

# **I.19-06-014 Informational Workshop: SoCalGas/Sempra Safety Culture Assessment Report**

Thursday, August 18, 2022,  
9:30 AM – 12:30 PM

Hosted by the Safety Policy Division  
Safety Culture & Governance Section



California Public  
Utilities Commission

# WELCOME AND INTRODUCTION

Safety Policy Division

# Purpose of Today's Workshop

Forum for parties and stakeholders to ask questions and discuss SoCalGas' /Sempra's Proposed Safety Culture Improvement Plan, filed on July 29, 2022 as required by Scoping Ruling, issued April 27, 2022.

[Phase 2 Scoping Memo](#)

[SoCalGas/Sempra Proposed Safety Culture Improvement Plan](#)

# Agenda

TOPIC	TIME	DURATION
1. Introduction and Welcome	9:30 AM	5 min
2. Opening Remarks	9:35 AM	5 min
3. Background (SPD)	9:40 AM	10 min
4. SoCalGas and Sempra Safety Culture Improvement Plan Presentation (SoCalGas and Sempra)	9:50 AM	60 min
<i>Break</i>	10:50 AM	10 min
5. Question and Answer	11:00 AM	75 min
6. Informal Public Comment	12:15 PM	10 min
7. Closing Remarks	12:25 PM	5 min

# How to Participate: 2 Different Session types

*Make sure to participate through the appropriate session*

## 1. Question and Answer (Q&A)

- For parties and stakeholders to ask questions about and discuss the Proposed Safety Culture Improvement Plan and related matters.

## 2. (Informal) Public Comment:

- Designed for public participants to provide informal comments.
- Dedicated time at the end of the agenda.

Please keep in mind we may not get to everyone but will do our best to get as many questions and comments as is possible.

# Virtual Housekeeping

## QUESTIONS AND COMMENTS

- **Verbal:**

- Webex

- Click the hand next to your name in the participant list.
  - The event host will call on your name when it is your turn to speak.

- Phone

- Unmute your phone and dial “STAR 3” (\* 3). Please make note of the first 6 digits of your number
  - The event host will call out the first 6 digits of your number when it is your turn to speak.

- **Written:**

- Please type questions into chat
  - Staff will try to resolve questions as they are received or will send to the appropriate speaker.
  - Will follow up on any unanswered questions after the workshop

# Additional Reminders:

- State your name and organization (if applicable) when posing your questions or making your comment
- **Public may submit written comments at any time.** To submit your formal comments at any time on this proceeding members of the public may do so at: [Proceedings Tab5 - Public Comments \(ca.gov\)](#) .
- **Workshop is being recorded** and slides will be sent to the service list and posted on the CPUC website after the meeting ([access here](#))

*One or more Commissioners may attend (including a potential quorum of Commissioners).  
Advisors and Administrative Law Judges may attend, but no official Commission action will be  
taken at this event.*

# OPENING REMARKS

CPUC Commissioners



# BACKGROUND

Safety Policy Division and Dr. Fleming

# Proceeding Background and Schedule

## End of Phase 1 – 2EC Assessment Report (Jan, 2022)

- Deficiencies with both SoCalGas and Sempra
- 150 areas in need of attention, supporting 4 major themes.
- Recommendations SoCalGas, SEMPRRA and CPUC.
- Warns against a checklist approach to improvement.

## Phase 2 – Current (2022)

- *April 27*, Scoping Memo Issued
- June 13, SPD Workshop on Scoping Issues
- *July 29*, SoCalGas SCIP issued
- **Aug 18, SPD Workshop (TODAY)**
- +30 days (Sep 16) Party Opening Comments
- +20 days (Oct 6) Reply Comments due

## Phase 2 Scoping Memo:

- Requires Safety Culture Improvement Plan (SCIP) to address areas of improvement identified in 2EC Report.
- Adopts 6 scoping items related to SCIP's adequacy, implementation accountability (progress metrics, consequences, flexibility), and cost recovery.
- Adopts 8 Principles and 11 Elements to guide SCIP development.
- Establishes use of consultants for SPD and SoCalGas in Phase 2.

# Phase 2 Scoping Memo Issues

1. Whether SoCalGas and Sempra's proposed Safety Culture Improvement Plan **adequately addresses safety culture deficiencies** identified in the Safety Culture Report?
2. Whether SoCalGas and Sempra's proposed Safety Culture Improvement Plan **meets the Commission's required elements** for those plans, as outlined in this proceeding.
3. What **metrics should be adopted** to evaluate SoCalGas and Sempra's progress in implementing their Safety Culture Improvement Plan?
4. What is the appropriate Commission **response** for SoCalGas or Sempra's **failure to meet proposed improvements** in their Safety Culture Improvement Plan within the proposed timeframe?
5. Whether the Commission should allow **cost recovery** for activities related to the safety culture **assessment, developing** a Safety Culture Improvement Plan, and for SoCalGas' **implementation** of a Safety Culture Improvement Plan; and whether the Commission should **condition cost recovery** for the Safety Culture Improvement Plan on SoCalGas or Sempra's good-faith efforts to develop and implement those plans, based on a performance metric, or some other indicators.
6. What expectations should the Commission adopt in relation to SoCalGas and Sempra's **flexibility** to revise their Safety Culture Improvement Plan and their implementation so that continual improvement can be met without compromising accountability and transparency?

## Elements (incorporated in Scoping Item 2) :

1. Identifies **improvement actions** which **directly respond to each of the "Overarching Themes"** identified in the Safety Culture Report (**as informed by the report's findings, conclusions, and recommendations**) and its associated goals.
2. Directly responds to all of the Safety Culture Report findings, including those related to corporate governance.
3. Incorporates the following **principles**: (*see next slide for details*).
4. Describes the key steps for the development of a **systemic approach to safety**.
5. Explains how the Safety Culture Improvement Plan is **effectively integrated** into relevant governance and management systems, policy, processes, and plans.
6. Shows how the Safety Culture Improvement Plan is developed with the support and guidance of **qualified external expertise** with demonstrated experience in safety culture improvement for high hazard industries.
7. Provides for ongoing review and monitoring of implementation **progress and effectiveness** supported by **quantitative and qualitative leading and lagging indicators and metrics**.
8. Includes **implementation timelines** for each element of the Safety Culture Improvement Plan, as applicable.
9. Identifies **mechanisms and processes** that incorporate and respond to **feedback** from activities that monitor, review, and verify progress and effectiveness of its implementation, to refine the Safety Culture Improvement Plan.
10. Includes a **cost estimate** of the actions associated with implementing the elements of the plan, broken down by activity or action.
11. Includes **reporting requirements**.

# Phase 2 Scoping Memo Issues cont.

## Principles (referred to in Element 3):

- a. Continually promotes and reinforces a **commitment to safety** that is responsive to the risk and complexity of the utility's activities.
- b. Adopts a **systemic approach** to safety. A systemic approach to safety considers the complex interactions of the (utility) system, from a micro through to a macro level, including the human, technical, and organizational factors at play.
- c. Reflects a robust **shared understanding of the report's findings**.
- d. Is **goal-oriented** and employs a **methodical** approach for continual improvement of safety culture, providing for **both short- and long-term change and sustainability** (e.g., utilizes management system principles).
- e. Is based on a demonstrated and thoughtful **strategy that is informed by the learnings and recommendations** imparted by the Safety Culture Report and by an **inclusive process** throughout the organizations, including contractors, surrounding community and external stakeholders. The strategy should aim to create a **shared vision of and set of goals for safety culture**, including, but not limited to, roles and responsibilities to support on-going improvement.
- f. ~~Explains how the proposals are effectively integrated into relevant governance and management systems, policy, processes, and plans.~~
- g. Demonstrates **genuine leadership engagement, commitment, and accountability** at the highest levels of the organization throughout the continuous improvement cycle (e.g., the Plan Do Check Act Cycle as incorporated in the American Petroleum Institute Recommended Practice 1173).
- h. Is widely **communicated and understood** throughout the organization.

# 2EC Report - Highlights

- 4 Overarching Themes
- 150 Cultural Facts/areas in need of attention.
- 10 Culture traits used as norms (USNRC/INPO).
  - Identifies weaknesses in relation to what a healthy safety culture should be.

## Overarching Themes

1. Safety is most often perceived as personnel safety
2. Safety and risk are perceived as achieved by compliance
3. Resources are needed to promote a healthy safety culture.
4. Learning and safety improvement require an integrated management system.

# 2EC - Overarching Themes

## 1. Safety is most often perceived as personnel safety.

- Need for leaders to demonstrate commitment to public safety.
- Narrow view of safety (including measurement), may result in complacency.
- Disconnect between management and employees around safety issues.

## 2. Safety and risk are perceived as achieved by compliance.

- Lack of systemic approach to risk management (siloes approach).
- Focus on compliance rather than on continuous improvement.
- Need to create an environment for raising concerns to enable employees to positively contribute to improvement, beyond complying with rules.

## 2EC Report- Overarching Themes Cont.

### 3. Resources are needed to promote a healthy safety culture.

- Leaders demonstrate their priorities through the allocation of resources
- Inadequate staffing, technology and equipment undermine safety
- Management incentives need to be aligned with the promotion of a positive safety culture

### 4. Learning and safety improvement require an integrated management system.

- Limited organizational learning and need for a more self-critical and systemic approach
- Problem identification and resolution often driven by CPUC

# SoCalGas/Sempra Proposed Safety Culture Improvement Plan

Southern California Gas and Sempra Energy



A nighttime cityscape featuring several illuminated buildings and palm trees. In the foreground, a highway overpass is visible with long-exposure light trails from cars, creating streaks of white, red, and yellow light. The sky is a deep blue, and the overall scene is lit with the warm glow of city lights.

# SAFETY FORWARD

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A **SoCalGas**™ Program

**I.19-06-014 - WORKSHOP**

August 18, 2022



## AGENDA

### Background

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Relevant Concepts

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Program Delivery Structure

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Workstreams and Initiatives

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Accountability Model

# SoCalGas's Commitment to Safety

## SoCalGas Mission

Our mission is to build the **cleanest, safest, and most innovative** energy company in America.



clean. safe. innovative.

SoCalGas's longstanding commitment to safety focuses on four primary areas: customer and public safety, the safety of the gas delivery system, employee safety, and contractor safety.

Our approach to safety is built on our value and commitment to continuous improvement, and it is consistent with that commitment that we welcome and appreciate opportunities to learn and improve.

