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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Further Develop a Risk-Based Decision-Making Framework for Electric and Gas Utilities.	Rulemaking 20-07-013

ADMINISTRATIVE LAW JUDGE'S RULING PROVIDING STAFF PROPOSAL AND JOINT MOTION FOR COMMENT

Summary

This ruling provides a Staff Proposal on Track 3 Issues in Rulemaking (R.) 20-07-013 (Staff Proposal) for comment. It also allows parties to comment on a *Joint Motion to Eliminate Separate Gas Safety and Reporting Requirements* (Joint Motion), submitted by Southern California Gas Company (SoCalGas), San Diego Gas & Electric Company (SDG&E), and Pacific Gas and Electric Company (PG&E) in R.20-07-013. Because the Joint Motion addresses gas reporting requirements adopted in several other proceedings, this ruling is being served on parties to Application (A.) 17-11-009, A.15-09-001, A.10-12-005, A.10-12-006, A.09-12-020, and Investigation (I.) 10-07-027.

Parties to R.20-07-013 and the other named proceedings may serve and file comments on the Staff Proposal and the Joint Motion no later than 20 days from issuance of this ruling and reply comments no later than five days from the date opening comments are due. Comments shall be served and filed in R.20-07-013.

1. Staff Proposal

The November 2, 2020 assigned Commissioner's Scoping Memo and Ruling (Scoping Memo) sets forth four Tracks for Phase I of this proceeding.

Decision (D.) 21-11-009 addressed Phase I, Tracks 1 and 2. The Staff Proposal appended in Appendix A of this ruling addresses issues scoped into Track 3 of Phase I of R.20-07-013.[1] Staff developed their proposal following a series of Track 3 working group meetings.[2]

Parties to R.20-07-013 may serve and file comments on the Staff Proposal contained in Appendix A to this ruling no later than 20 days from issuance of this ruling and reply comments no later than five days from the due date of opening comments. Parties shall organize their comments as follows:

1. Risk Spending Accountability Report (RSAR) schedule changes (Scope Issue 3.a.ii.)
    a. Extensions
    b. New schedule
2. Linking Risk Assessment and Mitigation Phase (RAMP) and RSAR content to the General Rate Case (GRC) (Scope Issue 3.a.i)
    a. Standard Chapters and Headings
    b. Tracking RAMP and Non-RAMP Costs
3. RAMP to GRC mapping (Scope Issue 3.b.)
4. RSAR improvements (Scope Issue 3.b.)
    a. Filing Standardized Table Structures
    b. Reporting Variances: Completion Status
    c. Reporting Variances: Cost Imputation
    d. Variance Explanations
5. Update RAMP Evaluation, Risk Spending and Risk Spend Efficiency (RSE) (Scope Issue 3.b)

[1] Scoping Memo, November 2, 2020 at 6.

[2] Commission Energy Division Staff convened Phase I, Track 3 working group meetings on August 27, 2021; September 24, 2021, and October 7, 2021.

6. Define RAMP Revision Process to Meet Requirements (Scope Issue 3.b).
    a. RAMP Comments
    b. Addressing RAMP Issues
7. Additional RSAR Improvements (Scope Issue 3.a.)

2. Joint Motion

PG&E, SoCalGas, and SDG&E (Joint Parties) filed their Joint Motion on February 18, 2022. The Joint Motion is appended to this ruling in Appendix B.

In brief, the Joint Motion proposes that the Commission eliminate separate gas safety reporting requirements adopted in D.19-09-025, D.17-05-013, D.13-05-010, and D.11-05-018 (jointly "Decisions") pursuant to Public Utilities (Pub. Util) Code Section 958.5 and Section 591. These Decisions collectively adopt content and timing requirements for a Gas Transmission, Distribution, and Storage Safety Report (GTDSSR) for SoCalGas and SDG&E, and a Gas Transmission and Storage Report (GTSR) and Gas Distribution Pipeline Safety Report (GDPSR) for PG&E (collectively "Gas Safety Reports"). The Joint Parties state that eliminating reporting requirements for these Gas Safety Reports and merging any non-duplicative requirements into RSAR filings, GRC applications, RAMP filings, Safety Performance Metrics Reports (SPMRs),[3] and related processes will eliminate redundancies and improve efficiency, while retaining all information required to be reported by statute and in the Decisions. The issue of eliminating redundancies in safety reporting requirements is scoped into Phase I, Track 3 of R.20-07-013.[4]

[3] D.14-09-025 and D.19-04-020 adopt requirements for RAMP filings, RSARs and SPMRs for the Joint Parties as well as Southern California Edison Company.

