# Safety Policy Division Review of Southern California Gas Company's 2021 Safety Performance Metrics Submittal Pursuant to Decision 19-04-020

**By Richard White**
**Safety Culture and Governance Section**
Safety Policy Division

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## Purpose

On April 1, 2021, pursuant to Ordering Paragraph 2 in Decision (D.)19-04-020 of the Safety Model Assessment Phase (S-MAP) proceeding, A.15-05-002 et al., Southern California Gas Company (SoCalGas) filed with the California Public Utilities Commission (CPUC or Commission) a Safety Performance Metrics Report. SoCalGas also concurrently distributed the report to members on the service list in A.15-05-002 et al.

D.19-04-020 also directed Safety and Enforcement Division staff to review the submitted safety performance metrics reports. Since the Risk Assessment staff section responsible for evaluating these reports has migrated from the Safety Enforcement Division to the Safety Policy Division (SPD), this letter summarizes SPD staff's evaluation results on SoCalGas's Safety Performance Metrics Report.

## Overview of SoCalGas Report

SoCalGas submitted data on 15 metrics required by D.19-04-02 (Table 1). Their report is divided into five sections:

I. **Introduction/Overview**: provides a narrative overview of SoCalGas's safety organizational structure and compliance with S-MAP Phase Two Decision Directives.
II. **Metrics Overview**: summarizes how metrics were used to inform training improvements and corrective actions and how safety performance metrics data is used to support risk-based decision making.
III. **Description of Bias Controls – Overview:** summarizes executive compensation and bias controls.
IV. **Interim Risk Mitigation Accountability Report (RMAR) Requirements:** provides a summary of how safety metrics reflect progress against SoCalGas's Risk Assessment Mitigation Phase (RAMP) and General Rate Case (GRC) safety goals and total estimated risk mitigation funding.
V. **Approved Safety Performance Metrics:** includes a narrative overview and analysis of each of SoCalGas's 15 metrics, along with required reporting information on executive compensation.

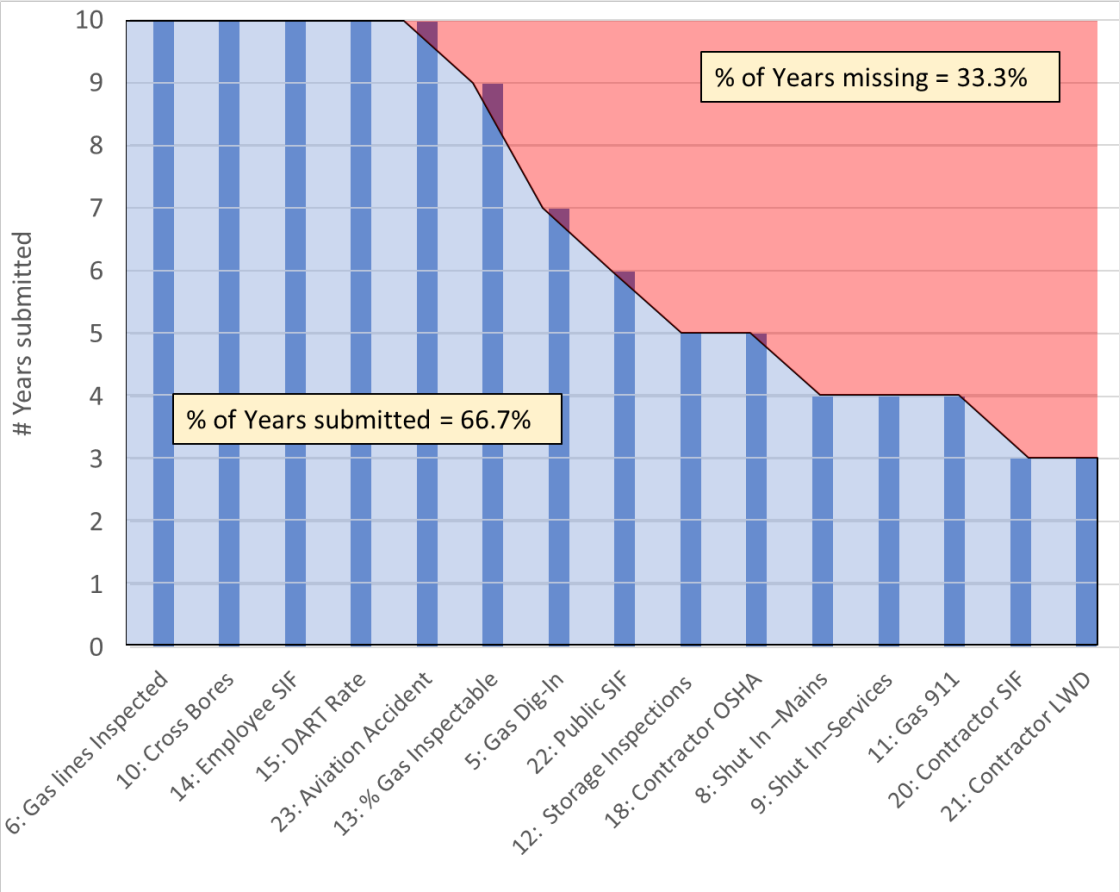
*Table 1. Overview of Metric Data Submitted.*

| Category | Safety Performance Metric | | Unit |
|---|---|---|---|
| Gas | 5 | Gas Dig-in | # of 3rd party Gas Dig-Ins per 1,000 USA tags/tickets |
| | 6 | Gas In-Line Inspection | # Miles inspected |
| | 8 | Shut in the Gas Average Time – Mains | Average (median) time in minutes required to stop the flow of gas |
| | 9 | Shut in the Gas Average Time – Services | Average (median) response time in minutes required to stop the flow of gas during incidents involving services |
| | 10 | Cross-Bore Intrusions | # of cross-bore intrusions per 1,000 inspections |
| | 11 | Gas Emergency Response | Average response time in minutes (mean) |
| | 12 | Natural Gas Storage Baseline Inspections Performed | # of Inspections |
| | 13 | % of the Gas System that can be Internally Inspected | Percentage |
| Injuries | 14 | Employee Serious Injuries and Fatalities (SIF) | # of Serious Injuries/ Fatalities |
| | 15 | Employee Days Away, Restricted, or Transferred (DART) Rate | DART Cases times 200,000 divided by employee hours worked |
| | 18 | Contractor Occupational Health and Safety Administration (OSHA) Recordables Rate | OSHA recordable times 200,000 divided by contractor hours worked associated with work for the reporting utility |
| | 20 | Contractor SIF | # of work- related serious injuries or fatalities associated with work for the reporting utility |

| Category | Safety Performance Metric | | Unit |
|---|---|---|---|
| | 21 | Contractor Lost Work Day (LWD) Case Rate | # of LWD cases incurred for contractors per 200,000 hours worked associated with work for the reporting utility |
| | 22 | Public SIF | # of Serious Injuries/ Fatalities |
| Vehicles | 23 | Helicopter/ Flight Accident or Incident | # of accidents or incidents |

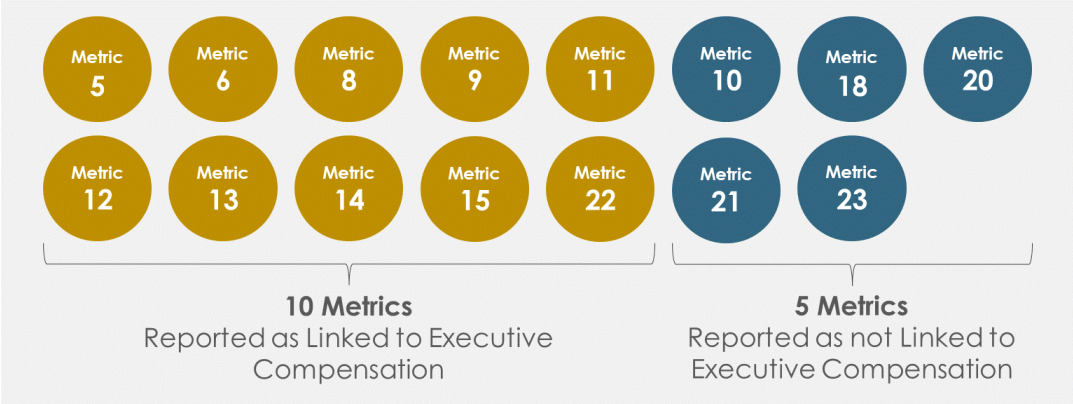
Observations: SoCalGas report includes: 10 years of data on five metrics; nine years of data on one metric; seven years of data on one metrics; six years of data on one metric; five years of data on two metrics; four years of data on three metrics; and three years of data on two metrics. Of the ten years requested per metric, they submitted data for 66.7% of the years. A summary of the number of years of data provided for each metric is in Figure 1.