# SoCalGas's Safety Journey

<2010	2010 – 2015	2016 – 2017	2018 – 2019	2019 – 2020	2021
<ul style="list-style-type: none"> <li>Executive Safety Council established</li> <li>Annual Employee Health &amp; Safety Congress began</li> <li>ESCMP (based on ISO 14000 Standard) implemented</li> <li>Safety Information Management System (SIMS) and SIMS Portal rolled out</li> </ul>	<ul style="list-style-type: none"> <li>SoCalGas formally starts exploring and assessing its safety culture and safety management capabilities</li> <li>Sought support from National Safety Council (NSC) and conducted first NSC Safety Barometer Survey</li> <li>Stop the Job formalized and implemented with employees/contractors</li> <li>Formal close call/near miss reporting program initiated</li> <li>Annual Contractor Safety Congress established</li> <li>NSC Safety Barometer Survey performed in 2013</li> </ul>	<ul style="list-style-type: none"> <li>SoCalGas' initial 3rd Party Pipeline Safety Management System Gap Assessments conducted</li> <li>Established Pipeline Safety Management System (PSMS) Team within Gas System Integrity Staff and Programs (GSISP) organization</li> <li>ISN Contractor Safety Vetting, Grading &amp; Variance Process implemented</li> <li>Contractor Safety Manual published</li> <li>NSC Safety Barometer Survey performed in 2016</li> </ul>	<ul style="list-style-type: none"> <li>Established PSMS Director Steering Committee /Executive Steering Committee</li> <li>Established PSMS Tenet Champions</li> <li>Transitioned to SMS Organization</li> <li>NSC Safety Barometer Survey performed in 2018</li> </ul>	<ul style="list-style-type: none"> <li>Established SMS Organization</li> <li>Established Safety Committee to Board</li> <li>Integrated ten PSMS tenets into seven SoCalGas Safety Values</li> <li>Published an inaugural 2020 SMS Plan</li> <li>Independent Safety Advisory Council established</li> </ul>	<ul style="list-style-type: none"> <li>Aligned independent Chief Safety Officer reporting to CEO</li> <li>Completed first Annual Management Review of SMS by SMT</li> <li>Published SMS Company Operations Standard</li> <li>Comprehensive Maturity Assessment of SoCalGas SMS completed by American Petroleum Institute</li> <li>Safety Culture OII Phase I Assessment completed by CPUC/2EC</li> <li>NSC Safety Barometer Survey performed</li> </ul>

Source: SoCalGas

# 2EC Assessment



- » In 2019, the California Public Utilities Commission selected a consultant (2EC) to assess SoCalGas’s “organizational culture and governance.”
- » In 2022, 2EC released its assessment, identifying opportunities for SoCalGas to enhance its safety culture by “building on what is already working” and understanding and addressing cultural forces that may need more attention.
- » The 2EC Assessment is framed around four themes:
  - Safety is most often perceived as personnel safety.
  - Safety and risk are perceived as achieved by compliance.
  - Resources are needed to promote a healthy safety culture.
  - Learning and safety improvement require an integrated management system.

# SoCalGas's Safety Culture Improvement Plan



- » SoCalGas's Plan explains and details our approach to creating a shared vision for safety culture, specifies responsibilities, details plans and actions, provides processes to assess culture on an ongoing basis, evaluates Plan processes and progress, and describes sustainment and continuous improvement actions.

**“A culture that embraces learning, continuous improvement, and risk mitigation as core aspects of our shared duty to protect the public, the environment, our system, and each other”**

# Plan Objectives

<b>Drive a holistic view of safety</b>	Build and operationalize a comprehensive understanding of safety across the organization
<b>Enhance dynamic risk assessment capability</b>	Develop a more dynamic approach to risk assessment and enhance systems and processes
<b>Optimize safety operating model</b>	Enhance SoCalGas's resource allocation approach and safety operating model in alignment with safety management goals
<b>Enhance SMS integration</b>	Expand data gathering and enhance integration across key safety information processes and systems
<b>Mature as a learning organization</b>	Enable and influence a shift in safety culture by fostering a more collaborative learning environment

## AGENDA

Background

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**Relevant Concepts**

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Program Delivery Structure

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Workstreams and Initiatives

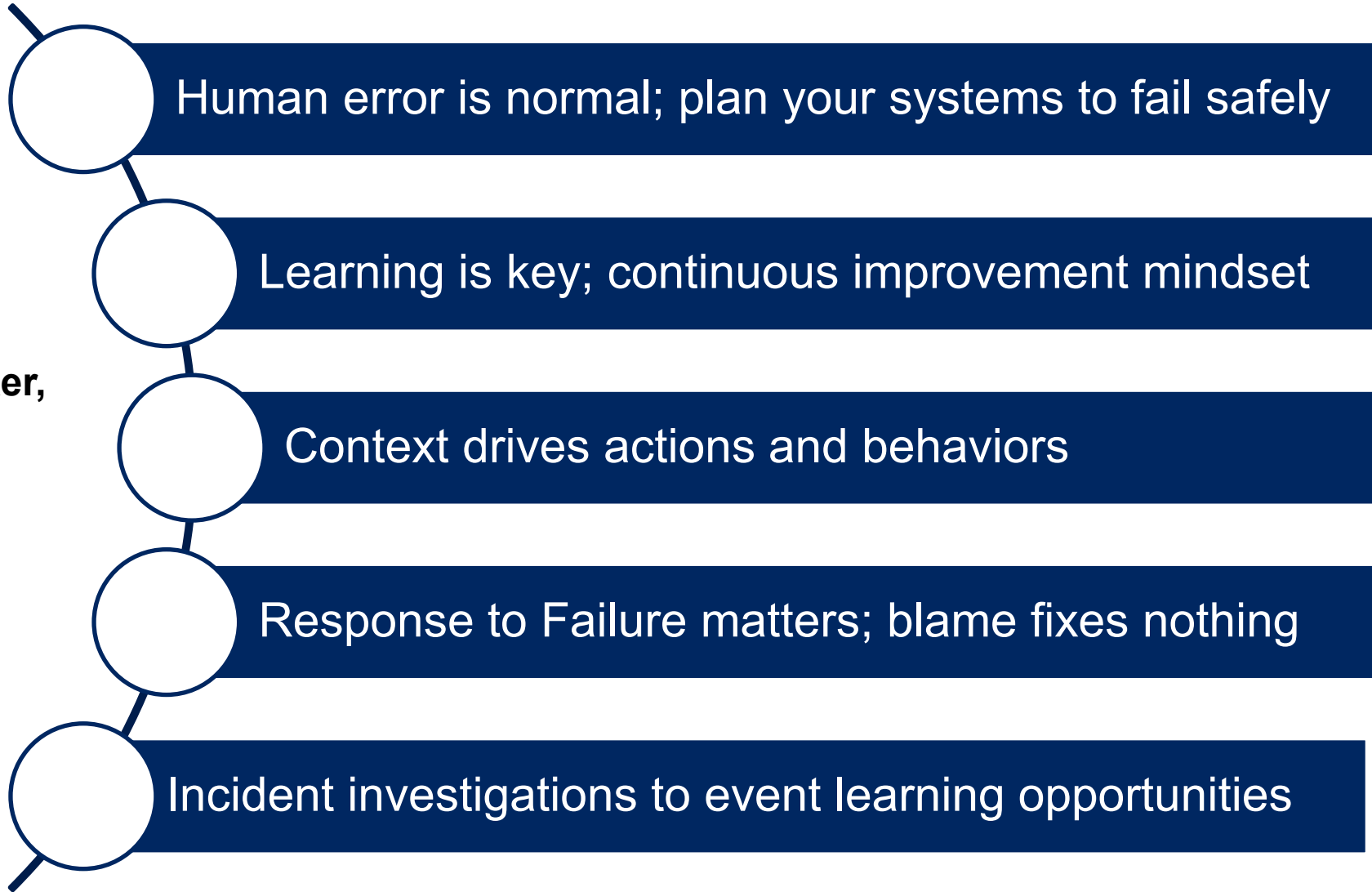
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Accountability Model



# Human and Organizational Performance

Conklin, Dekker,  
and Reason



# Learning Organizations



**Dr. Peter Senge,  
MIT Sloan  
School of Mgmt**

# High Reliability Organizations

LaPorte, Rochlin,  
Roberts,  
UC Berkeley



# Concepts, Context, and Capacity

- » A systems approach to safety
- » An understanding that work processes are dynamic and increasingly complex.
- » Recognition that the worker is the best source of knowledge as to how the work gets done.
- » Realization that human error is part of the human condition. Critical steps need safeguards because mistakes are going to happen.
- » Learning is a key to prevention. You can't blame and learn at the same time.
- » To fully understand risk, you need to understand the organization's capacity to deal with risk. That requires an increased understanding of the system and context in which work gets done.
- » To address system issues, attention needs to be paid to culture, management systems, process conditions, and human factors

## AGENDA

Background

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Relevant Concepts

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**Program Delivery Structure**