[4] Scoping Memo, November 2, 2020 at 6 (Track 3(a)(ii).

The body of the Joint Motion presents the following rationale, which is repeated in greater detail in several Attachments to the Joint Motion. The Joint Parties state, regarding the GTDSSR required from SoCalGas and SDG&E:

- The spend and units that comprise the majority of the GTDSSR are also the prominent piece of the RSARs. The unique aspects of the GTDSSR can be met by the RSAR and other filings, *by expanding their service lists.*
- Although the GTDSSR is distributed twice a year, the Legislature gave the Commission the authority to determine the frequency of such reports.[5]
- The GTDSSR also requires explanations of the companies' planning and decision-making with respect to transmission, distribution, and storage. This information is fully explained in the RAMP reports, in the GRC, in the SPMRs[6] and also in the annual gas safety plans.
- The GTDSSR requires details on activities over a certain threshold. The RSAR includes the details at a somewhat higher level – at a level consistent with how costs are presented in the GRC.
- The GTDSSR requires dates for new projects that proceed ahead of other projects. The RSAR includes a requirement to explain emergent, deferred, or canceled projects.
- The GTDSSR requires a spreadsheet of the data underlying the report. For the RSAR, Energy Division routinely requests Excel versions of the RSARs, and the Utilities anticipate the requests and timely provides them shortly after filing.

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[5] Pub. Util. Code Section 958.5(a) ("Twice a year, *or as determined by the commission*….") (emphasis added).

[6] D.19-04-020 at 32 ("As discussed in Section 4.4 of D.19-04-020, we require the IOUs to include in their annual Safety Performance Metrics Reports a general description of how their risk mitigation activities and risk spending are meeting their RAMP and GRC goals for managing and minimizing safety risks.").

- Finally, the GTDSSR has two further requirements in the appendices: a copy of the Work Order Authorization ("WOA") Request Form and a Baseline Assessment Plan Completion and Reassessment Due Dates ("Baseline Assessment Plan Dates"). The WOA Request Form is not regularly reported externally but is available upon request at any time. The Baseline Assessment Plan Dates have not been generally provided historically; however, they have been provided as part of Transmission Integrity Management Program audits upon request.[7]

Regarding PG&E's GDPSR and GTSR, the Joint Motion states that most requirements in the Decisions are met by the RSAR, RAMP, and GRC reports, and related processes:

- Much of the material included in PG&E's GDPSR (Attachment 3 [to Joint Motion]) is similar to and repetitive of the information provided in the RSAR, for example, details related to recorded spend, units, and variance explanations to imputed regulatory values at the Maintenance Activity Type ("MAT") level for safety, reliability, and maintenance MATs.
- Many of the unique aspects of the GDPSR, like the overview of the decision-making process and distribution planning, pipeline records discrepancies, inspection details, and compliance drivers, can be met by the SPMR, the Gas Safety Plan[8] or through other publicly available filings like the GRC and RAMP.
- For PG&E's GTSR (Attachment 4 [to Joint Motion]), similar to the GDSPR, much of the information duplicates imputed and actual data that will be provided in the RSAR.
- Many of the unique aspects of the GTSR, like progress on PG&E's storage and transmission programs, safety

[7] Joint Parties, Joint Motion, at 7, February 18, 2022, emphasis added.

[8] Pub. Util. Code Section 961.b.1 states that "each gas corporation shall develop a plan for the safe and reliable operation of its commission-regulated gas pipeline facility" implementing Pub. Util. Code Section 963. See D.12-04-010, Finding of Fact 1 and Ordering Paragraph 6.

developments, integrated planning process, inspection details, and overall compliance status with transmission regulations can be met by the SPMR, Gas Safety Plan or through other publicly available filings like the GRC and RAMP.

