

Safety

Nothing is More Important than Public and Employee Safety

2012 Supplier Conference

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“Our goal is to make PG&E the safest utility in the country.”

To change our Safety climate we need to move from ...

FEAR



TRUST



“Our goal is to make PG&E the safest utility in the country.”

To change our Safety climate we need to move from ...

“GOTCHA”



“GOOD CATCH”



“Our goal is to make PG&E the safest utility in the country.”

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**PRODUCTIVITY
OR SAFETY**



**SAFE AND
PRODUCTIVE**



“Our goal is to make PG&E the safest utility in the country.”

To change our Safety climate we need to move from ...

INVESTIGATION



ANALYSIS



“Our goal is to make PG&E the safest utility in the country.”

We need your companies and your employees to change the safety culture with us!

Safety

Nothing is More Important than Public and Employee Safety





What we've learned from our employees

- Over-reliance on discipline has created a **fear-based climate** and a **lack of trust**.
- Inconsistent leadership visibility.
- Need for clear and consistent communication.
- Leaders send mixed signals regarding **safety** versus **productivity**.
- No system-wide safety strategy.
- Metrics are incomplete and drive the wrong behavior.
- Data gathering systems are scattered and incomplete.
- Inadequate resources dedicated to safety.



What we've learned from our customers

- 62% are concerned about a gas pipeline explosion in their area.
- 48% say their opinion of PG&E has worsened because of the San Bruno incident.
- 50% are interested in hearing more from PG&E on gas/pipeline safety.
- 27% brand favorability is at an all-time company low.
- Customers do not feel personally or emotionally connected to PG&E.

Sources: 2012 Trendline Survey – JMM ; 2012 Brand Tacking Study – Hall & Partners (Corporate Relations Update 2012)





What Have You Learned?

Checking in with your employees

- What is their view of YOUR current safety climate?

Checking in with your contract partners

- What is PG&E's view of your onsite safety performance? Your past safety record? Your safety programs?

Checking in with your public

- Your public is **OUR** public

Safety

A New Approach for PG&E





Our Safety Principles

Nothing is more important than public and employee safety.

- We must create an environment at PG&E where employees feel that they can raise all safety-related issues without peer pressure or fear of reprisal. This includes near hits and unsafe situations of any kind.
- We encourage open and honest communication on safety so that we identify and eliminate unsafe situations and avoid incidents and injuries.
- To enhance safety and prevent future incidents we will adopt a voluntary non-punitive, self-reporting system for unsafe occurrences and hazardous situations.



Our Safety Principles

Nothing is more important than public and employee safety.

- We acknowledge and reward safe behavior and practices to encourage our employees and to reinforce continuous learning.
- Safety discussions are used as an opportunity for learning and coaching. When an incident occurs, our first priority is to understand what happened and the underlying causes, not to discipline.
- We will adopt a behavior-based approach to discipline. Discipline will only be considered when employees act in a reckless manner, demonstrate a pattern of carelessness or non compliance, put themselves, their co-workers or the public at risk by intentionally violating the Keys To Life, or violate the Code of Conduct.



PG&E's Safety Commitment

Nothing is more important than public and employee safety.

- We will train, equip and qualify our people to work safely.
- We will design, build, operate and maintain our systems with the highest regard for the safety and well-being of all.
- We will identify and address the underlying causes of incidents to prevent them from recurring.



Personal Safety Commitment

Nothing is more important than public and employee safety.

- I will make my personal safety and the safety of my coworkers and the public my highest priority.
- I will make sure I understand how to do the work safely before I start the job.
- I will speak up about safety concerns.
- I will look for safety hazards and intervene to stop unsafe acts.
- I will close out and properly document my work.



Keys to Life

To assure your safety and that of your co-workers and the public:

- Follow safe driving principles
- Use appropriate life-saving personal protective equipment (PPE).
- Follow electrical safety testing and grounding rules.
- Follow clearance and energy lock-out rules.
- Follow confined space rules.
- Follow suspended load rules.
- Follow safety at heights rules.
- Follow excavation procedures.
- Follow hazardous environment procedures.

