety Citation Program OIR

**Summary:** On May 15<sup>th</sup>, the Commission voted unanimously to approve a revised draft (attached) of the Order Instituting Rulemaking (OIR), R.14-05-013, to: (1) implement a new electric safety citation program in compliance with Senate Bill (SB) 291; (2) improve and refine both gas and electric safety citation programs; and (3) consider the time and process for possible future modifications of the gas and electric safety citation programs. The major change from the draft OIR is that the adopted version removes the interim per citation cap of \$20 million and eliminates any reference to that number. Instead, the OIR states that “it is not clear that SB 291 requires a per-citation limit, so the existing per-violation limit of \$50k appears to comply with the statute”. The OIR will consider, as a policy, whether a per-citation limit should also be implemented. In addition, Commissioner Florio noted in his comments during the Commission meeting that “the issue of the administrative limit is a tricky one. The statutory cap on violations is not an earth-shaking amount but when...[there is] potential for continuing violations the numbers can get pretty big pretty quickly. I was taken aback when the first assessment was... \$16M for a self-reported violation...Self-reporting...needs to be taken into account in how harsh the penalty is.”

**Next Steps:** Comments on the OIR are due ~May 28<sup>th</sup> and Opening Comments on the proposed Electric Safety Citation Program are due on ~June 13<sup>th</sup>. *(Dates are subject to the issuance of the OIR – we will inform the core team of any changes)*

Please let us know if you have any questions,

Redacted

Steve Garber (3-8003)

Regulatory Proceedings and Rates

Law