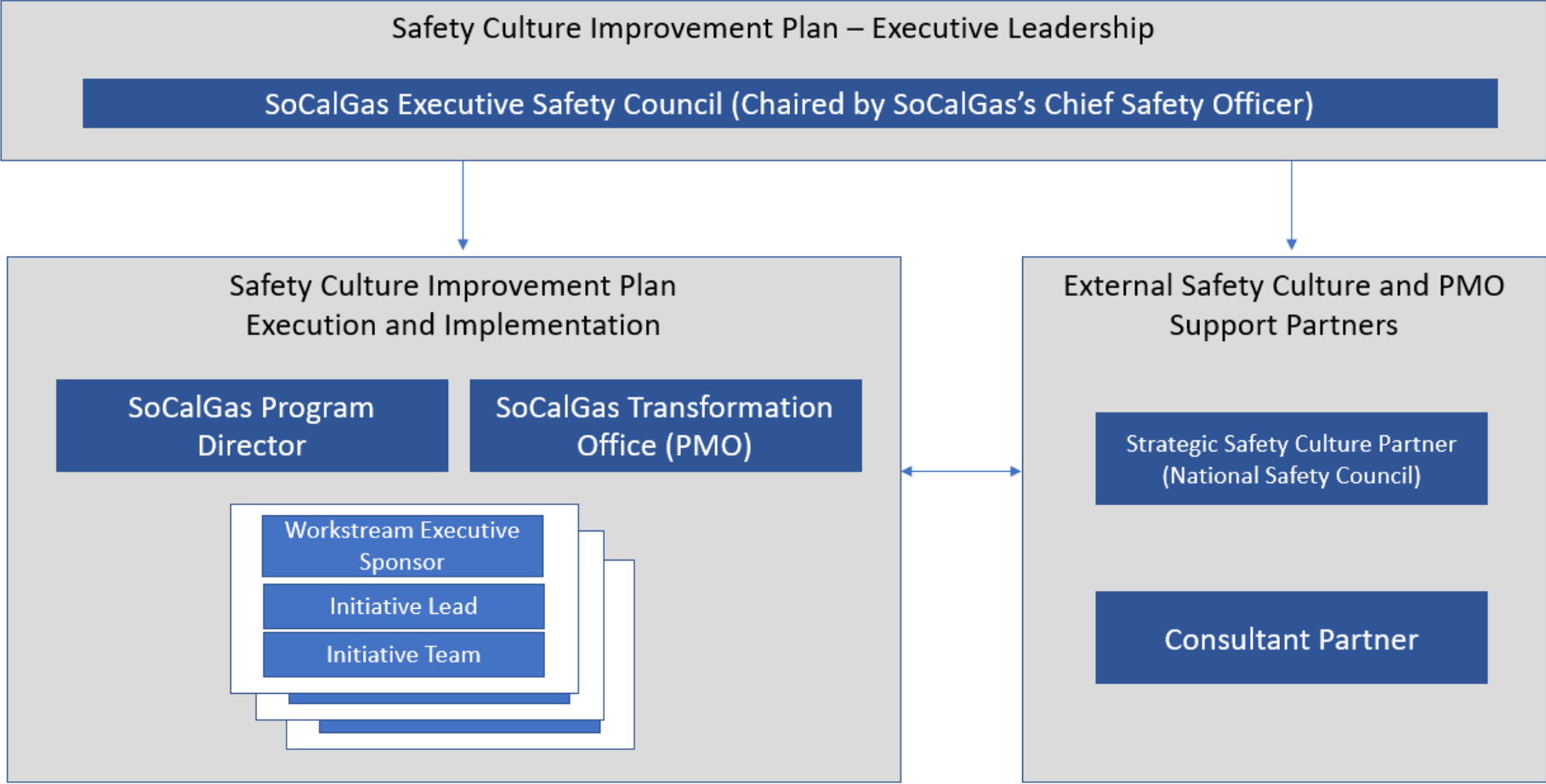
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Workstreams and Initiatives

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Accountability Model

# Safety Forward Program Structure



# Safety Forward Workstreams

Build and operationalize a comprehensive understanding of safety across the organization.  
**- VP Gas Distribution**

Develop a more dynamic approach to risk assessment and influence decision-making.  
**- VP Risk Management & Chief Risk Officer**



Enable and influence a shift in safety culture by fostering a more collaborative learning environment.  
**- VP Customer Service**

Enhance SoCalGas's resource allocation approach and safety operating model in alignment with safety management goals.  
**- VP Supply Chain and Operations Support**

Expand data gathering and enhance integration across key safety information processes and systems.  
**- VP Construction**

# Change Management Strategy

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Being proactive and responsive to stakeholders

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Anticipating and addressing potential impacts of the change

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Anticipating and addressing potential resistance to change

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Planning for and guiding the change

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Enabling the target audience of the change to perform in the future state

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Planning to sustain new ways of working and for continuous improvement in the desired future state



# Communication Strategy

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Demonstrate leadership commitment/engaged sponsorship

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Engage stakeholders throughout the organization and externally

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Obtain and incorporate stakeholder input

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Emphasize the value of continuous learning

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Measure impact

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## AGENDA

Background

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Relevant Concepts

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Program Delivery Structure

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**Workstreams and Initiatives**

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Accountability Model

# Plan Workstreams & Initiatives

- **1A:** **Leadership dialogues** to define and implement a more comprehensive concept of safety with guidance from an external expert
- **1B:** Create a shared understanding of safety through an enterprise-wide communication plan, with focus on **two-way engagement** with stakeholders
- **1C:** Review and **update documents, processes, and communications to incorporate** comprehensive view of safety

- **2A:** **Improve systems and processes through dynamic risk assessment** practices
- **2B:** Introduce and integrate the concept of **“Dynamic Risk Assessment”** into training and hazard assessments

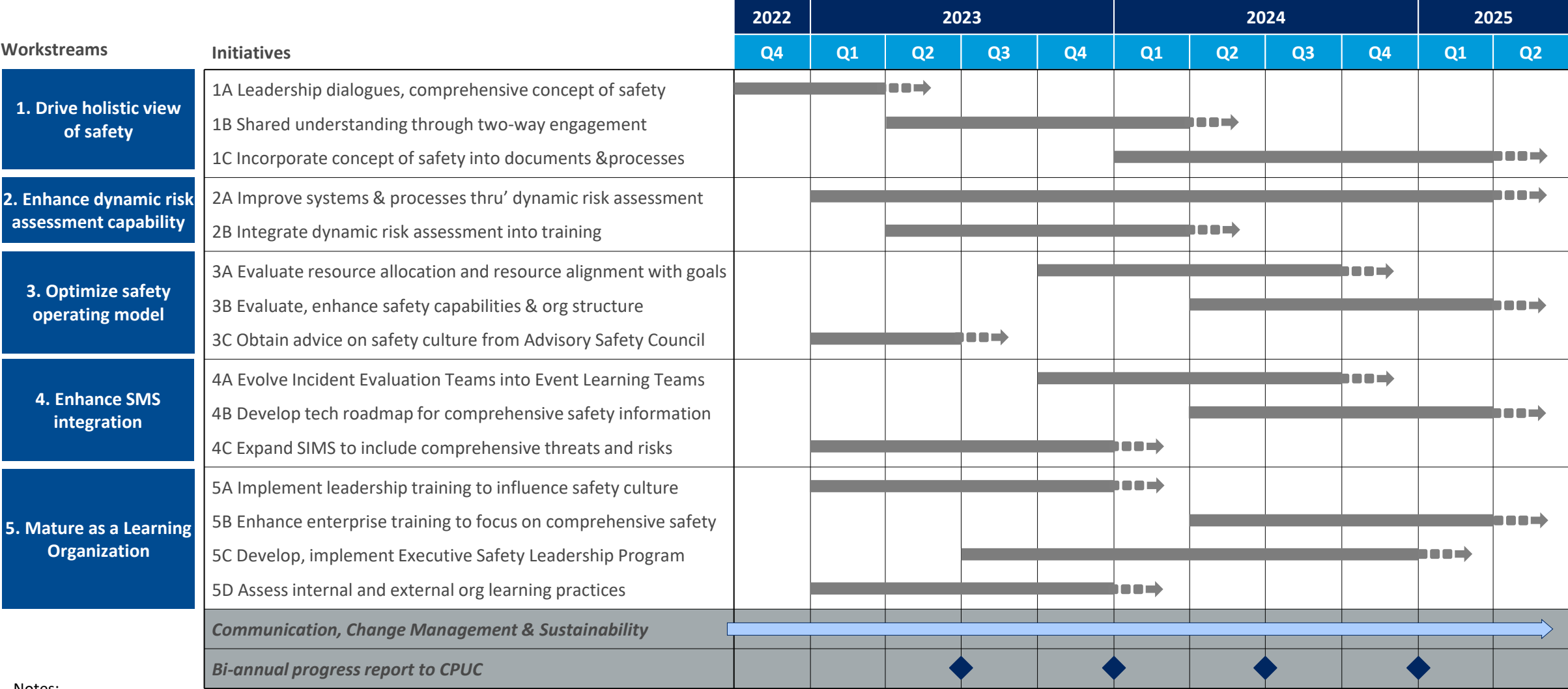
- **3A:** Evaluate **resource allocation** to validate technology, staffing, and equipment are aligned with safety and risk management goals
- **3B:** Evaluate and enhance safety capabilities and **organizational structure** to promote safety management objectivity and controls
- **3C:** Obtain advice for implementing systematic approach to safety and improving safety culture through the SoCalGas **Advisory Safety Council**

- **5A:** Refine and **implement leadership training** to expand management influence on advancing and enhancing safety culture
- **5B:** **Enhance existing enterprise training** to focus on comprehensive safety and promote interdisciplinary transparency and collaboration
- **5C:** Develop and implement an **Executive Safety Leadership Program (ESLP)** to introduce and explore safety culture concepts and potential application to the SoCalGas organization
- **5D:** Assess existing internal and external **organizational learning practices** that advance safety culture and performance and explore concepts and practical approaches that may be deployed within SoCalGas.

- **4A:** Evolve current “Incident Evaluation Teams” model into **“Event Learning Teams”** incorporating dialogue, feedback, and follow-up
- **4B:** Develop a **technology roadmap** to support a more integrated and comprehensive view of safety information
- **4C:** Expand Safety Incident Management System to include more **comprehensive view** of potential threats and risk



# Preliminary Program Roadmap



- Notes:
- Workstream sponsors and leads will refine initiative details and timeline upon onboarding
  - Following completion of the initiatives as defined in the safety culture improvement plan, execution will continue for further improvement and sustainability

## AGENDA

Background

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Relevant Concepts

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Program Delivery Structure

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Workstreams and Initiatives

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**Accountability Model**

# Accountability Model

## Milestones

- Confirm that initiatives and actions have been taken and implemented

## Metrics

- Assess implementation and enable adjustments and continuous improvement

## Indicators

- Help understand Plan effectiveness in realizing cultural change

## Assessments

- Pulse checks and future assessments to understand how the Plan, workstreams, and initiatives are being received and internalized

## Reporting

- Bi-annual (twice a year) reporting on Safety Culture Improvement Plan implementation and progress

# Accountability Model

	Milestone Progress Tracking (Initiative & Program Level)	Initiative-Level Metrics	Indicators and Assessments
Description & Purpose	<ul style="list-style-type: none"> <li>Tracking completion of significant activities that provide insight into progress</li> <li>Tracking will help identify implementation challenges and will inform adjustments to future actions</li> <li>Incremental progress expected to be observed every few weeks / months depending on initiative complexity</li> </ul>	<ul style="list-style-type: none"> <li>Quantitative measures that indicate progress towards applicable intermediate and completion milestones</li> <li>Initiative-level metrics will continue to be refined as initiatives commence</li> <li>Incremental progress expected to differ by initiative</li> </ul>	<ul style="list-style-type: none"> <li>Key data and employee feedback-based measures that indicate effectiveness of the plan</li> <li>Some metrics may require a current state assessment to serve as a baseline to measure future progress</li> <li>Incremental change expected to be observed longer-term</li> </ul>
Examples	<p>Initiative-level examples:</p> <ul style="list-style-type: none"> <li>Completion of process / training development</li> <li>Deployment of process / training</li> </ul> <p>Program-level examples:</p> <ul style="list-style-type: none"> <li>Initiative completion</li> <li>Program pulse check completed (per period)</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of individuals to have completed a training</li> <li>Number of dialogue sessions completed</li> <li>Number of bases or departments engaged as part of dialogue sessions</li> </ul>	<ul style="list-style-type: none"> <li>Analyzing safety data (stop the job, near misses, close calls) for trends in risk awareness, questioning attitude, and comprehensive understanding of safety</li> <li>Focus groups, pulse check surveys, and employee engagement data</li> <li>Future comprehensive assessment(s)</li> </ul>