- Unique information in the GDPSR and GTSR that is not available in another filing including information related to budget, project details, procurement and disposition will be provided through RAMP and GRC filings or can be obtained through discovery.
- Related to timing of the reports, the GDPSR is submitted annually on March 31, concurrent with the RSAR. The GTSR is filed and served twice a year, once in March and once in November. However, as noted above, there is no statutory requirement governing a semiannual submission. Public Utilities Code 958.5 allows the CPUC to modify the schedule for submission of the reports.[9]

2.1. Opportunity for Comment

Pursuant to Article 11.1(e), parties to R.20-07-013 had the opportunity to comment on the Joint Motion by March 5, 2022. No party filed comments.

Pursuant to Article 11.1(e), this ruling provides an additional opportunity for comment on the Joint Motion. Parties to R.20-07-013, as well as parties to A.17-11-009, A.15-09-001, A.10-12-005, A.10-12-006, A.09-12-020, and I.10-07-027, may serve and file comments on the Joint Motion contained in Appendix B to this ruling no later than 20 days from issuance of this ruling and may serve and file reply comments no later than five days from the due date for opening comments.

[9] Joint Parties, Joint Motion, at 8, February 18, 2022.

This ruling shall be served to the service lists of A.17-11-009, A.15-09-001, A.10-12-005, A.10-12-006, A.09-12-020, and I.10-07-027. Comments on this ruling shall be served and filed in R.20-07-013.

IT IS RULED that:

1. Parties to R.20-07-013 may serve and file comments on the Staff Proposal contained in Appendix A to this ruling no later than 20 days from issuance of this ruling and reply comments no later than five days from the due date of opening comments. Parties shall organize comments on the Staff Proposal as indicated in this ruling.

2. This ruling shall be served to the service lists of A.17-11-009, A.15-09-001, A.10-12-005, A.10-12-006, A.09-12-020, and I.10-07-027, in addition to R.20-07-013.

3. Parties to R.20-07-013, A.17-11-009, A.15-09-001, A.10-12-005, A.10-12-006, A.09-12-020, and I.10-07-027, may serve and file comments on the Joint Motion contained in Appendix B to this ruling no later than 20 days from issuance of this ruling and may serve and file reply comments no later than five days from the due date for opening comments. Comments shall be served and filed in R.20-07-013.

Dated April 13, 2022, at San Francisco, California.

/s/ CATHLEEN A. FOGEL
Cathleen A. Fogel
Administrative Law Judge

APPENDIX A

R.20-07-013 Track 3 Staff Recommendations

Starting with a February 9, 2021 workshop, Commission Staff hosted three Working Group (WG) meetings through the fall of 2021[1] to address Track 3 of Rulemaking (R.) 20-07-013 (S-MAP II or RDF Proceeding).[2] The agenda for the meetings (see sections below) pertained to implementing the following:

1. Rate Case Plan (RCP) requirements found in Decision (D.) 14-12-025 and D.20-01-002 (R.13-11-006)
2. Clarifying Ordering Paragraphs (OP) found in D.18-12-014 and D.19-04-020.[3]

The goals for the meetings were to:[4]

a) Align the Risk Assessment Mitigation Phase (RAMP), General Rate Case (GRC), Risk Spending Accountability Reports (RSAR) and Risk-Based Decision-Making Framework (RDF) for improved cost tracking of safety expenditures and related risk reductions (WG 1 – RSAR Process Changes)
b) Address whether RCP requirements need to be updated to reflect any clarifications adopted in this RDF Proceeding (WG 2 – RCP Requirement Updates); and
c) Other RAMP clarifications or refinements (WG 3 – RAMP Improvements).

WG participants included representatives from Southern California Gas Company (SoCalGas), San Diego Gas and Electric Company (SDG&E), Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), Public Advocates Office (Cal Advocates), The Utility Reform Network (TURN) and Protect Our Communities Foundation (PCF).

