

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Investigation on the
Commission's Own Motion to Determine
Whether Southern California Gas Company's
and Sempra Energy's Organizational Culture
and Governance Prioritize Safety (U904G).

Investigation 19-06-014
(Filed June 27, 2019)

**SOUTHERN CALIFORNIA GAS COMPANY'S (U 904 G)
REVISED SAFETY CULTURE IMPROVEMENT PLAN**

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I. INTRODUCTION

In accordance with Decision (D.) 23-12-034, Southern California Gas Company (SoCalGas) submits its revised Safety Culture Improvement Plan (Revised Plan) for approval by the Commission. SoCalGas's Revised Plan is attached hereto as Attachment 1.

II. BACKGROUND

On July 29, 2022, SoCalGas submitted a Safety Culture Improvement Plan (Initial Plan) in response to the Independent Safety Culture Assessment of SoCalGas and Sempra conducted by Evolving Energy Consortium (2EC) (2EC Report). In D.23-12-034, the Commission approved two of the 15 Initiatives proposed in the Initial Plan, subject to certain modifications for more meaningful and thorough reflection and understanding of the cultural drivers underlying the findings in the 2EC Report. SoCalGas benefited from deeper dialogues about, and exploration of, our challenges and underlying cultural drivers and the exercise of revising our plan to achieve substantive and sustainable positive safety culture change.

III. SOCALGAS'S REVISED SAFETY CULTURE IMPROVEMENT PLAN

In December of 2023, the Commission provided directives in Ordering Paragraphs (OP) 6 and 7 of D.23-12-034 and approved Initiatives 1A and 1B as modified by OP 3 to guide how SoCalGas should improve upon its Initial Plan by incorporating a process to promote dialogue and understanding—these core activities underpinned the development of our Revised Plan. The direction from the Commission coupled with our reflection on the evolution needed for the approach to evaluating and improving safety culture led us to start over and build our plan from the ground up, rather than attempt piecemeal revisions and improvements.

Aligned with the direction in D.23-12-034, SoCalGas began developing a broader dialogue strategy, including efforts to increase dialogue capabilities within the company to facilitate the development of the Revised Plan. Throughout these activities, we learned from external experts including the National Safety Council (NSC), members of 2EC, and Propulo.¹ SoCalGas developed culture-oriented dialogue facilitation capabilities and strengthened its internal ability to analyze dialogue data from a cultural perspective to identify connections, themes, and learnings.

To transition the qualitative dialogue data from these efforts into the Revised Plan, SoCalGas engaged members of the 2EC team to educate SoCalGas on how to facilitate co-creation—a facilitated session designed for multiple people to collaborate, brainstorm, and share ideas on a specific topic—which was a critical tool in plan development enabling collective creation and ownership. As a result, SoCalGas has built the internal capacity to conduct future dialogues, related analysis, and co-creation, and SoCalGas expects these abilities will continue to

¹ Propulo is a leading Safety and Safety Culture Strategic Advisory and Training Firm, who was engaged by Sempra to support their safety culture efforts and has also worked with SoCalGas to support safety culture learning and improvement.

prove valuable for our future learning and improvement efforts. More details on our engagement with external safety culture experts are provided in Sections 2, 3 and 5 of the Revised Plan.

SoCalGas partnered with safety culture experts to engage in structured safety culture dialogues to promote our shared understanding of our culture and shape this Revised Plan. Summaries detailing cultural insights we gained in exploring these dialogues with employees are provided in Appendices D and G (Executive and Director Dialogues), Appendix E (Management Dialogues Narrative Summary), and Appendix F (Represented Dialogues Narrative Summary) of the Revised Plan. The learnings from these dialogues led SoCalGas to reflect on the cultural assumptions underlying the findings and challenges identified in the 2EC Report and have in turn shaped the Revised Plan.

Following the dialogues but before commencing development of the Revised Plan, SoCalGas co-created a North Star to guide our path forward—*Safer Together*. As detailed in the Revised Plan, our Safer Together North Star aligns and connects our improvement efforts in an intentional and clear direction.

SoCalGas engaged in cross-functional co-creation sessions to collaboratively analyze the 2EC Report’s overarching themes and recommendations, Commission requirements, dialogue outputs, and existing and proposed SoCalGas safety goals and programs. The following are the basic assumptions or cultural drivers we uncovered as we looked deeper to develop a shared understanding of the themes and findings identified in the 2EC Report:

2EC Report Theme	Underlying Basic Assumption or Cultural Driver
1. Safety is most often perceived as personnel safety.	“Safety is the absence of injuries”
2. Safety and risk are perceived as achieved by compliance.	“It’s not worth it to do more”
3. Resources are needed to promote a healthy safety culture.	“Never enough”
4. Learning and safety improvement require an integrated management system.	“Us vs them”

Understanding the underlying basic assumptions or cultural drivers provided valuable insight in developing the actions needed for improvement. Analyzing and internalizing these learnings in collaborative co-creation efforts culminated in the four Improvement Elements intended to advance and sustain meaningful growth of our safety culture:

1. Communicate and implement a comprehensive approach to safety
2. Foster and celebrate curiosity and empower employees and contractors to speak up, question, and share their ideas
3. Commitment to engaging in collective efforts to understand organizational challenges and better prioritize resources
4. Advance collaboration and an integrated management system through enhancements to our Safety Management System

A more granular level of discussion on each Improvement Element is provided in Section 6 of the Revised Plan. The Improvement Elements describe specific actions to achieve goals aimed at addressing the cultural drivers tied to the themes identified in the 2EC Report along with other alternatives considered. As detailed in the Plan, we are intentionally designing changes and improvements that are being integrated and embedded into SoCalGas systems, policies, and programs. They are accompanied by associated measures to gauge progress and assess culture

change.² The Revised Plan and actions detailed in the Improvement Elements comprise a systemic approach to safety that reflects the multiple facets of our organization and the need for enhanced connectivity, alignment, and understanding. Sections 3-6 of the Revised Plan further detail the progression from employee dialogues on the 2EC Report themes towards the objectives and actions proposed in the Improvement Elements.

SoCalGas is moving forward to complete implementation of actions described in the Improvement Elements consistent with the requirements and estimated timelines proposed that are subject to the Commission's review and approval of the Revised Plan. Once the Revised Plan has been implemented, SoCalGas will notify the Commission through its reporting commitments. Safety culture improvement and sustainment efforts will, of course, continue even after plan implementation. Finally, SoCalGas has attached 2024 Sempra Safety Culture Improvement Initiatives as Attachment 2 hereto.

IV. CONCLUSION

SoCalGas appreciates the opportunity provided by the Commission and the 2EC Report to strive for improvement in our safety culture that is guided by a wide range of perspectives and voices. The activities described in the Revised Plan reflect a concerted effort to reach a deeper understanding of our culture and opportunities to improve through engagement and dialogue with employees, contractors, external experts, Commission staff, parties to this proceeding, and community representatives on matters relating to safety culture. The Improvement Elements are the result of collaborative efforts to formulate actions to best address areas in our safety culture

² A Proposed Measures Table is also provided in Appendix I of the Revised Plan.