# | Appendix: Initiative Details



# | Appendix: Initiative Details

*Workstream 1: Drive A Holistic View of Safety*

# Initiative 1A - Leadership dialogues to define and implement a more comprehensive concept of safety with guidance from an external expert

**NON-EXHAUSTIVE**

### Initiative Actions

- Engage external expert to facilitate leadership dialogues and identify targeted learning and benchmarking opportunities
- Align leadership on a comprehensive concept of safety for SoCalGas – discussions of this comprehensive concept of safety should include consideration of public safety, system safety, employee safety, contractor safety, environmental safety, and the safety of vulnerable populations
- Enhance understanding of foundational concepts like safety, risk, and compliance, and their application in day-to-day work
- Refine the comprehensive concept of safety with feedback from the broader organizational dialogues (Initiative 1B)
- Evaluate whether the Plan should be refined based on Initiative 1A and Initiative 1B

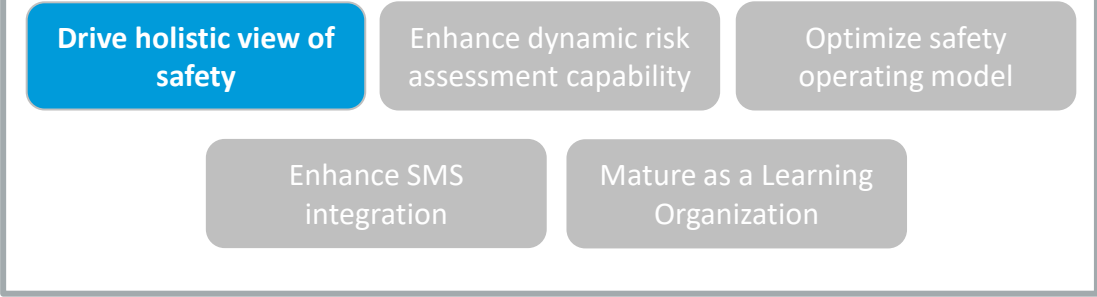
### Key Benefits

- Comprehensive and consistent understanding of safety
- Common understanding of terms and definitions to facilitate dialogues and learning
- Visible leadership commitment to Safety Culture Improvement Plan
- Develop more cohesive organization mindset focused on safety and risk reduction
- Broader safety focus and awareness

### Completion Milestones

- Defined comprehensive concept of safety informed by safety culture experts

### Workstream



### Duration

- Short (up to 6 months)

### Estimated Costs

- \$70,000 - \$80,000

### Potential Next Steps

- Use this initial broader conceptualization of safety to guide further dialogues and discussion (Initiative 1B)
- Once the broader concept of safety has been developed as part of Initiative 1B:
  - Communicate this broader concept of safety throughout the enterprise and to stakeholders
  - Use change management tools and practices to incorporate the broader concept of safety in actions, efforts, and documentation throughout the enterprise (Initiative 1C)
  - Use broader concept of safety to inform revisions and changes to Plan and other Workstreams

# Initiative 1B - Create a shared understanding of safety through an enterprise-wide communication plan, with focus on two-way engagement with stakeholders

NON-EXHAUSTIVE

### Initiative Actions

- Engage in dialogues and solicit feedback on safety and safety culture - discussions of this comprehensive concept of safety should include consideration of public safety, system safety, employee safety, contractor safety, environmental safety, and the safety of vulnerable populations
- Analyze feedback and identify potential action items
- Develop a comprehensive message and communication plan around safety culture, including engagement with internal and external stakeholders
- Share a comprehensive understanding of safety with the organization and how it impacts each organizational unit
- Share the concept of learning teams and mechanisms to communicate safety concerns upwards through the organization
- Evaluate whether Plan should be refined based on Initiative 1A and Initiative 1B dialogues

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### Key Benefits

- More open and trusting employee environment
- Increased employee engagement
- Enhanced understanding of safety
- Common understanding of terms and definitions to facilitate dialogues and learning
- Increase a cohesive organization mindset focused on safety and risk reduction
- Broader safety focus and awareness

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### Completion Milestones

- Prepared summary of outcomes and actions from dialogue sessions with stakeholders
- Defined comprehensive concept of safety informed by safety culture experts and aligned on at the leadership level

### Workstream

**Drive holistic view of safety**

Enhance dynamic risk assessment capability

Optimize safety operating model

Enhance SMS integration

Mature as a Learning Organization

### Duration

- Medium (6 to 12 months)

### Estimated Costs

- \$1,440,000 - \$2,360,000

### Potential Next Steps

- Communicate this broader concept of safety throughout the enterprise and to stakeholders
- Use change management tools and practices to incorporate the broader concept of safety in actions, efforts, and documentation throughout the enterprise (Initiative 1C)
- Use broader concept of safety to inform revisions and changes to Plan and other Workstreams

# Initiative 1C - Review and update documents, processes, and communications to incorporate the comprehensive view of safety

NON-EXHAUSTIVE

<p><b>Initiative Actions</b></p> <ul style="list-style-type: none"> <li>• As part of existing, ongoing review efforts, develop process to review and update documents (e.g., policies, procedures, practices) to (1) incorporate a more comprehensive view of safety; and (2) determine whether new concepts inform opportunities to streamline policies and procedures</li> <li>• Enhance routine templates (tailgates, hazard assessments) and safety conversations to include a more comprehensive view of safety</li> <li>• Incorporate more comprehensive concept of safety into SMS program and communications</li> </ul>
<p><b>Key Benefits</b></p> <ul style="list-style-type: none"> <li>• Enhanced understanding of safety</li> <li>• Common understanding of terms and definitions to facilitate dialogues and learning</li> <li>• Increase organizational competence and awareness of safety management best practices</li> <li>• Increase cohesive organization mindset focused on safety and risk reduction</li> <li>• Broader safety focus and awareness</li> </ul>
<p><b>Completion Milestones</b></p> <ul style="list-style-type: none"> <li>• Comprehensive concept of safety incorporated into SMS program documents, routine templates, and companywide communications</li> <li>• Process created that identifies cadence and process to update policies and procedures as part of regular review sentence</li> </ul>

<p><b>Workstream</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="background-color: #0070c0; color: white; padding: 10px; border-radius: 5px; text-align: center;"> <p>Drive holistic view of safety</p> </div> <div style="background-color: #d9d9d9; padding: 10px; border-radius: 5px; text-align: center;"> <p>Enhance dynamic risk assessment capability</p> </div> <div style="background-color: #d9d9d9; padding: 10px; border-radius: 5px; text-align: center;"> <p>Optimize safety operating model</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;"> <div style="background-color: #d9d9d9; padding: 10px; border-radius: 5px; text-align: center;"> <p>Enhance SMS integration</p> </div> <div style="background-color: #d9d9d9; padding: 10px; border-radius: 5px; text-align: center;"> <p>Mature as a Learning Organization</p> </div> </div>
<p><b>Duration</b></p> <ul style="list-style-type: none"> <li>• Long (longer than 12 months)</li> </ul>
<p><b>Estimated Costs</b></p> <ul style="list-style-type: none"> <li>• \$260,000</li> </ul>
<p><b>Potential Next Steps</b></p> <ul style="list-style-type: none"> <li>• Ongoing updates on completed documentation/ process changes</li> </ul>

# | Appendix: Initiative Details

*Workstream 2: Enhance Dynamic Risk Assessment Capability*

NON-EXHAUSTIVE

<h3>Initiative Actions</h3> <ul style="list-style-type: none"><li>• Create processes to evaluate and enhance how SoCalGas communicates about incidents, risks, learnings, and improvements</li><li>• Establish common understanding of dynamic risk assessments and how they can be used throughout the organization to improve employee and system safety</li><li>• Identify opportunities to improve and standardize approaches to risk management</li><li>• Create awareness about Human and Organization Performance tools to better inform decision making</li></ul>
<h3>Key Benefits</h3> <ul style="list-style-type: none"><li>• Improved understanding of safety and risk</li><li>• Promote environment of learning</li><li>• Increase cohesive organization mindset focused on safety and risk reduction</li><li>• Additional focus on systems and processes to prevent and/or mitigate incidents or high-risk scenarios</li></ul>
<h3>Completion Milestones</h3> <ul style="list-style-type: none"><li>• Processes created to communicate incidents, risks, learnings, and improvements across the enterprise</li></ul>

<h3>Workstream</h3> <ul style="list-style-type: none"><li>• Drive holistic view of safety</li><li>• <b>Enhance dynamic risk assessment capability</b></li><li>• Optimize safety operating model</li><li>• Enhance SMS integration</li><li>• Mature as a Learning Organization</li></ul>
<h3>Duration</h3> <ul style="list-style-type: none"><li>• Long (longer than 12 months)</li></ul>
<h3>Estimated Costs</h3> <ul style="list-style-type: none"><li>• \$370,000</li></ul>
<h3>Potential Next Steps</h3> <ul style="list-style-type: none"><li>• Expand dynamic risk assessment activities and associated communications</li></ul>

# Initiative 2B - Introduce and integrate the concept of “Dynamic Risk Assessment” into training and hazard assessments

NON-EXHAUSTIVE

## Initiative Actions

- Incorporate Energy Based Hazard Recognition (i.e., energy wheel) into dynamic risk assessment activities to guide how to assess and mitigate potential hazards
- Refine employee and contractor training and work practices to incorporate “what if” scenarios that empower individuals to identify risks and “Stop the Job”
- Launch new incident evaluation matrix to provide guidance to the level of evaluation to be undertaken by type of incident (personnel, pipeline, equipment, and potential serious injuries and fatalities), including close call, near miss, and “Stop the Job”

## Key Benefits

- Improved understanding of safety and risk
- Common understanding of terms and definitions to facilitate dialogues and learning
- Increase organizational competence and awareness of safety management best practices
- Develop more cohesive organization mindset focused on safety and risk reduction
- Support environment of learning

## Completion Milestones

- Energy wheel Incorporated into dynamic risk assessment activities
- New incident evaluation matrix implemented
- Training materials developed on dynamic risk assessments

## Workstream

Drive holistic view of safety

**Enhance dynamic risk assessment capability**

Optimize safety operating model

Enhance SMS integration

Mature as a Learning Organization

## Duration

- Medium (6 to 12 months)

## Estimated Costs

- \$200,000

## Potential Next Steps

- Incorporate dynamic risk assessment concept into applicable process / procedure documentation