*Figure 1. Years of Data per Metric. The shaded area in the top right of the figure above corresponds to the additional years of data needed for SoCalGas to have 10 years of data for all metrics.*




SoCalGas also provides information on which metrics were tied to executive compensation through SoCalGas's Incentive Compensation Plans, reporting that 10 of 15 metrics (approximately 67%) were tied to executive compensation in 2020 (Figure 2).

*Figure 2. SoCalGas reported 10 of 15 SPM metrics were linked to executive compensation in 2020.*




To make observations about performance on safety metrics, SPD staff reviewed discernible trends in the data. Staff compared 2020 average values of each metric to the average of prior performance for each metric that had at least four years of data and created a performance "score."

Several metrics only have a small number of events, or no events, in any year. As a result, it is impossible to draw a definitive conclusion about whether SoCal Gas's safety record improved or deteriorated over the reported years. With the small data sets, variations in any given year could be attributed to random statistical variations alone.

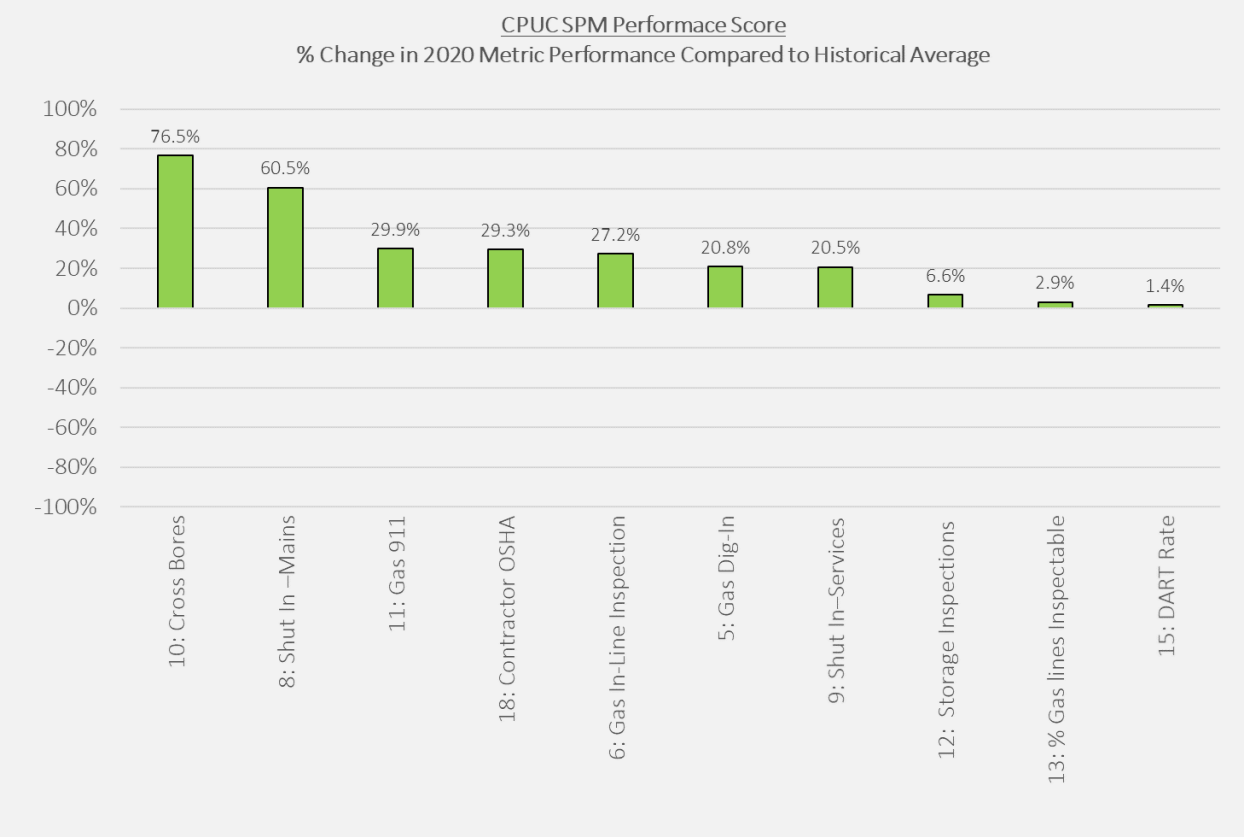
Five metrics were not scored because they had fewer than four years of data or a small number of events. These unscored metrics include:

- 14: Employee SIF
- 20: Contractor SIF
- 21: Contractor LWD
- 22: Public SIF
- 23: Aviation Accident

Each of the scored metrics was ranked from highest to lowest performing and is summarized in Figure 3. Metrics reflecting improved safety performance are scored as positive values and are shown in green. Metrics that reflect poorer/undesirable safety outcomes compared to prior year averages are scored as negative values and are shown in red. For example, metric 5 (Gas Dig-Ins) has a **decrease** in the 2020 rate over the 10-year average by 21%. Because a lower Gas Dig-In rate indicates **an increase** in safety, we coded this metric as +21%. In 2020 there were no SPM metrics that had a negative value and so no metrics are coded in red in Figure 3.

Overall, the Safety Performance Metrics data shows that all ten of the scored metrics performed better in 2020 than the average of preceding years.

*Figure 3. Evaluation of SoCalGas's 2020 Metric Performance. For metrics where a higher value is better, positive values show a percent increase in the metric's performance in the graph. In 2020 there were no scorable metrics that were below average.*



## Compliance with Requirements in D.19-04-20

This section reviews SoCalGas's compliance with requirements within D.19-04-20.

**Ordering Paragraph 2 requires data for the last ten years for all safety performance metrics for which such data exist.** SoCalGas reports that they included data for the previous ten years when possible.

Observations: In their report, SoCalGas includes: 10 years of data on five metrics; nine years of data on one metric; seven years of data on one metric; six years of data on one metric; five years of data on two metrics; four years of data on three metrics; and three years of data on two metrics. Of the ten years requested per metric, they submitted data for 66.7% of the years. A summary of the number of years of data provided for each metric is in Figure 1.

**Ordering Paragraph 3 requires the utility to submit current year data on public serious injuries and fatalities (SIF).** Pursuant to Ordering Paragraph 3 of D.19-04-020, SoCalGas provided SED staff with its data on Public Serious Injuries and Fatalities sixty days prior to the due date for this report on January 31, 2020, fulfilling this requirement.

**Ordering Paragraph 6 (a) requires the utility to identify all metrics linked to or used in any way for the purpose of determining executive compensation levels and/or incentives, regardless of whether or not systems are in place to control bias, and including all metrics linked to individual and group performance goals; executive compensation.** SoCalGas focuses on safety through their compensation and benefits programs and reports that they have increased emphasis on employee and operational safety measures in their variable pay plans, referred to as the Incentive Compensation Plans (ICP). Within the narrative accompanying each metric, SoCalGas states whether the metric was linked to executive compensation or incentives in 2020.

SoCalGas reports that 10 of their 15 Safety Performance Metrics (approximately 67%) were linked to executive compensation for all director-level and higher positions through their Executive and non-executive Incentive Compensation Plans in 2020.

**Ordering Paragraph 6 (b) requires the utility to identify the Director-level or higher executive positions to which the metric(s) is linked.** SoCalGas states that the metrics are linked to all executive (Director level or higher) positions.

**Ordering Paragraph 6 (c) requires the utility to describe the bias controls that the utility has in place to ensure that reporting of the metric(s) has not been gamed or skewed to support a financial incentive goal.** SoCalGas reports that regularly scheduled internal audits are performed by Sempra Energy's Audit Services. Audit Services investigates whether SoCalGas's processes and business controls are adequate; in compliance with plans, procedures, laws, and contracts, and reflect reliability and integrity of operating and financial information. SoCalGas reports that this independent audit function allows Audit Services to identify business controls (if appropriate) are in place and designed and functioning properly.

SoCalGas notes that their 2020 Executive and non-executive ICP include ten separate safety-related performance measures, including leading and lagging measures. SoCalGas states that having several measures across all lines of business serves as a bias control because the company must perform on all measures to achieve target goals. Metric-specific bias controls are listed in the narrative accompanying some of their metrics.