Leadership Actions

Leading by example – What PG&E's Leadership is doing





PG&E's Safety Action Plan

- Safety Leadership Workshops
- Executive Safety Steering Committee
- Chairman's Safety Review Committee
- Grassroots
- Leadership Observations
- Near Hit Reporting
- Contractor Safety

Public Safety Initiatives





Continuous Improvement



New compression Sleeve and Corrosion Resistant Automatics

- Changing connector practices
- Re-emphasizing construction training and splicing techniques
- Revising our engineering standards to limit splices per span of wire
- Benchmarking with others for continuous improvement





Public Safety: Leak Detection

- Aerial – DIAL (Lidar)

Leak Site 12: Flight Day 1 - Aircraft Out of Position (Upwind or Parallel to Gas Release)

Helicopter was too far off the GPS Pipeline to see the Leak Site. Wind speed was taken from Field Data Sheet to show more accurate ground wind speed. Yellow Line = GPS Pipeline





Public Safety: Leak Detection

Picarro Surveyor – Revolutionary

- Redefining gas leak detection and being a world leader
- Ability to find and fix gas leaks quicker than ever before

Customers and other Stakeholders

- Earn Back Their Trust
- Leak Survey (5 year to 1 year)
- Records - Verifiable, Traceable and Complete





Contractor Safety Plan

Project Objectives

Implement an enterprise wide contractor safety program that:

- On Boarding: Qualifies contractors to work for PG&E that meet Sourcing and Safety standards
 - Review of safety records, site visits, leadership interviews, review of policy/procedures
- Clear Expectations: Clear and enhanced contractor performance expectations – implementation of measureable metrics
- Jobsite Observations: Enhance the Company's site-specific safety requirements
 - Procedures for pre-job evaluations, tailboards, on site work observations
- Post Job Evaluations: Enhance the Company's post job evaluation process, lessons learned, final safety performance reviews, corrective actions



Contractor Safety Development

Q2 – Received approval of scope and objective from the Executive Safety Steering Committee

- Gun Shim, Executive Sponsor, Linda Limberg, Process Owner
 - Benchmarking with utilities and suppliers
 - Launched a pilot with five contractors
 - Resources, roles, and responsibilities (Safety, Lines of Business, Sourcing) being defined
 - Assessing the use of a Third Party Administrator on contractor pre-qualifications & on the job performance
 - Conducting Contractor Safety Summits
 - Developing the “Scorecard”



PG&E Contractor Safety Scorecard – December 2012

ABC Contractor (DRAFT SCORECARD)

Lost Work Days(Company)			OSHA Recordables (PG&E)			Experience Modification Rate		
December	Full Year	2012 Plan	December	Full Year	2012 Plan	December	Full Year	2012 Plan
0	0	2	0	1	4	0	1	1

Safety Indicators

	December Actual	Full Year Actual	Full Year Plan
Near Hits Reporting	17	150	145
Leadership Audits	12	120	110
Safety Work Order Closure	24	78	100

Comments

As of 12-31-2012	<p>ABC Contractor worked 500 consecutive days without an OSHA recordable injury</p> <p>DCF subcontractor worked 297 consecutive days without an OSHA recordable injury</p> <p>GHI base crew worked 350 hours consecutive days without an OSHA recordable injury</p>
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Definitions

Lost Work Day Incident Rate – A mathematical calculation that describes the number of occupational injury or illness which results in an employee being unable to work a full assigned work shift. Lost time cases result when there are no reasonable circumstances under which the injured employee could return to meaningful work.

OSHA Recordable Incident Rate - A mathematical calculation that describes the number of recordable incidents – which include all work related deaths, illnesses, and injuries which result in a loss of consciousness, restriction of work or motion, permanent transfer to another job within the company, or that require some type of medical treatment or first-aid.

Experience Modification Rating - Assesses whether your company's claims are greater than or less than average by comparing your company's payroll and claims history with other California businesses in the same industry. This rating affects your current workers' compensation premium. Every business starts with an Ex Mod Rate of 1.00. Values less than 1.00 reflect a better than average claims history, while values over 1.00 reflect a worse than average claims history.