# | Appendix: Initiative Details

*Workstream 3: Optimize Safety Operating Model*



# Initiative 3A - Evaluate resource allocation to validate technology, staffing, and equipment are aligned with safety and risk management goals

NON-EXHAUSTIVE

**Initiative Actions**

- Assess resource allocation and processes across business segments with respect to safety and risk management goals
- Identify opportunities to optimize resources and improve the resource planning process to support safety and risk management goals
- Assess workforce planning and hiring processes to understand workforce capacity (e.g., number of employees, staffing levels and processes, bandwidth, etc.) and identify potential opportunities to improve
- Assess opportunities to improve communications and training around resource allocations processes

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**Key Benefits**

- Improve overall risk reduction and safety management
- Enhance employee awareness of resource allocation processes

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**Completion Milestones**

- Assessment completed to determine if assigned resources are adequate in managing programs, achieving safety objectives, and reducing operating risks
- Assessment completed of workforce planning and hiring processes
- Communication and training plan prepared

**Workstream**

Drive holistic view of safety

Enhance dynamic risk assessment capability

Optimize safety operating model

Enhance SMS integration

Mature as a Learning Organization

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**Duration**

- Medium (6 to 12 months)

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**Estimated Costs**

- \$410,000 - \$670,000

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**Potential Next Steps**

- Implement enhancements and determine cadence for ongoing communication and training

NON-EXHAUSTIVE

<p><b>Initiative Actions</b></p> <ul style="list-style-type: none"> <li>• Conduct evaluation of existing safety capabilities and organizational structure including safety management roles, responsibilities, and decision rights</li> <li>• Assess whether the more comprehensive concept of safety leads to changes to organizational structure and processes</li> <li>• Assess opportunities to better integrate SMS principles and practices into safety operating model</li> <li>• Prepare a refined SoCalGas safety operating model based on assessment and evaluation activities</li> </ul>
<p><b>Key Benefits</b></p> <ul style="list-style-type: none"> <li>• Optimized operating model aligned to comprehensive concept of safety and organizational safety goals and objectives</li> </ul>
<p><b>Completion Milestones</b></p> <ul style="list-style-type: none"> <li>• Assessment completed of SoCalGas safety operating model and organizational structure</li> </ul>

<p><b>Workstream</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid gray; border-radius: 10px; padding: 5px; background-color: #f0f0f0;">Drive holistic view of safety</div> <div style="border: 1px solid gray; border-radius: 10px; padding: 5px; background-color: #f0f0f0;">Enhance dynamic risk assessment capability</div> <div style="border: 1px solid gray; border-radius: 10px; padding: 5px; background-color: #0070c0; color: white;">Optimize safety operating model</div> </div> <div style="display: flex; justify-content: center; margin-top: 10px;"> <div style="border: 1px solid gray; border-radius: 10px; padding: 5px; background-color: #f0f0f0; margin: 0 10px;">Enhance SMS integration</div> <div style="border: 1px solid gray; border-radius: 10px; padding: 5px; background-color: #f0f0f0; margin: 0 10px;">Mature as a Learning Organization</div> </div>
<p><b>Duration</b></p> <ul style="list-style-type: none"> <li>• Medium (6 to 12 months)</li> </ul>
<p><b>Estimated Costs</b></p> <ul style="list-style-type: none"> <li>• \$410,000 - \$660,000</li> </ul>
<p><b>Potential Next Steps</b></p> <ul style="list-style-type: none"> <li>• Begin implementing changes and enhancement to governance structure and processes consistent with the refined SoCalGas safety operating model</li> </ul>

# Initiative 3C - Obtain advice for implementing systematic approach to safety and improving safety culture through the SoCalGas Advisory Safety Council

NON-EXHAUSTIVE

<h3>Initiative Actions</h3> <ul style="list-style-type: none"><li>Expand or modify Advisory Safety Council to enhance expertise on systematic safety and safety culture</li><li>Use enhanced expertise to advise on Safety Culture Improvement Plan approach, Workstreams, and Initiatives</li><li>Evaluate role of the Advisory Safety Council periodically to identify opportunities for continuous improvement</li></ul>
<h3>Key Benefits</h3> <ul style="list-style-type: none"><li>Increases awareness of leading practices to support SoCalGas's safety culture change effort and adoption of systematic safety practices</li><li>Provides external and diverse views on identifying opportunities for continuous improvement</li></ul>
<h3>Completion Milestones</h3> <ul style="list-style-type: none"><li>Enhanced Advisory Safety Council to incorporate safety culture and systematic approach to safety expertise</li></ul>

<h3>Workstream</h3> <pre>graph TD; A[Drive holistic view of safety] --- B[Enhance dynamic risk assessment capability]; B --- C[Optimize safety operating model]; C --- D[Enhance SMS integration]; C --- E[Mature as a Learning Organization];</pre>
<h3>Duration</h3> <ul style="list-style-type: none"><li>Short (up to 6 months)</li></ul>
<h3>Estimated Costs</h3> <ul style="list-style-type: none"><li>\$40,000</li></ul>
<h3>Potential Next Steps</h3> <ul style="list-style-type: none"><li>Identify specific questions and issues related to culture and systemic safety for discussion at future Advisory Safety Council meetings.</li></ul>

# | Appendix: Initiative Details

*Workstream 4: Enhance SMS Integration*

# Initiative 4A - Evolve current “Incident Evaluation Teams” model into “Event Learning Teams” incorporating dialogue, feedback, and follow-up

NON-EXHAUSTIVE

<p><b>Initiative Actions</b></p> <ul style="list-style-type: none"> <li>• Pilot and mature the concept of “Event Learning Teams,” which deploys cross functional and frontline teams to explore incidents and identify learning and improvement opportunities</li> <li>• Incorporate two-way communication mechanisms that encourage employees and contractors to raise concerns and exhibit a questioning attitude</li> <li>• Use the concept of “Event Learning Teams” to evaluate internal and external incidents and near misses, projects and procedures that were notable successes, and critical processes/procedures to identify trends and areas of process risk or lack of policy guidance</li> </ul>
<p><b>Key Benefits</b></p> <ul style="list-style-type: none"> <li>• Improved understanding of safety and risk</li> <li>• Develop more cohesive organization mindset focused on safety and risk reduction</li> <li>• More open and trusting employee environment</li> <li>• Support environment of learning</li> </ul>
<p><b>Completion Milestones</b></p> <ul style="list-style-type: none"> <li>• Pilot Event Learning process that can be expanded to other parts of the enterprise</li> <li>• Analyses for selected incidents/misses/processes completed</li> </ul>

<p><b>Workstream</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid gray; border-radius: 10px; padding: 5px; background-color: #f0f0f0;">Drive holistic view of safety</div> <div style="border: 1px solid gray; border-radius: 10px; padding: 5px; background-color: #f0f0f0;">Enhance dynamic risk assessment capability</div> <div style="border: 1px solid gray; border-radius: 10px; padding: 5px; background-color: #f0f0f0;">Optimize safety operating model</div> </div> <div style="display: flex; justify-content: center; align-items: center; margin-top: 10px;"> <div style="border: 1px solid gray; border-radius: 10px; padding: 5px; background-color: #0070c0; color: white; margin-right: 20px;">Enhance SMS integration</div> <div style="border: 1px solid gray; border-radius: 10px; padding: 5px; background-color: #f0f0f0;">Mature as a Learning Organization</div> </div>
<p><b>Duration</b></p> <ul style="list-style-type: none"> <li>• Medium (6 to 12 months)</li> </ul>
<p><b>Estimated Costs</b></p> <ul style="list-style-type: none"> <li>• \$1,090,000</li> </ul>
<p><b>Potential Next Steps</b></p> <ul style="list-style-type: none"> <li>• Expand pilot activities to include other geographies, teams, and asset groups</li> </ul>

# Initiative 4B - Develop a technology roadmap to support a more integrated and comprehensive view of safety information

NON-EXHAUSTIVE

**Initiative Actions**

- Evaluate existing processes and reporting systems to identify potential enhancement and integration opportunities
- Identify opportunities to improve enterprise data management and governance at SoCalGas
- Support development of a technology roadmap to integrate safety data and information across the organization
- Pilot future state predictive analytics & reporting capabilities which support identification of safety trends

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**Key Benefits**

- Improved understanding of safety and risk
- Develop more cohesive organization mindset focused on safety and risk reduction
- Enables proactive risk mitigation strategies by increasing visibility and creating predictive analytics
- Increases the probability of identifying not only the obvious threats to risk but those that might be exacerbated when combined with others
- Enables operational efficiency to best equip SoCalGas for safety and risk management

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**Completion Milestones**

- Inventory data sources to be integrated in the future state
- Technology roadmap complete
- Completion of proof of concept/pilot for reporting and analytics with future state requirements defined including new leading indicator metrics

**Workstream**

Drive holistic view of safety

Enhance dynamic risk assessment capability

Optimize safety operating model

Enhance SMS integration

Mature as a Learning Organization

**Duration**

- Medium (6 to 12 months)

**Estimated Costs**

- \$390,000 - \$640,000

**Potential Next Steps**

- Begin implementing changes and enhancements consistent with the roadmap

# Initiative 4C - Expand Safety Incident Management System to include more comprehensive view of potential threats and risks

NON-EXHAUSTIVE

**Initiative Actions**

- Evaluate existing corrective action program (CAP) tracking near misses, incidents, and risks across SoCalGas to identify and implement enhancements to processes to incorporate predictive analytics and comprehensive concept of safety
- Enhance CAP and incident reporting governance structure (RACI, assigned ownership, issue tracking, issue resolution, and feedback mechanism)
- Enhance program for employee and contractor incidents to be timely reported, investigated, and documented
- Develop mechanism to share incident investigation findings, recommendations, and lessons learned

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**Key Benefits**

- Enhanced understanding of safety
- Develop more cohesive organization mindset focused on safety and risk reduction
- Increases visibility and enables predictive analytics into the risks within the organization
- Enables operational efficiency to best equip SoCalGas for safety and risk management

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**Completion Milestones**

- Future state end-to-end CAP process and governance implemented for SoCalGas employees
- A pilot/trial to enhance employee & contractor near miss & close call reporting and analysis
- Communication mechanism to share findings/recommendations implemented

**Workstream**

Drive holistic view of safety

Enhance dynamic risk assessment capability

Optimize safety operating model

Enhance SMS integration

Mature as a Learning Organization

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**Duration**

- Medium (6 to 12 months)

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**Estimated Costs**

- \$390,000 - \$640,000

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**Potential Next Steps**

- Implement enhancements to CAP process for contractors
- Implement changes to improve near-miss and close call reporting