WG 1 – RSAR Process Changes

1.1. Feedback on the RSAR

The RSAR and related Commission review, are the product of D.14-12-025 and D.19-04-020 (OP 8, 10 and 11). Their purpose is to explain spending discrepancies, improve safety, reliability and maintenance (SRM) spending accountability[5] and alert the Commission "about any concerns regarding utility risk spending."[6]

[1] Commission Staff organized meetings on August 27th (WG1); September 24th (WG2) and October 7th (WG3).
[2] Application 15-05-002 et al. was the *first Safety Model Assessment Proceeding* (S-MAP I), and this successor proceeding, R.20-07-013 is the *Rulemaking to Further Develop A Risk-Based Decision-Making Framework for Electric and Gas Utilities.*
[3] These decisions were issued in the Safety Model Assessment Application Proceeding (S-MAP; A.15-05-002 *et. al.*)
[4] *See* November 2, 2020 *Assigned Commissioner Scoping Memo and Ruling* at page 6: https://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=349872437.
[5] See D.19-04-020 pp 38.
[6] D.14-12-025 at 46; see also D.19-04-020 p 33 and OP 14 p 67.

Energy Division (ED) staff asked stakeholders to explain how they use the RSARs and what needs improvement. Intervenors indicated that they use the reports to track the utilities' activities, believe the reports improve accountability and support the annual RSAR filing. Participants indicated that the reports are a leading reporting tool for tracking trends, learning what investor-owned utility (IOU) work is getting done, and reviewing IOU justifications for incomplete projects.

IOUs' teams reported they spend a lot of time meeting requirements with a high focus on presenting work units and explaining variances. IOUs also use the reports to prioritize work since they provide data in one place for tracking programs.

- ED Staff have no recommendation for this topic.

1.2. RSAR schedule changes (Scope Issue 3.a.ii.)[7]

WG participants discussed extensions, the need for more time and the need to change the schedule. WG participants acknowledged that the schedule has not offered stakeholders the amount of time needed to file, comment and review the filing.

Extensions

WG participants discussed the amount of time needed to address requests for extensions. IOUs and ED staff have consistently requested extensions for RSAR filing and reviews with the Commission Executive Director having final say.[8] However, only the ED Director needs to oversee these types of requests since only ED staff responsible for managing the process.

- **Staff recommend** that the Commission authorize RSAR schedule changes be at the discretion of the ED Director and that questions or requests for changes be directed to the ED Director by January 31.

New Schedule

While WG participants did not agree on a specific schedule, they did say that the RSAR schedule should give all stakeholders more time to file, comment and review and the filing and review process should be completed between April and November.

- **Staff recommend** eliminating the April 10th RSAR Schedule notice set out in D.19-04-020[9] and simplifying the schedule as follows:
  - IOU RSAR filing due: 4/30
  - Intervenor Comments due: 7/31
  - ED Review due: 10/31

1.3. Redundancies between RSAR and related safety accountability reports and integration of reporting across proceedings (Scope Issue 3.a.ii)

WG participants discussed an IOU proposal to eliminate four Gas Safety reports (see below):

[7] "Scope Issue" refers to the Assigned Commissioner Scoping Memo and Ruling, November 2, 2020, p. 6.
[8] As D.19-04-020 OPs 8 and 9 only order the filings staff must refer to the rules of practice and procedure 16.6 for guidance on extensions.
[9] Page 46 of the decision states"…ED shall by April 10 of each year submit to the IOUs and parties in relevant open GRC proceedings and post on the Commission website a letter providing that year's Annual RSAR Review Schedule."

- PG&E's Gas Safety Reports:
    - Gas Transmission and Storage (GT&S) Report: D.19-09-025 deferred to the RCP on how to approach the RSAR. Because updates to the RCP adopted in D.20-01-002 merged the GT&S rate case with the GRC, the GT&S report is effectively redundant.
    - Gas Distribution Pipeline Safety Report (GDPSR): PG&E requested the Commission change or retire the GDPSR in favor of the RSAR.[10]
- The Sempra Utilities' Gas Safety Reports: SDG&E's Gas Transmission and Distribution Safety Report and SoCalGas's Gas Transmission, Distribution, and Storage Safety Report
    - The Sempra Utilities proposed discontinuing the reports in its 2019 GRC citing resource limitations, and how the reports duplicate RSAR and RAMP requirements. The Test Year (TY) 2019 GRC Decision (D.19-09-051) denied the proposal saying that the S-MAP II proceeding would provide a better opportunity to address this issue.