**Ordering Paragraph 6 (d) requires the utility to Provide three to five examples of how the utility has used Safety Performance Metrics (metrics) data to improve staff and/or contractor training, and/or**

**to take corrective actions to minimize top risks or risk drivers; and, provide three to five examples of how the utility is using metrics data to support risk-based decision-making as required in the Safety Model Assessment Proceeding and Risk Assessment Mitigation Phase (RAMP) processes**.

SoCalGas notes that they tracked safety metrics, took corrective actions, and implemented and improved safety training in years before the S-MAP Phase Two Decision. They frame their Safety Performance Metric work as a part of their broader Safety Management System that drives continuous safety improvement through people, policies, procedures, and programs. Their goal is to continue moving towards a data-driven approach to proactively identify threats and hazards, assess, prioritize risks, and implement mitigation efforts.

To illustrate their work towards safety improvement, SoCalGas provides six recent examples of improvements to trainings or corrective actions. Five are listed below:

1. **Four-Gas Monitoring and Ventilation Practices in Excavations (Metric No. 14):** SoCalGas is adopting an enhanced safety practice when working in excavations, regardless of depth. The enhanced safety practice will include the use of fans, if necessary, as well as the use of detection technology capable of alarming when a hazardous atmosphere is present. Four gas monitors will provide early warning to individuals detecting Oxygen deficiency or enrichment, flammable gas, vapors, or mist in excess of 20% LFL, Hydrogen Sulfide, and Carbon Monoxide.
2. **Precautionary Evacuation Practices (Metric Nos. 14, 20,and 22):** Following the investigation of a 2019 incident that resulted in a fatality and injuries, SoCalGas identified the need to revise gas standards related to precautionary evacuation practices to enhance clarity and promote understanding by employees who respond to incidents.
3. **Safety Management System (SMS) Awareness (Metrics Nos. 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 18, 20, 21, 22, 23):** SoCalGas raised employee awareness company-wide about the new SMS framework and its seven foundational Safety Values through videos, in-person and virtual meetings with management employees, virtual train-the-trainer sessions with field supervisors, and dialogue sessions between field supervisors and represented field employees.
4. **Pandemic Risk Management (Metrics Nos. 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 18, 20, 21, 22, 23):** SoCalGas developed and implemented new safety protocols, including screening tools and testing facilities to enhance competency, awareness, and training of company employees and contractors to minimize and mitigate exposure to COVID-19 related risks.
5. **Behavior-Based Safety (Metric Nos. 14 and 15):** SoCalGas enhanced the Job Observation training – a behavior-based safety tool used to conduct job observations to address safe and unsafe behaviors of employees while performing job activities in the field.

Additionally, SoCalGas provides three examples of how the Safety Performance Metric data are used to support risk-based decision-making:

1. **Remote Inspections/Surveys (Metric Nos. 11 and 22):** SoCalGas researched, developed, and demonstrated technologies leveraging aircraft systems (manned and unmanned) to conduct various types of pipeline/facility inspections and surveys to improve safety in remote or difficult-to-access pipeline segments or as incremental activities.
2. **Contractor Safety Culture Assessments (Metric Nos. 5, 18, 20, 21):** SoCalGas began implementing a new proactive mitigation measure to require current and future pipeline construction contractors to arrange and pay for safety culture assessments conducted by independent experts at the onset and mid-point of their contracts to ensure their commitment to continuous safety improvement remains strong.
3. **Safety Management System Maturity Assessment (Metrics Nos. 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 18, 20, 21, 22, 23):** SoCalGas retained American Petroleum Institute (API), the author of an industry benchmark system, API Recommended Practice 1173 (API RP 1173), to conduct a comprehensive assessment of SoCalGas' SMS.

**Ordering Paragraph 6 (e) requires the utility to explain how the safety metrics reflect progress against the utility's RAMP and General Rate Case safety goals.** SoCalGas describes their continued efforts to integrate the use of probabilistic models, data, and quantification to address enterprise-level risks. They report that they are developing risk registries to provide each operating unit with a way to identify and manage risks that occur more frequently at the operating unit level. This will help SoCalGas align risks with asset management practices. SoCalGas also notes that they continually integrate metrics into their risk-based decision-making to evaluate and monitor asset health and inform and demonstrate progress related to investments. Finally, SoCalGas has an enterprise-wide SMS, which integrates risk, safety, and asset management under one framework and make progress towards RAMP and GRC safety goals.

**Ordering Paragraph 6 (f) requires the utility to provide a high-level summary of their total estimated risk mitigation spending level as approved in their most recent GRC.** SoCalGas includes a table that summarizes total estimated risk mitigation spending as presented in the 2016 RAMP filing and approved in the TY 2019 GRC. The table is listed below.

*Table 2:* SoCalGas Interim RMAR Summary: O&M

| SoCalGas O&M Details ($000) | | | | | |
|---|---|---|---|---|---|
| Ramp Chapter | RAMP Risk Description | 2020 Actuals | 2020 Imputed Authorized | $ Variance | % Variance |
| SCG-01 | Catastrophic Damage Involving Third Party Dig- Ins | $ 15,297 | $ 23,464 | $ (8,167) | -35% |
| SCG-02 | Employee, Contractor, Customer, and Public Safety | $ 83,271 | $ 101,295 | $ (18,024) | -18% |
| SCG-03 | Cyber Security | $ 789 | $ 783 | $ 6 | 1% |
| SCG-04 | Catastrophic Damage Involving High-Pressure Gas Pipeline Failure | $ 154,139 | $ 128,959 | $ 25,180 | 20% |
| SCG-05 | Workplace Violence | $ 3,406 | $ 2,564 | $ 842 | 33% |
| SCG-06 | Physical Security of Critical Gas Infrastructure | $ 1,004 | $ 2,336 | $ (1,332) | -57% |
| SCG-07 | Workforce Planning | $ 3,676 | $ 6,603 | $ (2,927) | -44% |
| SCG-08 | Records Management | $ 5,405 | $ 14,721 | $ (9,315) | -63% |
| SCG-09 | Climate Change Adaptation | $ 131 | $ 1,675 | $ (1,544) | -92% |
| SCG-10 | Catastrophic Damage Involving Medium-Pressure Gas Pipeline Failure | $ 83,372 | $ 84,121 | $ (749) | -1% |
| SCG-11 | Catastrophic Event Related to Storage Well Integrity | $ 19,276 | $ 25,420 | $ (6,144) | -24% |
| | **Total SoCalGas RAMP** | **$ 369,766** | **$ 391,940** | **$ (22,174)** | **-6%** |

**Overall Compliance: SoCalGas's submitted metrics report complies with all the required elements listed in Question 1 above.**

## Summary of 2020 Metrics

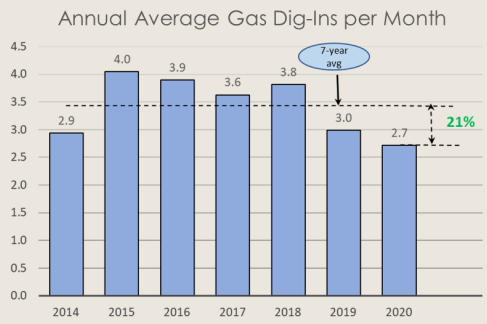
This section provides an overview of information submitted for each of SoCalGas's 15 metrics. The graphic for each metric shows:

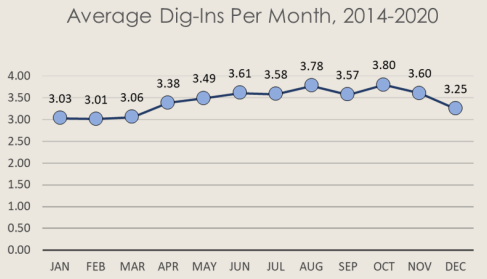
- Whether the metric is a leading or lagging indicator: per D.19-04-020, lagging metrics typically indicate safety performance after safety incidents (for example, the number of explosions due to cross-bore intrusions), whereas the related leading metric would anticipate potential future safety incidents (in this example, the number of cross-bore intrusions found);
- Data reported by the utility: data is plotted in graphs with the historical average, where relevant, to compare 2020 performance to past performance for the metric.
- The definition of the metric from D.19-04-020, associated bias controls, and executive compensation linkages listed for the metric.