# | Appendix: Initiative Details

*Workstream 5: Mature as a Learning Organization*



# Initiative 5A - Refine and implement leadership training to expand management influence on advancing and enhancing safety culture

NON-EXHAUSTIVE

<p><b>Initiative Actions</b></p> <ul style="list-style-type: none"> <li>• Evaluate and enhance leadership training at all leadership levels to incorporate skills required to create a learning environment and influence and reinforce attributes of a positive safety culture</li> <li>• Review master safety training matrix for opportunities to include cultural improvement topics</li> <li>• Incorporate real-life scenarios and a comprehensive view of safety into trainings (e.g., public safety, security, personnel safety, employee wellness etc.), building upon existing “Safety Essentials for Supervisors” training</li> <li>• Encourage SoCalGas Class 1 contractors to adopt similar training and offer to share training philosophies and materials</li> </ul>
<p><b>Key Benefits</b></p> <ul style="list-style-type: none"> <li>• Increase organizational competence and awareness of safety management best practices</li> <li>• Develop more cohesive organization mindset focused on safety and risk reduction</li> <li>• Consistency of messaging through each level of leadership training</li> <li>• Support environment of learning</li> </ul>
<p><b>Completion Milestones</b></p> <ul style="list-style-type: none"> <li>• Complete safety training matrix review</li> <li>• Complete training for majority of people leaders (includes supervisors, managers, and above)</li> </ul>

<p><b>Workstream</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid gray; border-radius: 10px; padding: 10px; background-color: #f0f0f0; width: 25%;">Drive holistic view of safety</div> <div style="border: 1px solid gray; border-radius: 10px; padding: 10px; background-color: #f0f0f0; width: 25%;">Enhance dynamic risk assessment capability</div> <div style="border: 1px solid gray; border-radius: 10px; padding: 10px; background-color: #f0f0f0; width: 25%;">Optimize safety operating model</div> </div> <div style="display: flex; justify-content: center; margin-top: 10px;"> <div style="border: 1px solid gray; border-radius: 10px; padding: 10px; background-color: #f0f0f0; width: 30%;">Enhance SMS integration</div> <div style="border: 1px solid gray; border-radius: 10px; padding: 10px; background-color: #0070c0; color: white; width: 20%; margin-left: 10px;"><b>Mature as a Learning Organization</b></div> </div>
<p><b>Duration</b></p> <ul style="list-style-type: none"> <li>• Medium (6 to 12 months)</li> </ul>
<p><b>Estimated Costs</b></p> <ul style="list-style-type: none"> <li>• \$680,000 - \$760,000</li> </ul>
<p><b>Potential Next Steps</b></p> <ul style="list-style-type: none"> <li>• Determine cadence for ongoing training and additional opportunities to improve training</li> </ul>

# Initiative 5B - Enhance existing enterprise training to focus on comprehensive safety and promote interdisciplinary transparency and collaboration

NON-EXHAUSTIVE

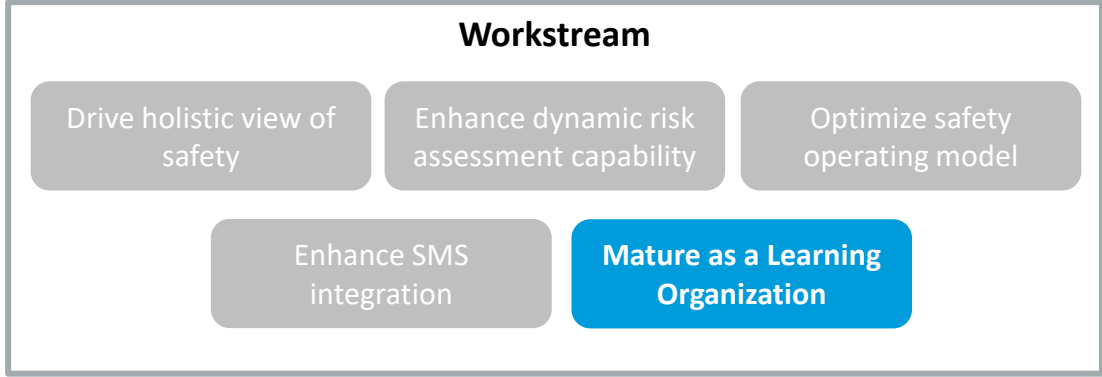
<p><b>Initiative Actions</b></p> <ul style="list-style-type: none"> <li>• Review existing training at all levels and departments to identify opportunities to update training to incorporate safety culture aspects and reflect comprehensive concept of safety</li> <li>• Develop cross-functional workshops throughout the enterprise, focused on case studies from successes and failures around safety culture and operational events</li> <li>• Establish conversation templates to drive consistent a message at all levels</li> <li>• Encourage SoCalGas Class 1 contractors to adopt similar training and offer to share training philosophies and materials</li> </ul>
<p><b>Key Benefits</b></p> <ul style="list-style-type: none"> <li>• Increase organizational competence and awareness of safety management best practices</li> <li>• Develop more cohesive organization mindset focused on safety and risk reduction</li> <li>• Support environment of learning</li> <li>• Use cross-functional workshop activities to promote openness and mitigate potential silos</li> </ul>
<p><b>Completion Milestones</b></p> <ul style="list-style-type: none"> <li>• Complete safety training matrix review</li> <li>• Complete training sessions reaching majority of employees</li> </ul>

<p><b>Workstream</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid gray; border-radius: 10px; padding: 5px; background-color: #f0f0f0;">Drive holistic view of safety</div> <div style="border: 1px solid gray; border-radius: 10px; padding: 5px; background-color: #f0f0f0;">Enhance dynamic risk assessment capability</div> <div style="border: 1px solid gray; border-radius: 10px; padding: 5px; background-color: #f0f0f0;">Optimize safety operating model</div> </div> <div style="display: flex; justify-content: center; align-items: center; margin-top: 10px;"> <div style="border: 1px solid gray; border-radius: 10px; padding: 5px; background-color: #f0f0f0; margin-right: 20px;">Enhance SMS integration</div> <div style="border: 1px solid gray; border-radius: 10px; padding: 5px; background-color: #0070c0; color: white;">Mature as a Learning Organization</div> </div>
<p><b>Duration</b></p> <ul style="list-style-type: none"> <li>• Medium (6 to 12 months)</li> </ul>
<p><b>Estimated Costs</b></p> <ul style="list-style-type: none"> <li>• \$1,130,000</li> </ul>
<p><b>Potential Next Steps</b></p> <ul style="list-style-type: none"> <li>• Determine cadence for ongoing training and additional opportunities to improve training</li> </ul>

# Initiative 5C - Develop and implement an Executive Safety Leadership Program (ESLP) to introduce and explore safety culture concepts and potential application to the SoCalGas organization

NON-EXHAUSTIVE

<p><b>Initiative Actions</b></p> <ul style="list-style-type: none"> <li>• Develop appropriate curriculum for the executive team and SMS Leaders</li> <li>• Provide opportunities for executives to consider approaches to improve culture, communication, and employee engagement</li> <li>• Introduce safety concepts to benefit the broader organization</li> <li>• Provide substantial opportunities for leadership to learn from thought leaders, change agents, and those who have faced similar challenges</li> </ul>
<p><b>Key Benefits</b></p> <ul style="list-style-type: none"> <li>• Visible leadership commitment to Safety Culture Improvement Plan</li> <li>• Improved understanding of safety and risk</li> <li>• Support environment of learning</li> <li>• Common understanding of terms and definitions to facilitate dialogues and learning</li> <li>• Increased employee engagement</li> <li>• Increase organizational competence and awareness of safety management best practices</li> <li>• Develop more cohesive organization mindset focused on safety and risk reduction</li> <li>• Consistency of messaging through each level of leadership training</li> </ul>
<p><b>Completion Milestones</b></p> <ul style="list-style-type: none"> <li>• Program curriculum developed</li> </ul>



**Duration**

- Long (longer than 12 months)

**Estimated Costs**

- \$270,000 - \$310,000

**Potential Next Steps**

- Determine cadence for ongoing training and additional opportunities to improve training

# Initiative 5D - Assess existing internal and external organizational learning practices that advance safety culture and performance, and explore concepts and practical approaches that may be deployed within SoCalGas

NON-EXHAUSTIVE

### Initiative Actions

- Assess SoCalGas current practices for bringing safety, cultural, and learning concepts into the organization, and identify opportunities for improvement
- Develop an action plan to enable SoCalGas’s maturation as a learning organization
- Introduce organizational learning practices from a broad industry perspective that can be implemented to advance the safety culture and overall company performance

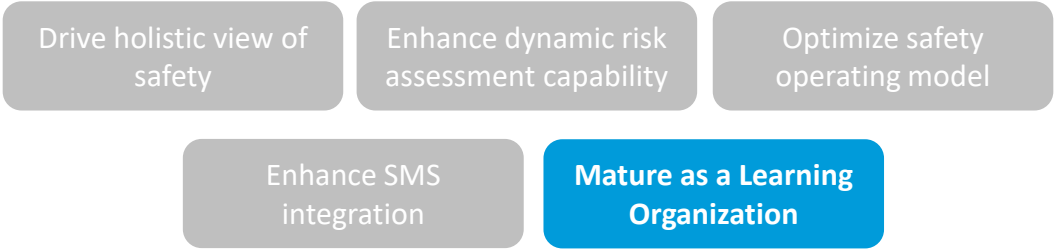
### Key Benefits

- Support environment of learning
- Increase organizational competence and awareness of safety management best practices
- Develop more cohesive organization mindset focused on safety and risk reduction
- Greater understanding of opportunities to learn from external subject matter experts

### Completion Milestones

- Complete analysis of internal & external learning approaches
- Complete development of action plan and path forward

### Workstream



### Duration

- Medium (6 to 12 months)