PG&E, SoCal Gas, and SDG&E presented an analysis to WG participants on October 3rd describing which reporting elements would be gained, retained, or lost if the Commission were to eliminate these reporting requirements. WG participants acknowledged which reports had unique variance thresholds, reporting periods or requirements. They also agreed that the gas reports mirror the RSAR format with the notable difference that the RSARs are filed in the docket of the GRCs which approved their funding,[11] contain unit thresholds and are subject to staff evaluation.

PG&E, SoCalGas, and SDG&E subsequently filed a Joint Motion on February 18, 2022, which closely resembles their October 3rd presentation to WG members. The ruling distributing this Staff Proposal also provides the Joint Motion for comment.

WG 2 – RCP Requirement Updates

2.1. Linking RAMP (and the RSAR) content to the GRC (Scope Issue 3.a.i)

Standard Chapters and Headings

WG participants reviewed how IOUs' GRC testimonies reference RAMP comments and how costs should be presented in each filing to enable comparison.

RAMPs, GRCs and RSARs are meant to be successive and build off of one another. RAMPs differ from GRC applications because stakeholder comments in the RAMP will recommend changes and the GRC uses more accurate data. Additionally, each filing has different goals, which are not easily reconciled. RAMPs present risks, propose mitigations, and compare the efficacy of mitigations for further consideration in the GRC. GRCs establish revenue requirement. RSARs present a narrow selection of program spending. Staff have found this lack of uniformity can complicate the review process.

- **Staff recommend** IOUs standardize chapters and headings in the RSARs, RAMPs and GRCs. Specifically, where RAMP risks pertain to only one GRC program, the filings should simply have the same name.

[10] D.19-04-020 PG&E Reply Comments, April 15, 2019.
[11] D.19-04-020 p45 directs IOUs to file their RSARs within the GRC for which funding was authorized.

Tracking RAMP and Non-RAMP Costs

WG participants discussed how the Commission should present risk mitigation costs in GRC applications to distinguish them from non-RAMP related costs. In discussions, WG participants confirmed the difficulty in knowing how GRC decision changes to proposed revenue requirements affect funding for RAMP-related programming and potentially even the efficacy of RAMP mitigations. However, WG participants also cited D.14-12-025 to argue that it may not be necessary to require IOUs to better identify mitigations in GRC applications because "...utilities should be held accountable for achieving the risk mitigation benefits they claim and for spending ratepayer money wisely and efficiently..."[12]

Regarding the difficulty in assessing how changes to revenue requirements impact the benefits of mitigation programs, Staff observe that D.14-12-025 outlined a Risk Mitigation Accountability Reporting (RMAR) process that should "...compare the utility's GRC projections of the benefits and costs of the risk mitigation programs adopted in the GRC to the actual benefits and costs..."[13] However, the Commission subsequently indicated in D.19-04-020 that it was "premature to approve specific RMAR requirements or to require separate RMARs"[14] because "IOUs will not all file RAMP reports comparing changes in [risk spend efficiency] RSE scores between successive GRC application periods using the [Settlement Agreement] SA Decision methodology [adopted in D.18-12-014] until 2024."[15]

As the preceding discussion touches on topics beyond the scope of Track 3.a.i., **Staff recommend** that the Phase II scope for R.20-07-013 be updated to include exploration of:

- Whether the Commission should initiate a process to measure changes in safety benefits as a result of approved mitigation programs prior to 2024; and/or
- How IOUs should estimate or report on changes in projected mitigation program benefits as a result of changes to revenue requirements adopted in a GRC.

2.2. RAMP to GRC mapping (Scope Issue 3.b.)

WG participants discussed updating the RCP to include a requirement for IOUs to list RAMP program costs with, or mapped to, their relevant GRC programs. The RCP suggests IOUs submit GRC workpapers "mapping" GRC costs to RAMP mitigations[16] but does not adopt a requirement, guideline or standard. During the WG discussion, the IOUs indicated a general willingness to provide these workpapers. There are several examples of how the mapping might be made in the record for each IOU's respective GRCs.