To caveat the metric reviews in the following pages, note that the smaller the number of reported occurrences (relative to the exposure), the higher the uncertainty associated with the reported metric numbers. For example, Serious Injury and Fatality (SIF) values are so few (relative to the total exposure) in any given year that the reported variations from year to year do not necessarily represent improvements or worsening of safety records. For these metrics with few occurrences relative to exposures, observed trends over a much longer period would be necessary to reach credible conclusions based on the data.

## SoCalGas Metric 5: Gas Dig-In

Lagging Gas




### METRIC DEFINITION

# of 3rd party gas dig-ins per 1,000 Underground Service Alert (USA) tags/tickets for gas; excludes fiber and Electric tickets. Any damage (impact or exposure) that results in a repair or replacement of underground gas facility as a result of an excavation, caused by someone other than the utility or a utility contractor

### Bias controls

- Annual Incentive Compensation Plan results are audited by Sempra Energy's Audit Services

### Links to compensation

- Executive compensation: ✓
- Individual/group performance goals: ✓
- Executive positions identified: ✓

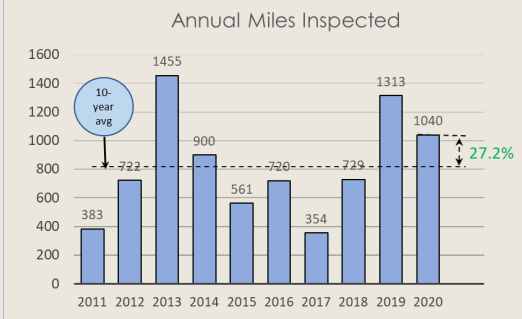
**Metric 5 Summary:** Third-party Gas Dig-Ins is identified as a RAMP risk for SoCalGas. SoCalGas reports that they analyzed the drivers of third-party Dig-In incidents and found that 60% were due to lack of notifications to 811 USA for locate and mark ticket and approximately 30% were due to insufficient excavation practices. They promote safe digging through their Public Awareness Program and stakeholder outreach.

This metric is linked to SoCalGas's 2020 Executive and non-executive Incentive Compensation Plans through a "proxy" gas safety metric: "Damage Prevention - Damages per USA Ticket Rate." This metric is weighted at 6% of the 60% overall safety weighting for SoCalGas's 2020 Executive ICP and 3% of the 40% overall safety weighting for SoCalGas's 2020 non-executive ICP.

Observations: SoCalGas's inclusion of data on risk drivers for this metric is informative. There are no metric-specific bias controls for this metric beyond the Annual ICP results being audited by Sempra Energy's Audit Services.

## SoCalGas Metric 6: Gas In-Line Inspection

Leading Gas




**1040**

Miles inspected in 2020

**818**

Average number miles inspected, 2011-2020

### METRIC DEFINITION

Total miles of transmission pipe inspected by in-line inspection

### Bias controls

- Annual Incentive Compensation Plan results are audited by Sempra Energy's Audit Services

### Links to compensation

- Executive compensation: ✓
- Individual/group performance goals: ✓
- Executive positions identified: ✓

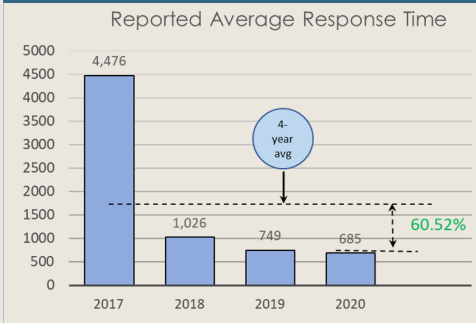
**Metric 6 Summary:** SoCalGas reports that through the federally-mandated Transmission Integrity Management Program (TIMP), they identify threats to transmission lines, determine the risk posed by those threats, schedule prescribed assessments to evaluate threats, collect information about the condition of pipelines, and take actions to minimize risks. SoCalGas notes that the numbers of assessment and mitigation activities planned under TIMP varies from year to year, and that transmission pipelines are required to be assessed at least once every seven years. TIMP reduces the risk of failure to the pipeline transmission system failure by detecting threats so that SoCalGas can take immediate action to reduce risk until a repair is completed. SoCalGas notes that they also track the total number of inspections scheduled/ total number of targeted inspections, but that data is not included here because it was not required.

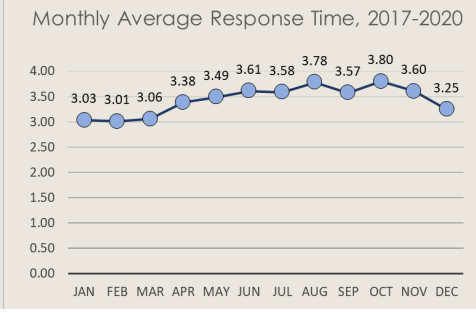
This metric is linked to SoCalGas's 2020 Executive and non-executive ICPs through a "proxy" metric: Pipeline Safety Enhancement Program (PSEP) – Number of Pipeline Miles Remediated. This metric is weighted at 6% of the 60% safety weighting for SoCalGas's 2020 Executive ICP and 3% of the 40% safety weighting for SoCalGas's 2020 non-executive ICP, and is linked to all SoCalGas director or above positions.

Observations: SoCalGas's narrative provides context to explain year-to-year variation in the annual number of gas in-line inspections conducted. Part of this variation is due to the federally mandated differences in the inspection schedule cycle for Moderate Consequence Areas (ten-years cycle) and High Consequence Area (seven-year cycle). SoCalGas notes assessments of progress on this metric should account for these cycles. Given this, the CPUC performance score for this metric should be interpreted carefully. Specifically, the 27.2% improvement in 2020 may overestimate the improvement to Gas In-Line Inspection (ILI) progress, since the 2019 – 2020 time window mirrors the 2013 – 2014 time window where a year-to-year decreasing ILI rate is expected.

## SoCalGas Metric 8: Shut in the Gas Average Time – Mains

Lagging Gas




### METRIC DEFINITION

The average time (in minutes) required for the utility to stop the flow of gas during incidents involving mains when responding to any unplanned/uncontrolled release of gas.

### Bias controls

- Annual Incentive Compensation Plan results are audited by Sempra Energy's Audit Services

### Links to compensation

- Executive compensation: ✓
- Individual/group performance goals: ✓
- Executive positions identified: ✓

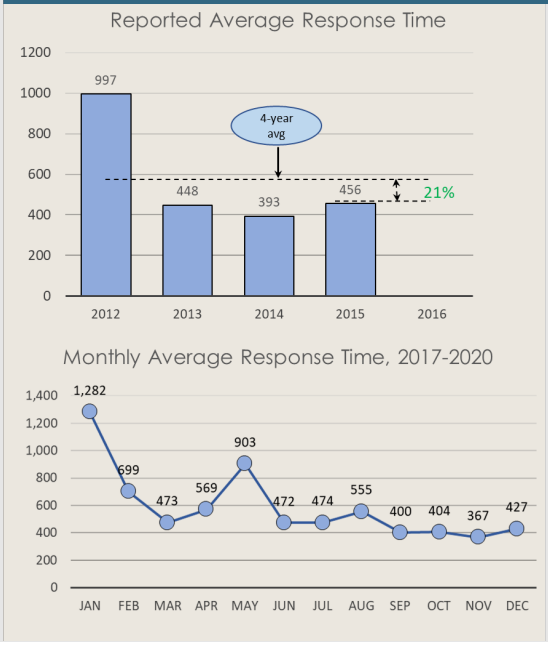
**Metric 8 Summary:** SoCalGas conducts pipeline monitoring activities including pipeline patrols, leak surveys, bridge and span inspections, and unstable earth inspections to proactively identify pipeline integrity issues.

SoCalGas began tracking this metric in 2017. This data is also reported externally per General Order (GO) 112-F. However, the 2019 Safety Performance Metrics Report was the first time the information was segregated to distinguish between Mains and Services.

This metric is linked to SoCalGas's 2020 Executive and non-executive ICPs through a "proxy" metric, "A1 Order Response Time," which measures the effectiveness of response time for Customer Services A1 gas leak orders. This metric is weighted at 6% of the 60% overall safety weighting for SoCalGas's 2020 Executive ICP and 4% of the 40% overall safety weighting for SoCalGas's 2020 non-executive ICP, and is linked to all SoCalGas director level or higher positions.

## SoCalGas Metric 9: Shut in the Gas Average Time – Services

Lagging Gas




### METRIC DEFINITION

The average time (minutes) that a Gas Service Representative (GSR) or qualified first responder (Gas Crew, Leak Surveyor, etc.) takes to respond and stop gas flow during incidents involving services.