### Estimated Costs

- \$150,000 - \$160,000

### Potential Next Steps

- Begin implementation of identified improvement opportunities

# | Appendix: Scoping Ruling

Scoping Ruling Principles and Elements	Safety Culture Improvement Plan
<p>1. Identifies improvement actions which directly respond to each of the “Overarching Themes” identified in the 2EC Report (as informed by the report’s findings, conclusions, and recommendations) and its associated goals.</p>	<p>The workstreams and initiatives generally align to the four “Overarching Themes” (e.g., Workstream 1 generally addresses Theme 1 and so on). Other components of the Plan also address aspects of the themes. Attachment B to SoCalGas’s filing provides additional detail on how each overarching theme is addressed by the Plan</p>
<p>2. Directly responds to all of the 2EC Report findings, including those related to corporate governance.</p>	<p>SoCalGas addresses the cultural facts (perceptions, beliefs and values) in Attachment B. Notably, SoCalGas has developed several initiatives that specifically address governance and are intended to understand, evaluate, and enhance our safety processes, structures, systems, and mechanisms.</p>
<p>3. Incorporates the following principles:</p>	
<p>a. Continually promotes and reinforces a commitment to safety that is responsive to the risk and complexity of the utility’s activities.</p>	<p>SoCalGas’s development of the Plan included two-way dialogue with all levels of employees; involved soliciting solicited feedback; and shows demonstrated leadership support and commitment. SoCalGas also selected a safety expert with significant experience with utilities and companies that engage in complex activities. Workstream 1 provides processes to continue to promote and reinforce this commitment to safety and goal of continuous learning through structured dialogues to continue to discuss the 2EC Report, safety, activities, and our commitment to safety. Workstreams 2 and 5 also address this requirement by focusing certain initiatives toward enhancing dynamic risk assessment capabilities and maturing as a learning organization to promote greater organizational focus on learning and safety and risk reduction.</p>

Scoping Ruling Principles and Elements	Safety Culture Improvement Plan
<p>b. Adopts a systematic approach to safety. A systematic approach to safety considers the complex interactions of the (utility) system, from a micro through to a macro level, including the human, technical, and organizational factors at play.</p>	<p>The Plan is designed to create a shared vision for culture, specify responsibilities, create plans and actions, assess culture on an ongoing basis, evaluate processes and progress, and engage in sustainment and improvement actions. To inform this systematic approach to safety and consider the complex interactions and perspectives involved in SoCalGas’s operations, SoCalGas engaged with employees, subject matter experts, consultants, the public, and the Commission through internal and external dialogues to leverage insight and expertise from stakeholders. There are also specific workstreams in the Plan that are intended to support identifying, understanding, and learning from relevant complex interactions.</p>
<p>c. Reflects a robust shared understanding of the report’s findings.</p>	<p>Plan development included stakeholder engagement on the 2EC Report, the Plan itself indicates understanding of the report’s findings (including the details provided in Attachment B), and the ongoing dialogues and activities that are part of Plan implementation will enable further dialogue and understanding. Attachment B also demonstrates that each cultural fact identified in the 2EC Report is addressed by the Plan. Workstream 1 also addresses this requirement by intentionally engaging in structured dialogues to continue to discuss the 2EC Report, safety, and opportunities to improve, and to promote a shared understanding of SoCalGas’s safety culture and how it can be improved.</p>
<p>d. Is goal-oriented and employs a methodical approach for continual improvement of safety culture, providing for both short- and long-term change and sustainability (e.g., utilizes management system principles).</p>	<p>The Plan has specific goals and objectives; an overarching change management strategy to support comprehensive and systematic efforts to drive, attain, sustain, and continue to improve safety culture over time; and an accountability model to enable SoCalGas to measure progress, identify opportunities to refine and improve the Plan, and sustain and continue to improve the changes that are implemented.</p>

Scoping Ruling Principles and Elements	Safety Culture Improvement Plan
<p>e. Is based on a demonstrated and thoughtful strategy that is informed by the learnings and recommendations imparted by the 2EC Report and by an inclusive process throughout the organizations, including contractors, surrounding community and external stakeholders. The strategy should aim to create a shared vision of and set goals for safety culture, including, but not limited to, roles and responsibilities to support ongoing improvement.</p>	<p>To inform Plan development, SoCalGas engaged in significant and broad internal and external stakeholder outreach. Moreover, the Plan includes a vision, goals, a project delivery structure with specific roles and responsibilities, and accountability model. Additionally, the Plan communications strategy and Workstream 1 are designed to continue these inclusive dialogue and engagement efforts through formal and informal activities structured to facilitate two-way dialogues on the 2EC Report and our Safety Culture Improvement Plan.</p>
<p>f. Explains how the proposals are effectively integrated into relevant governance and management systems, policy, processes, and plans.</p>	<p>The Plan details leadership engagement and commitment, a cross-functional project delivery structure, and incorporation of formalized change management provisions, which will support implementing changes throughout the enterprise. Additionally, certain workstreams are also designed to incorporate integration into relevant governance and management systems, policy, processes, and plans.</p>
<p>g. Demonstrates genuine leadership engagement, commitment, and accountability at the highest levels of the organization throughout the continuous improvement cycle (e.g., the Plan Do Check Act Cycle as incorporated in the American Petroleum Institute Recommended Practice 1173).</p>	<p>The Plan explains SoCalGas leadership engagement and commitment which includes (1) the role of the Executive Safety Council in providing oversight and guidance; (2) the Plan structure, which has assigned leaders sponsoring and accountable for workstreams and initiatives; and (3) the communications strategy, which calls for leaders to demonstrate strong and visible engagement and leadership, emphasizing their commitment to the change to employees at all levels.</p>



Scoping Ruling Principles and Elements	Safety Culture Improvement Plan
h. Is widely communicated and understood throughout the organization.	The Plan and filing discuss past, present, and future internal stakeholder engagement efforts. SoCalGas engaged in extensive internal engagement to support awareness and understanding of the 2EC Report and the Plan. The Plan details expansive and extensive internal stakeholder engagement, dialogues, and support for the Plan’s successful implementation.
4. Describes the key steps for the development of a systematic approach to safety.	The Plan include SoCalGas’s strategy for enhancing SoCalGas’s safety culture, as set forth in the 5 workstreams and 15 underlying initiatives. The development and implementation of the Plan embraces the importance of a holistic view of safety and is intended to advance more systematic efforts to understand and improve safety culture.
5. Explains how the Safety Culture Improvement Plan is effectively integrated into relevant governance and management systems, policy, processes, and plans.	The Plan includes several the change management provisions, which will support successful implementation of changes throughout the enterprise, and specific workstreams designed to incorporate Plan integration into relevant governance and management systems, policy, processes, and plans.
6. Shows how the Safety Culture Improvement Plan is developed with the support and guidance of qualified external expertise with demonstrated experience in safety culture improvement for high hazard industries.	The Plan was developed with National Safety Council’s input and support and includes additional input from the Commission’s Safety Policy Division and its expert, Dr. Fleming.
7. Provides for ongoing review and monitoring of implementation progress and effectiveness supported by quantitative and qualitative leading and lagging indicators and metrics.	The Plan’s accountability model includes tracking and monitoring of milestone progress and key metrics through formalized periodic reporting, with ongoing updates, data, and narrative descriptions to facilitate Commission oversight and transparency for all stakeholders.

Scoping Ruling Principles and Elements	Safety Culture Improvement Plan
8. Includes implementation timelines for each element of the Safety Culture Improvement Plan, as applicable.	The Plan includes projected timelines identified for each initiative. Timelines may need adjusted as the initiatives are refined.
9. Identifies mechanisms and processes that incorporate and respond to feedback from activities that monitor, review, and verify progress and effectiveness of its implementation, to refine the Safety Culture Improvement Plan.	The Plan includes an accountability model, which follows the “Plan- Do-Check-Adjust” model to allow for learning and continuous improvement. SoCalGas proposes demonstrating and documenting progress through milestones, metrics, indicators, assessments, and related reporting that will be used to measure progress, identify opportunities to refine and improve the Plan.
10. Includes a cost estimate of the actions associated with implementing the elements of the Plan, broken down by activity or action.	The Plan includes cost estimates for each initiative and Plan-wide estimates. Note these are preliminary estimates and should be refined based on ongoing feedback and learnings.
11. Includes reporting requirements.	The Plan’s accountability model proposes bi-annual (twice a year) reporting to the Commission on Plan implementation and progress. This information will be used to measure progress, identify opportunities to refine and improve the Plan, and sustain and continue to improve the changes that are implemented.

**BREAK**

10 MINS

# SAFETY CULTURE WORKSHOP

I.19-06-014

August 18, 2022

# SEMPRA SAFETY OVERSIGHT AND INITIATIVES

## **Sempra's initiatives involve two components:**

1. Sempra supports SoCalGas's Plan in its oversight and governance capacity.
  - Sempra provides formal oversight through its officers that serve on SoCalGas's Board of Directors, and through the Safety, Sustainability, and Technology Committee of the Sempra Board of Directors.
  - The companies also coordinate informally.
2. Sempra has developed a plan to address 2EC's guidance for Sempra.
  - Sempra is engaging an outside expert in safety culture, as recommended by 2EC. The goal is to expand employees' vision of safety, and to promote that vision within Sempra and to Sempra's subsidiary companies.

# OVERSIGHT AND GOVERNANCE - FORMAL

## **SoCalGas Board of Directors**

- Currently: Sempra's Group President, California Utilities, Chief Administrative Officer and Chief Human Resources Officer, and Senior Vice President, Corporate Affairs.
- These officers serve an oversight and governance role on behalf of Sempra.

## **Sempra's Safety, Sustainability, and Technology Committee**

- The purpose of this committee is, in part, to oversee “the corporation’s risk management and oversight programs and performance related to environmental, health, safety, security, technology, climate change, sustainability and other related ESG [environmental, social, and governance] matters affecting the corporation.”
- The SST charter has been modified to specify safety culture.
- SoCalGas has presented its plans to this committee and will provide written updates regarding implementation. The committee meets four times a year.

# OVERSIGHT AND GOVERNANCE - INFORMAL

- Sempra and SoCalGas employees talk regularly about safety-culture initiatives.
- Sempra Leadership Safety Summit (September 2022):
  - Leaders from Sempra and its subsidiaries, and
  - Focus is safety culture.
- 2EC Report shared with SST, top leadership, and broadly across the Sempra, SoCalGas, and SDG&E organizations.
- Safety culture intranet page under development to promote learnings and transparency.

# 2EC REPORT GUIDANCE

## 2EC Report guidance to Sempra:

1. Develop a shared understanding of a robust concept of safety and risk through dialogues with Board Directors and Executives that is facilitated by external and independent experts familiar with a comprehensive perspective on safety and safety culture.
2. Develop and communicate the updated, broader vision of safety. This new vision should explain how the revised approach differs from previous approach and implemented in the governance process.
3. Provide training on a more comprehensive concept of safety and safety culture to the organization through facilitated sessions.



# CONSULTANT SUPPORT

## **As recommended by 2EC:**

Sempra has engaged the Propulo firm to help Sempra address the 2EC report.

The work has four phases (as detailed in the attachment by Propulo):

1. Propulo will meet with key officers and directors to understand Sempra's existing structure and governance model, and to evaluate change readiness.
2. Propulo will develop a change strategy. Propulo will work with Sempra leaders to develop specific, customized strategies.
3. Custom training and communication plans will be implemented.