Staff recommend:

- IOUs explicitly map costs and comments between the RAMP and GRC filings.
- Costs stemming from an approved Wildfire Mitigation Plan (WMP) be tracked and identified as such in the GRC.
- IOUs identify each mitigation proposed in a WMP with the relevant program cost categories and at the same level of detail as reported in the RSAR. This is necessary to easily track proposed WMP costs across the RAMP-GRC-RSAR cycle.

[12] D.14-12-025 p. 10
[13] D.14-12-025 p. 12 and p 44
[14] D.19-04-020 p 57
[15] D.19-04-020 p 32
[16] See D.14-12-025, RAMP Process section 3.4. p. 34 and footnote 11.

- IOUs file GRC Workpapers containing chapter or risk information, RAMP mitigation cost estimates, proposed GRC revenue requirement and the difference from RAMP estimates (see example using PG&E Materials and Activity Types (MAT) from testimony below).

MAT RAMP	**MAT GRC**
RAMP Mitigation/Control Name	2023 GRC Mitigation/Control Name
2020 RAMP RISK ID	2023 GRC RISK ID
2020 RAMP Ch.	2023 GRC Exh. Ch.
2020 RAMP ($000s) by year	**RAMP 2020-2026 (for comparison)**
Total (2020-2026)	GRC 2020-2026 (for comparison)
2023 GRC ($000s) by year	**Difference (GRC - RAMP)**
Total (2020-2026)	

2.3. RSAR improvements (Scope Issue 3.b.)

Filing Standardized Table Structures

WG participants discussed how to update or clarify D.19-04-020 OP 8 which concerns the content, format, and methods for filing the RSARs.

Staff do not receive testimony or other reference materials with the RSARs and have a limited amount of time within which to request or search for them.

Staff recommend:

- IOUs use a single, standardized table structure for programs including canceled, deferred, or expanded programs.
- IOUs supply excerpted attachments, exhibits, chapters and page number references with every RSAR.

While much of the RSAR is tabular, the RSAR report is always filed as a PDF because the Commission has no formal method for filing spreadsheets in the docket. Parties support the idea of also requiring the IOUs to serve RSAR tables in spreadsheet format, which would allow staff to review each report section more effectively.

- **Staff recommend** IOUs provide public access to RSAR spreadsheets when they file the PDF.

Reporting Variances: Completion Status

WG participants discussed how to update or clarify D.19-04-020 OP 10 which sets out the steps each IOU must take to report authorized spending, actual spending, and the difference (variance) in their RSARs.

WG participants discussed how to improve the way IOUs indicate a project's or program's completion status. RSARs report a comparison of authorized activities and actual activities performed for each program where available. Activities, or "work units," measure completeness and indicate IOU priorities (D.19-04-020, pp 38-39; OP 10 item D). Intervenors believe more context is necessary to understand IOU spending and are eager to identify work units for each program, particularly where none are available. The IOUs state that they struggle with work units because many programs and projects have no unit.

With these issues in mind, **Staff recommend:**

- IOUs should provide an overview of how they defined program or project completion status.
- When work units are available, IOUs should continue to use work units to report how much of the work described in program workpapers had been accomplished during the reporting period.
- When the program lacks authorized units:
    - IOUs should cite workpaper activity descriptions to explain how much work was accomplished and the degree to which the goals described in GRC testimony were met.
    - IOUs should explain why programs lack work unit information.

Reporting Variances: Cost Imputation

WG participants discussed how to update or clarify D.19-04-020 OP 10 on how IOUs derive authorized costs, which are general amounts for IOU spending deemed reasonable in the GRC.