### Bias controls

- Annual Incentive Compensation Plan results are audited by Sempra Energy's Audit Services

### Links to compensation

- Executive compensation: ✓
- Individual/group performance goals: ✓
- Executive positions identified: ✓

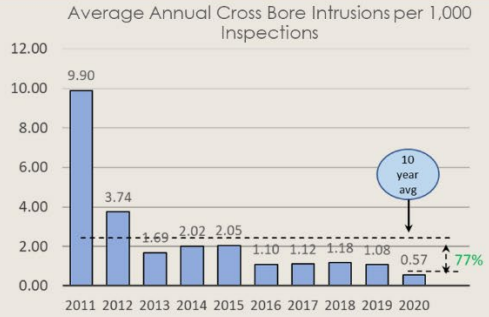
**Metric 9 Summary:** As stated within the narrative description for Metric 8, SoCalGas conducts pipeline monitoring activities including pipeline patrols, leak surveys, bridge and span inspections, and unstable earth inspections to proactively identify pipeline integrity issues.

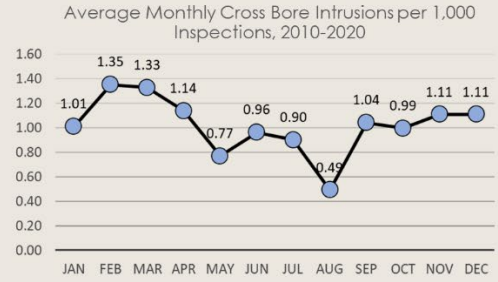
SoCalGas began tracking this metric in 2017. This data is also reported externally per GO 112-F. However, the 2019 Safety Performance Metrics Report was the first-time the information was segregated to distinguish between Mains and Services.

As with Metric 8, this metric is linked to SoCalGas's 2020 Executive and non-executive ICPs through a "proxy" metric ,"A1 Order Response Time," which measures the effectiveness of response time for Customer Services A1 gas leak orders. This metric is weighted at 6% of the 60% overall safety weighting for SoCalGas's 2020 Executive ICP and 4% of the 40% overall safety weighting for SoCalGas's 2020 non-executive ICP, and is linked to all SoCalGas director level or higher positions.

## SoCalGas Metric 10: Cross Bore Intrusions

Leading Gas




### METRIC DEFINITION

# of cross bore intrusions found per 1,000 inspections

### Bias controls

- No bias controls listed

### Links to compensation

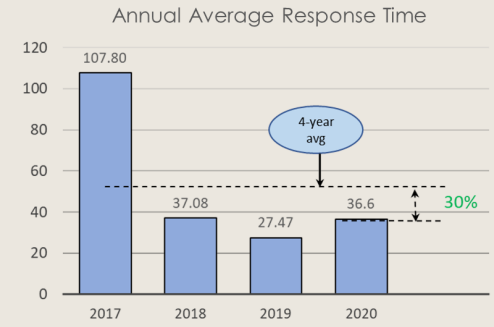
- Executive compensation: ✗
- Individual/group performance goals: ✗
- Executive positions identified: ✗

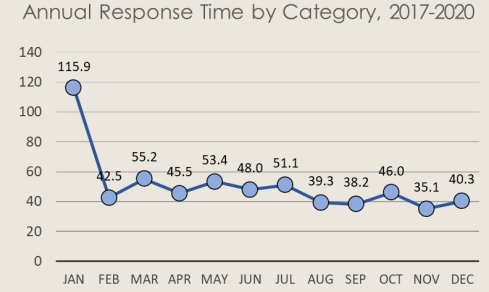
**Metric 10 Summary:** Part of SoCalGas's Distribution Integrity Management System, the Sewer Lateral Inspection Project is a risk mitigation activity that helps identify the threats of events concerning pipeline damage within sewer laterals. Since this program was initiated in 2010, approximately three million services have been reviewed and over 400,000 services have been inspected.

This metric is not tied to executive compensation and there are no bias controls listed for this metric.

## SoCalGas Metric 11: Gas Emergency Response – Mean

Lagging Gas




### METRIC DEFINITION

The average time that a Gas Service Representative or a qualified first responder takes to respond after receiving a call which results in an emergency order

### Bias controls

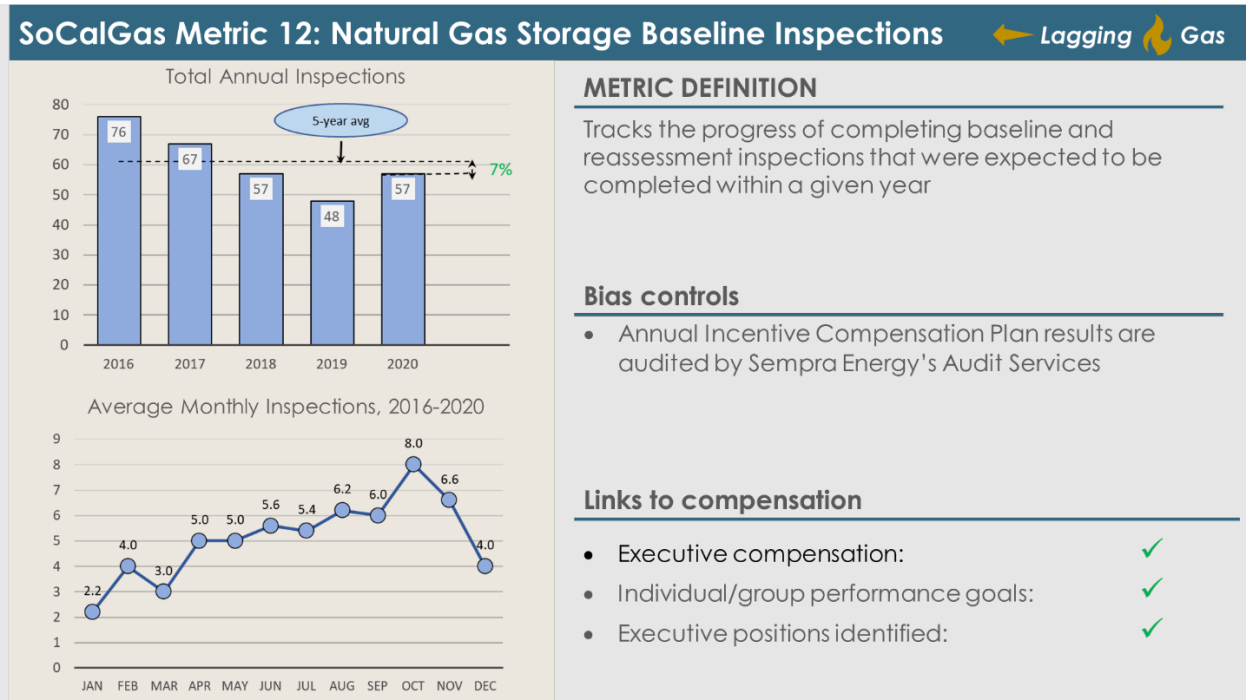
- Annual Incentive Compensation Plan results are audited by Sempra Energy's Audit Services

### Links to compensation

- Executive compensation: ✓
- Individual/group performance goals: ✓
- Executive positions identified: ✓

**Metric 11 Summary:** SoCalGas's Customer Service Field technicians respond to calls of gas leaks or odors and perform gas leak investigations. SoCalGas attributes the improvement in response times since 2017 in part to a Real Time Monitoring data collection effort that more accurately captures arrival times. They note that certain singular events that receive multiple calls can skew the average towards a slower average response time.

