From: Cherry, Brian K

Sent: 7/11/2014 3:44:39 PM

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Subject: Safety Plan Thoughts

Michael – I wanted to congratulate you on getting the Commission's first ever safety vision out at the last meeting. It is a major step forward and as Mike Peevey said, a never ending process.

I wanted to offer some additional thoughts that aren't intended to be critical, but additive. Prior to San Bruno, I believe our company focused a lot on what I call small safety (employees wearing gloves and protective equipment) instead of the bigger safety issues like enterprise risk management and the impact of the company's budgeting process on safety. As you move forward, let me suggest that you don't repeat our mistakes. You might want to include in your vision about how the Commission will make future GRCs and other funding decisions dependent on a safety element or standard. In addition to the oversight function you mention, you might also consider how safety is used in evaluating decisions on when or when not to defer costs. Doing this will require staff to be more introspective, but I believe it is well worth the effort. Congratulations again.