# COMMISSION CRITERIA

The Commission has identified 11 criteria for SoCalGas's safety-culture plan. Not all of the criteria apply to Sempra (per footnote 3 of the Scoping Ruling).

Sempra's oversight role will touch on all 11 criteria. Sempra's own initiatives satisfy the criteria relevant to Sempra – most importantly, Sempra has hired a consultant to help implement the 2EC report as it pertains to Sempra. In particular, the consultant will work with Sempra to:

- Develop and communicate a shared mental model/vision for safety with senior executive buy-in;
- Develop leadership/embedding tools to support the change journey;
- Work with Corporate Communications to develop a series of communication campaigns to introduce and communicate the changes;
- Review and update charters for key governance forums, as needed; and
- Advise on procedures to provide oversight and synchronizing activities with SoCalGas safety culture development plan.

# CRITERIA, CONT'D

## Specific Criteria:

1. Identifies improvement actions which directly respond to each of the “Overarching Themes” identified in the 2EC Report (as informed by the report’s findings, conclusions, and recommendations) and its associated goals.

The cultural facts pertaining to Sempra are included in Attachment C, at pages 3-6. Sempra’s consultant will address the findings by building on Sempra’s strengths and helping to facilitate a “questioning attitude.”

2. Directly responds to all of the 2EC Report findings, including those related to corporate governance.

See above.

# CRITERIA, CONT'D

4. Describes the key steps for the development of a systematic approach to safety.

In Attachment C at pages 7-8, Sempra sets forth the various phases of its work with its consultant.

5. Explains how the Safety Culture Improvement Plan is effectively integrated into relevant governance and management systems, policy, processes, and plans.

In Attachment C at pages 2-3, Sempra explains how it will exercise formal oversight over SoCalGas's plan implementation, into existing governance and management systems. Additionally, Sempra has amended its SST charter to address Safety Culture specifically.

6. Shows how the Safety Culture Improvement Plan is developed with the support and guidance of qualified external expertise with demonstrated experience in safety culture improvement for high hazard industries.

In Attachment C, Sempra explained the role of its outside consultant. Propulo has provided materials about its qualifications in safety-culture improvement and experience with public utilities.

# CRITERIA, CONT'D

7. Provides for ongoing review and monitoring of implementation progress and effectiveness supported by quantitative and qualitative leading and lagging indicators and metrics.

See the attached scope of work by Propulo, which includes the development of leading indicators and allows for strategy refinement.

8. Includes implementation timelines for each element of the Safety Culture Improvement Plan, as applicable.

Sempra believes that the timeline will need to be flexible. The attached Gantt chart provides current expectations.

10. Includes a cost estimate of the actions associated with implementing the elements of the Plan, broken down by activity or action.

In Attachment C at page 8, Sempra indicates that it will retain its consultant fees at Sempra.

11. Includes reporting requirements.

Although as a holding company, Sempra should not have independent reporting requirements, Sempra will continue to coordinate with SoCalGas and provide input to any SoCalGas reporting requirements. In this way, The Commission and parties will be able to learn about the implementation of Sempra's initiatives.



# SEMPRA SAFETY CULTURE INITIATIVES

Overview

AUGUST 2022

**SAFETY. ELEVATED.**

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## PROPULO STORY

*Propulo is the leading Safety & Safety Culture Strategic Advisory & Training firm, bringing extensive depth of experience in utilities safety culture.*

With over 15 years' experience, 8 offices and global reach, our Propulo team brings expertise to solve the most complex Safety Culture challenges for a broad range of Fortune 500 and mid-sized organizations with extensive depth in the utilities industry.

Combining depth in *Brain Science* and *Psychology* with real world *Safety Culture Transformation, Strategy* and *Operational* expertise, we continually invest in the leading research in this space – ensuring that our advice is modern, relevant and backed by the latest science and research. Most importantly our advice can be operationalized and drives business outcomes.

Our team of full-time experts are fully dedicated to safety culture strategy & execution combining the best of academia with expertise in leading change.

We understand that organizations have to build operating cultures that are Safe AND that successfully balance Productivity, Quality and Customer priorities. This balance is essential to taking both operational and safety performance to the next level. We understand that the way to achieve new heights in Safety and Operational Performance is to unlock the discretionary effort that exists in every team and organization. We understand that this requires shifting our focus to the mindset, attitudes and beliefs of team members and leaders that drive improved outcomes and safer choices: *Your Brain as PPE*.

Additionally, we have extensive experience providing safety consulting for large utilities throughout North America.



**Trusted to deliver Safety Culture improvements & transformations by 12 of the largest utilities in North America & 2 of the largest in California, including Southern California Edison.**



## OUR TEAM OF EXPERTS

*Propulo will be drawing on the following team of experts with skills in Safety Culture, Safety Strategy, Organizational Change and Human Performance to accomplish Sempra's safety culture transformation. Eric Michrowski will be the primary executive engagement leader.*



**ERIC A. MICHROWSKI**  
President &  
Chief Executive Officer (CEO)

Eric Michrowski is a globally recognized thought leader and guru in Safety Culture Transformations. A highly sought-after Executive speaker on the global stage, he has led executive training programs, coached the C-Suite, connected with thousands of Fortune 500 senior leaders, been featured on TV and in articles. His approach is anchored in evidence-based research and practical applications in Safety Culture, Human Performance and Organizational Change. He brings over 25-years hands-on experience in Operations Management, Safety, Culture & Business Transformations having worked across a broad range of industries. His passion in safety started while working in aviation and seeing the power of Safety Ownership.



**DR. JOSH WILLIAMS**  
Partner, Human Performance &  
Business Transformation

Dr. Josh Williams is a recognized global expert in Safety Culture and Safety Leadership, bringing over 20 years experience in advising Fortune 500 organizations. His experience has been focused on developing and delivering customized, sustainable solutions to improve corporate culture and drive organizational performance improvement to companies worldwide. Josh earned his Ph.D. in Industrial/Organizational Psychology at Virginia Tech and is a leadership development, human performance, and safety culture assessment specialist. His work has been widely published.



**EDUARDO LAN**  
Partner, Human Performance &  
Business Transformation

Eduardo Lan is an accomplished organizational consultant and coach. He has over 15 years experience in safety culture transformation, leadership development and high-performance projects, operations, and teams. Eduardo has designed and led seminars, workshops, coaching sessions and entire programs for thousands of people. He holds a Bachelor of Science Degree in Business and a Master's Degree in Organization Development and Change.



**MARTIN ROYAL**  
Partner, Human Performance &  
Business Transformation

Martin Royal is our master facilitator, L&D solutions designer and leadership coach with expertise in the neuroscience and psychology of change in organizations. Martin has delivered over 500 safety culture change programs centered around the development of employee engagement and safety leadership for our global clients across North America and Europe.





# Addressing the CPUC Report Findings

*Having reviewed the independent report prepared by Evolving Energy Consortium, we have outlined a high-level view of our initial strategies to address identified areas for growth. The themes identified are not dissimilar to those that we have successfully helped other organizations overcome. We will be validating our proposed strategies as part of our initial phase of work.*

FINDINGS	STRATEGIES	OUTCOMES
<ol style="list-style-type: none"> <li>1. Develop a shared understanding of a robust concept of safety and risk through dialogues with Board Directors and Executives that is facilitated by external and independent experts familiar with a comprehensive perspective on safety and safety culture.</li> <li>2. Develop and communicate the revised broader vision of safety. This new vision should explain how the revised approach differs from previous approach and implemented in the governance process.</li> <li>3. Provide training on a more comprehensive concept of safety and safety culture to the organization through facilitated sessions.</li> </ol>	<ul style="list-style-type: none"> <li>• Development and communication of a shared mental model/vision for safety with senior executive buy-in.</li> <li>• Develop a series of communication campaigns to introduce and communicate the changes.</li> <li>• Review of organizational leading indicators for Sempra’s Safety Culture and that of its operating companies.</li> <li>• Develop new leading indicators to consistently measure safety leadership and culture across all operating companies.</li> <li>• Executive Safety Leadership Coaching to help with development of safety signals and messaging.</li> <li>• Safety Communication Strategy with guides and messaging around Safety Ownership.</li> <li>• Review and update charters for key governance forums.</li> <li>• Develop and launch Safety Leadership training program. Support with embedding tools and activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Enhanced Safety Governance across the Sempra group of Companies.</li> <li>• New tools and capabilities developed to better govern owned companies.</li> <li>• Aligned leaders on a comprehensive concept of safety and safety culture.</li> </ul>



# OUR APPROACH

## Initial Thinking on Key Phases

### PHASE 1 – Gaining a Shared Understanding

Gain an understanding of Sempra’s existing structure, governance and key stakeholders. Deliverables would include an overall strategy to achieve goals, a high-level project plan and a change strategy.

### PHASE 2 – Elaboration & Execution of Sempra’s Strategy

Work with Sempra leaders to develop bespoke strategies to meet the three identified recommendations.

- Development & communication of a shared mental model/vision for safety.
- Develop a series of communication campaigns to introduce and communicate the changes.
- Development of leadership/embedding tools to support the change journey.
- Explore integration opportunities with values, competencies, performance management.
- Review and update charters for key governance forums.
- Develop leading indicators to consistently measure safety leadership & culture across companies.

### PHASE 3 – Executive Coaching & Ongoing Support

Monthly check-ins and coaching with key executives to guide on how to influence the journey and influence the operating companies Safety Culture. Support any Executive Safety Council meetings.

### PHASE 4 – Leadership Training

Develop and facilitate a bespoke leadership training program to influence a “questioning attitude” towards Sempra’s Safety Culture and the Safety Culture of its operating companies as well a more comprehensive view of safety and safety culture.



# HIGH LEVEL PROJECT SCHEDULE

*The below Gantt chart provides an indicative view of major milestones. A more detailed project plan will be developed after Phase 1 completion. The program will be delivered over an 18-24 month period.*



**THANK YOU!**

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# Questions and Open Discussion

SoCalGas/Sempra Proposed Safety Culture Improvement Plan

# Questions and Open Discussion

Please raise your virtual hand or use chat feature



# Informal Public Comment

I.19-06-014: Investigation into the Safety Culture and Governance at SoCalGas and Sempra

# How to Participate: Methods

## 1. FOR VERBAL QUESTIONS AND COMMENTS

- **WebEx**

- Click the hand next to your name in the participant list.
- The event host will call on your name and unmute you when it is your turn to speak.

- **Phone:**

- Unmute your phone and dial “STAR 3” (**\*3**). Please make note of the first 6 digits of your number
- The event host will call out the **first 6 digits of your number** when it is your turn to speak.



# Closing Remarks

CPUC COMMISSIONERS



# California Public Utilities Commission

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