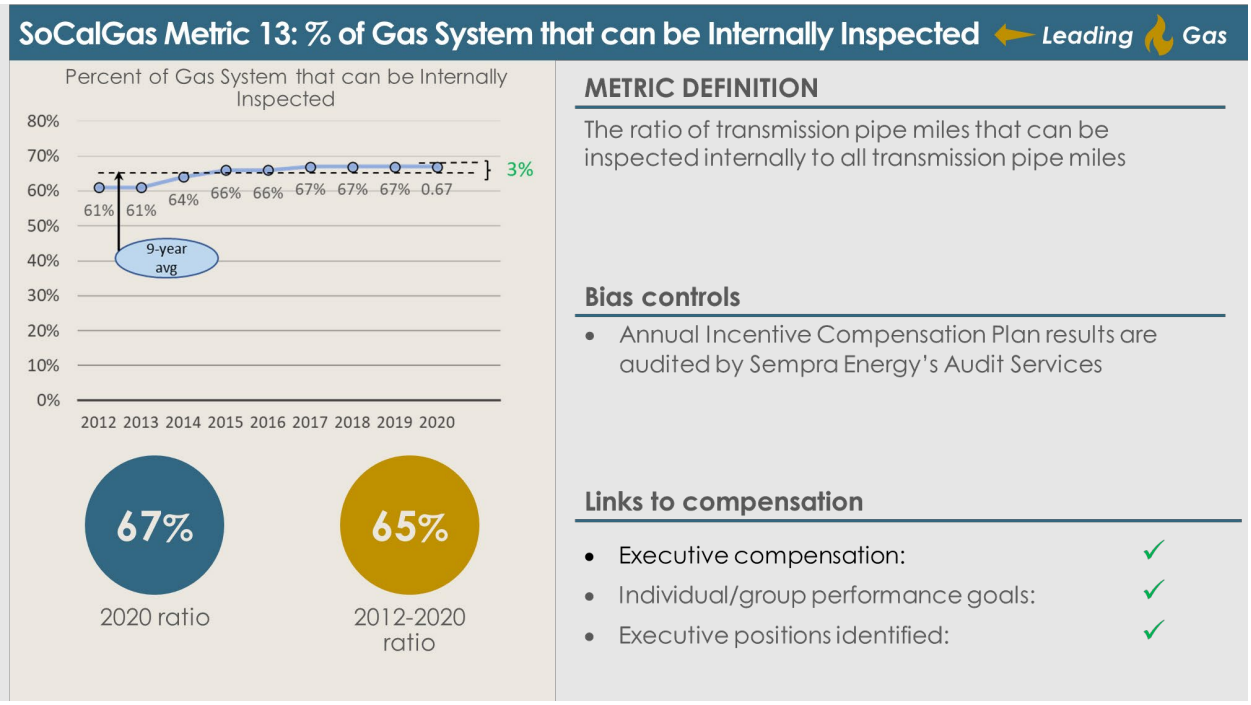
This metric is linked to SoCalGas's 2020 Executive and non-executive ICPs through a "proxy" metric, "A1 Order Response Time," which measures the effectiveness of response time for Customer Services A1 gas leak orders. This metric is weighted at 6% of the 60% overall safety weighting for SoCalGas's 2020 Executive ICP and 4% of the 40% overall safety weighting for SoCalGas's 2020 non-executive ICP and is linked to all SoCalGas director level or higher positions.




**Metric 12 Summary**: This metric tracks the natural gas storage baseline inspections supported through SoCalGas's Storage Integrity Management Program, initiated in 2016. SoCalGas reports that this program uses advanced inspection technologies and risk management to identify and mitigate storage well and integrity issues. In 2019, SoCalGas completed baseline inspection for all its storage wells and has moved towards re-inspection.

This metric is linked to SoCalGas's 2020 Executive and non-executive ICPs through a "proxy" metric, "Storage Integrity Management Program (SIMP) - Number of Wells Inspected and/or Number of Wells Inspected and/or Remediated under SIMP, or Permanently Plugged and Abandoned is included as a performance goal." This metric is weighted at 6% of the 60% overall safety weighting for SoCalGas's 2020 Executive ICP and 3% of the 40% overall safety weighting for SoCalGas's 2020 non-executive ICP and is linked to all SoCalGas director level or higher positions.

SoCalGas notes that since research and regulation on the recommended frequency for re-inspections is evolving, data for this metric may vary from year-to-year.

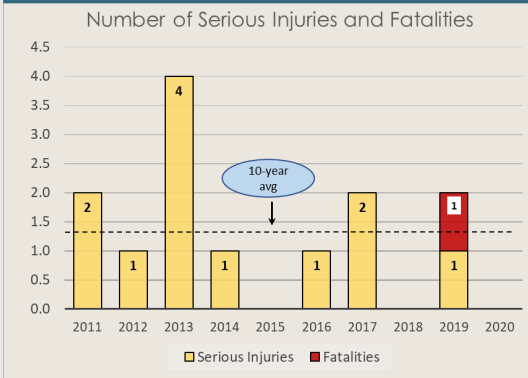



**Metric 13 Summary**: As described within the narrative context for Metric 6, SoCalGas's Transmission Integrity Management Program identifies and addresses threats to transmission pipelines, and pipelines are assessed at a minimum of every seven years. SoCalGas notes that this metric represents the ratio of two metrics that are tracked and reported to Pipeline and Hazardous Materials Safety Administration (PHMSA): (1) transmission miles that can be inspected internally, and (2) the number of transmission miles.

This metric is linked to SoCalGas's 2020 Executive and non-executive ICPs through a "proxy" metric, "Pipeline Safety Enhancement Program (PSEP)– Number of Pipeline Miles Remediated." This metric is weighted at 6% of the 60% overall safety weighting for SoCalGas's 2020 Executive ICP and 3% of the 40% overall safety weighting for SoCalGas's 2020 non-executive ICP and is linked to all SoCalGas director level or higher positions.

This metric had the same value for the past three years (67%). Progress to make more transmission pipelines accessible to internal inspections leveled off beginning in 2015. SoCalGas states that "This metric has remained relatively constant since 2015 at 66%-67% because not all transmission pipelines can accommodate ILI tools."

## SoCalGas Metric 14: Employee Serious Injuries and Fatalities ← Lagging ⊕ Injuries




**0/0**

2020 Serious Injuries/ Fatalities

**1.2/ 0.1**

2010-2020 Average Serious Injuries/ Fatalities

### METRIC DEFINITION

# of employee work-related injuries or illnesses annually that result in a fatality, inpatient hospitalization for more than 24 hours (other than for observation purposes), a loss of any member of the body, or any serious degree of permanent disfigurement

### Bias controls

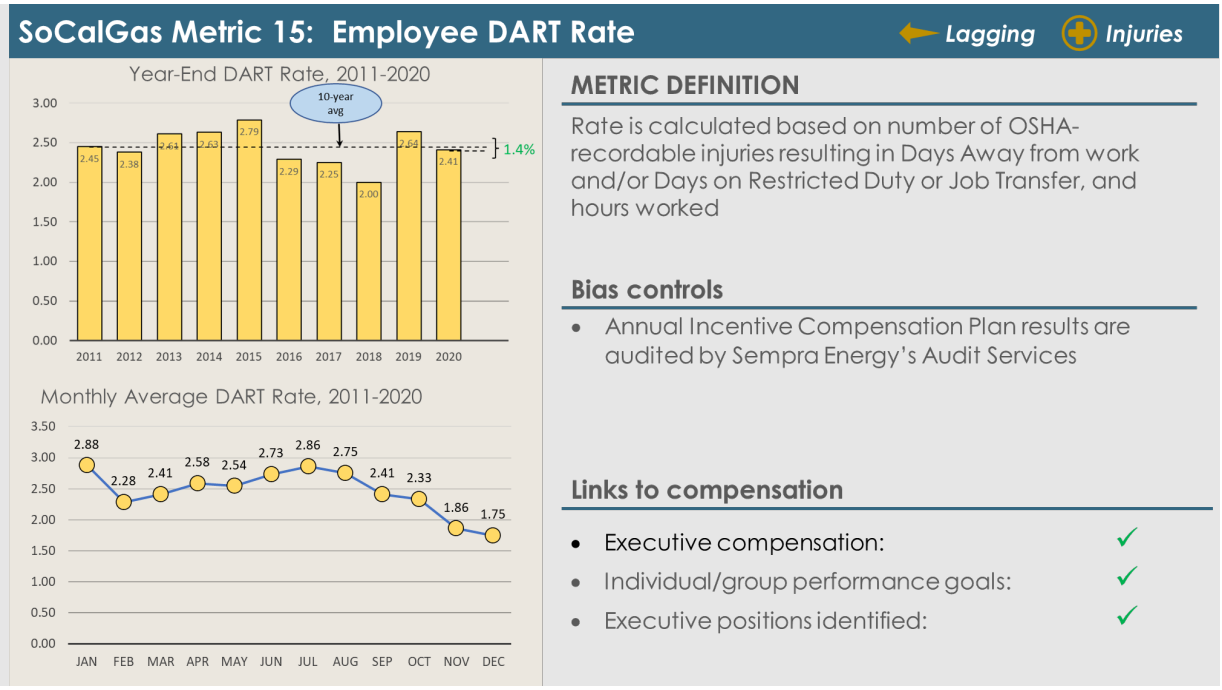
- Annual Incentive Compensation Plan results are audited by Sempra Energy's Audit Services

### Links to compensation

- Executive compensation: ✓
- Individual/group performance goals: ✓
- Executive positions identified: ✓

**Metric 14 Summary**: According to their report, SoCalGas's Safety Group provides education and training to strive for an incident-free workplace, reviews incidents and shares lessons learned with management, provides safety leadership training to frontline supervisors, and identifies areas for improvement. Additionally, SoCalGas reports that they implement leading indicators to support injury prevention, such as a Safety Barometer Survey that assesses the overall status of their safety climate and identifies areas of potential to help eliminate injuries and improve commitment to safety.

SoCalGas states that this metric is linked to SoCalGas's 2020 Executive and non-executive ICPs through a "proxy" metric composed of three safety-related metrics: Lost Time Incident Rate (LTI), Environmental and Safety Compliance Management Program (ESCMP) Corrective Action, and Alert Driving Implementation Completion (ADIC). These metrics are each weighted at 6% of the 60% overall safety weighting for SoCalGas's 2020 Executive ICP and 6% of the 40% overall safety weighting for SoCalGas's 2020 non-executive ICP and is linked to all SoCalGas director level or higher positions.

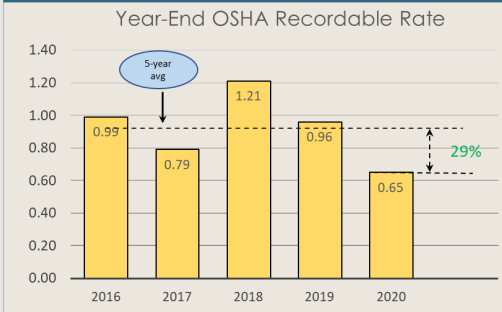


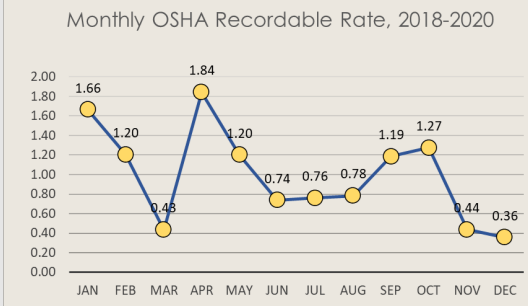

**Metric 15 Summary:** SoCalGas states that they have had a consistently low DART rate in recent years, but are evaluating initiatives to further reduce its DART rate. They attribute their low rate to strong injury case management and evaluation of initiatives to eliminate or mitigate exposure to workplace hazards.

This metric is linked to SoCalGas's 2020 Executive and non-executive ICPs through a "proxy" metric, "Lost Time Incident Rate (LTI)." This metric is weighted at 6% of the 60% overall safety weighting for SoCalGas's 2020 Executive ICP and 6% of the 40% overall safety weighting for SoCalGas's 2020 non-executive ICP and is linked to all SoCalGas director level or higher positions.

## SoCalGas Metric 18: Contractor OSHA Recordable Rate

Lagging | Injuries




### METRIC DEFINITION

Rate is calculated as # of OSHA recordable incidents times 200,000 divided by contractor hours worked, where an OSHA recordable incident is an occupational (job-related) injury or illness that requires medical treatment beyond first aid, or results in work restrictions, death or loss of consciousness

### Bias controls

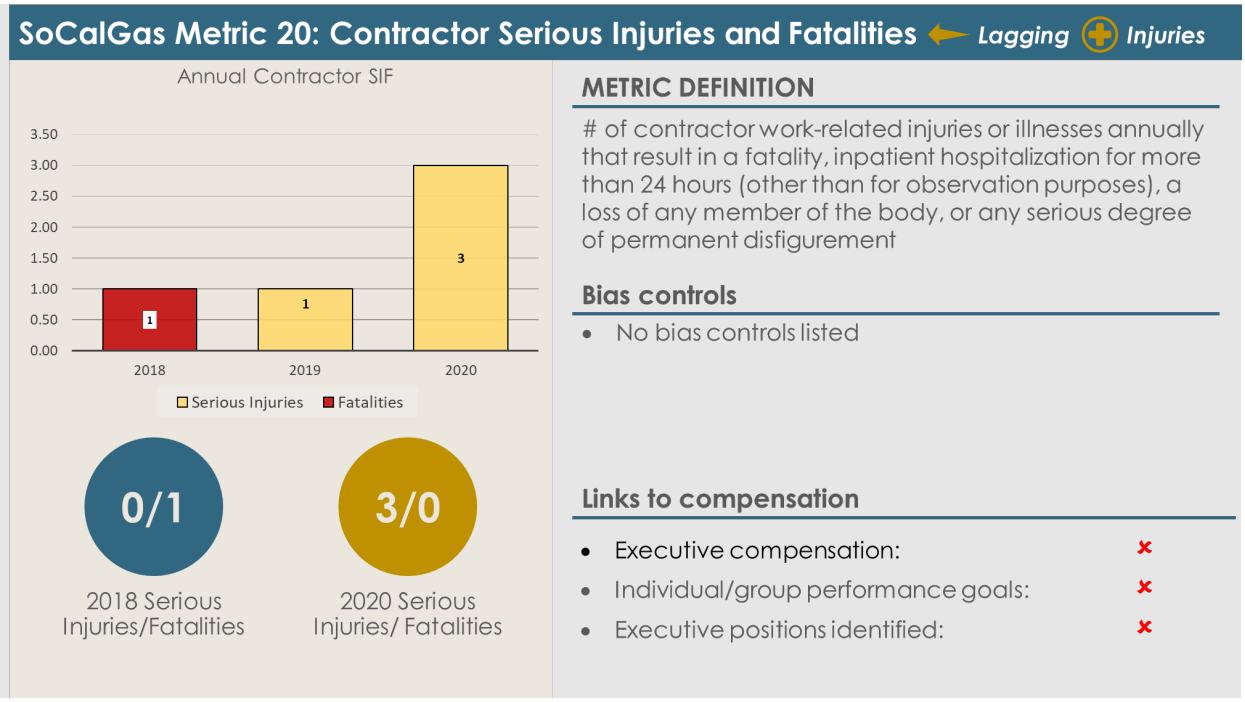
- No bias controls listed

### Links to compensation

- Executive compensation: ✘
- Individual/group performance goals: ✘
- Executive positions identified: ✘

**Metric 18 Summary:** SoCalGas states that their Contractor Safety Oversight consists of contractor safety program policies and procedures, a Contractor Safety Manual for Class 1 Contractors, field inspections and oversight, post-job safety evaluation, stop-the-job, near-miss and close-call reporting, internal audits, enforcement actions, and a pipeline safety oversight committee. The Contractor Safety Manual consolidates requirements and expectations for contractors, including compliance with applicable laws and regulations, providing a safe working environment for their employees and subcontractors, a process for pre-qualifying contractors for safety, and guidelines for managing safety on construction projects. SoCalGas's third part administration tools pre-qualify, vet, and monitor Class 1 Contractors for safety.

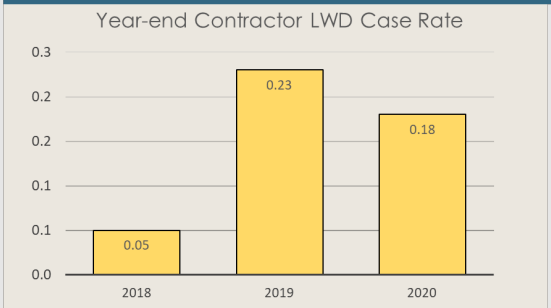
Observations: This metric is not linked to executive compensation or individual or group performance goals and does not have any associated bias controls.

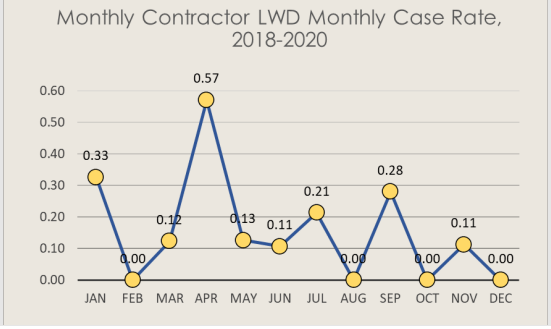



**Metric 20 Summary:** In addition to the contractor safety efforts listed for Metric 18, SoCalGas reports they engage with contractors in an annual Contractor Safety Congress and three quarterly Class 1 contractor meetings. The Contractor Safety Congress allows contractors to share best practices, and SoCalGas shares their safety vision and expectations with contractors. SoCalGas also reports that they require all Class 1 contractors to develop and implement a Stop the Job policy on their projects, which gives authority for anyone onsite to stop a job or task if an unsafe work condition, behavior or activity is identified. Further, they encourage contractors to report near-miss or close-call or good-catch incidents so that employees can learn from these experiences.

## SoCalGas Metric 21: Contractor Lost Work Day Case Rate

Lagging | Injuries




### METRIC DEFINITION

Rate = # of LWD cases / productive hours worked % 200,000; measures the # of Lost Workday (LWD) cases incurred for contractors per 200,000 hours worked, where a Lost Workday Case is a current year OSHA Recordable incident that has resulted in at least one lost workday

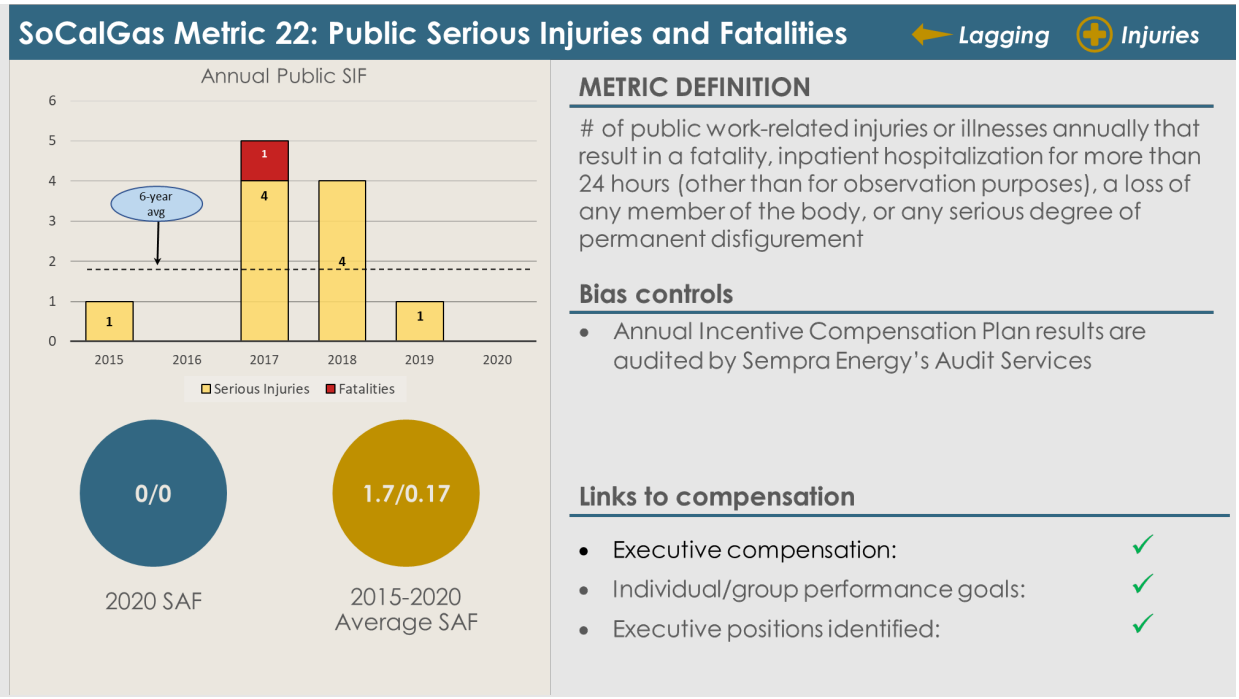
### Bias controls

- No bias controls listed

### Links to compensation

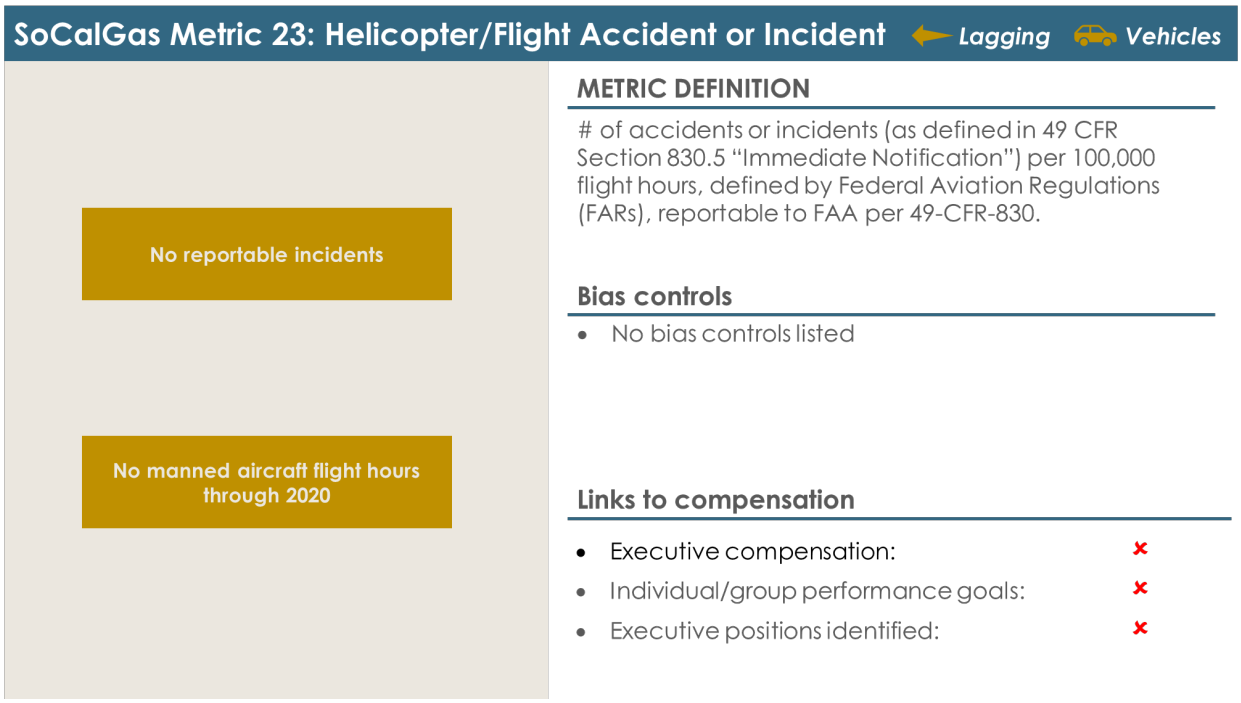
- Executive compensation: ✗
- Individual/group performance goals: ✗
- Executive positions identified: ✗

**Metric 21 Summary:** SoCalGas describes their efforts to reduce Class 1 contractor safety incidents while conducting work on behalf of SoCalGas in the narrative Description for Metrics 18 and 20. This includes contractor safety pre-qualification, oversight, pre-work safety meetings, and other efforts.




**Metric 22 Summary:** SoCalGas describes their efforts to communicate with the public to promote safety on a variety of topics including gas line locations and safe practices, how to dig safely on their property, how to keep themselves safe around company facilities that become damaged during an event, and how to detect possible safety issues within their home. They address safety concerns through public communication and awareness campaigns, emergency response programs, and safety programs and practices.

SoCalGas states that this metric is linked to SoCalGas's 2020 Executive and non-executive ICPs through a "proxy" metric, including "Customer, Public & System Safety performance goals : A1 Order Response Time, Damage Prevention – Damages per USA Ticket Rate." The performance goals within this category are weighted as follows as part of SoCalGas' 60% overall safety weighting in its 2020 Executive ICP and 40% overall safety weighting in its 2020 non-executive ICP and is linked to all SoCalGas director level or higher positions.




**Metric 23 Summary:** SoCalGas states that they have performed minimal unmanned aircraft flight hours to-date and they have not performed manned aircraft flight hours through 2020. Because of this, SoCalGas has no reportable incidents and no data for this metric. This metric is not linked to executive compensation or individual or group performance goals and does not have any associated bias controls.

## Conclusion & Recommendations

SoCalGas's second SPM Report substantially complies with the requirements in D.19-04-020.

SoCalGas responded to SPD's comments and recommendations from last year's evaluation adding supplemental data and providing additional context to their reported metrics.