Commission guidance indicates that when authorized costs do not provide the level of detail needed for RSAR disclosure purposes, IOUs should explain how they derive authorized costs in their RSARs.[17] Some GRC intervenors present at the WGs expressed interest in making improvements to this process, known as imputation, to better understand how IOUs distribute authorized revenue requirement among programs within a line of business. Some GRC intervenors noted that the methodologies currently used by some IOUs only reflect the IOU's interpretation of the GRC decision.[18]

Staff recommend the following:

- To provide an opportunity to review the way an IOU derives authorized RAMP program costs, each IOU should be required to include its imputation methodology in its GRC testimony when the utility files its GRC application, with any updates to that methodology filed as supplemental testimony.
- To provide reviewing Staff and intervenors the benefit of seeing an IOU's imputed authorized amounts in advance of incurred costs, the IOUs should be required to file the imputed authorized amounts themselves as tabular workpapers (which should theoretically be identical to what is produced in subsequent RSARs) when the IOU files GRC testimony, with any updates to these imputed authorized amounts filed as supplemental testimony.
- Each IOU should be required to file, as needed, amendments to its imputation methodology as discussed in GRC testimony and/or amendments in the IOU's imputed authorized amounts for RAMP costs after every GRC decision that modifies a revenue requirement.

Variance Explanations

WG participants discussed how to update or clarify D.19-04-020 OP 11 which defines how IOUs should explain RSAR spending variances.

Staff identified several issues with variance explanations pertaining to erroneous forecasts, costs shifted between programs, interrelated program objectives, canceled programs, deferred programs, and expanded programming.

Staff recommend the following RSAR refinements:

- When an IOU indicates a variance is the result of a forecast error, the IOU should list the assumptions used to make forecasts and identify the assumption(s) that resulted in the forecast error.
- When an explanation indicates a variance is the result of activities shifted between programs, the IOU should disclose the other programs, and their pre- and post-cost shifting variances.
- IOUs should place work activity dependencies, or activities which rely upon another program (e.g., inspections), in the same category or program.
- IOUs should mark programs with zero or nearly zero expenditures as either canceled or deferred. Alternatively, the IOU should explain why the program was not marked as canceled or deferred.
- Where a positive variance is due to new activities that are in-scope to the program description (also known as emergent activities), the IOU should explain what caused the new activity.

[17] The RSAR guidance found in attachment 2 of D.19-04-020

[18] See, for instance, Protect Our Communities Foundation comments to the Sempra Companies' 2020 joint RSAR.

- Where an IOU incurs a positive variance because the program's scope was expanded to include new mandates, the IOU should explain the new mandate and cite any new regulations or orders.
- Since authorized GRC spending does not always align with RSAR program activities, variances are often explained as inaccurate forecasts or recorded elsewhere. Staff recommend IOUs provide enough information to explain the cause of the variance.

WG 3 – RAMP Improvements

3.1. Update RAMP Evaluation, Risk Spending and RSEs (Scope Issue 3.b)

WG participants discussed how the RAMP evaluation theoretically works and how it works in practice.

A panel of Commission staff described how they evaluate RAMP filings, including the completeness of the filing, risk model construction, risk values and general compliance. WG participants then discussed how each element in the RAMP relates to the GRC and how that relationship should be evaluated within the context of both the RAMP proceeding as well as the GRC proceeding.

ED Staff highlighted how RAMP mitigation cost estimates play an important role in risk ranking and asked WG participants to provide feedback on how to treat costs in the RAMP. Intervenors said greater detail about how RAMP mitigations fit in with what work needs to be done overall would improve intervenor understanding of how the IOU determines funding levels and ultimately how it determined both the costs and work units defined in the GRC.

Staff recommend:

- IOUs explain in their RAMP reports how they determine funding levels, unit costs, the scope of mitigation programs, and work requirements.
- IOUs provide graphics of historical progress in their RAMP reports that clearly illustrate what work has been accomplished and what work remains to be done.

3.2. Define RAMP Revision Process to Meet Requirements (Scope Issue 3.b).

RAMP Comments

WG participants discussed how RAMP comments and their changes should be presented in the GRC. RAMPs review a utility's proposed risk mitigation activities and costs but do not evaluate the reasonableness of expenditures because that review occurs in the utility's GRC. WG participants said the Commission needs to issue guidance on how to file RAMP comments in the record of the GRC. They also said that the GRC filing should identify what was incorporated from the RAMP and showcase what calculations were changed.

Staff recommend the Commission issue specific guidelines on how to handle RAMP comments, as follows:

- IOUs should file a summary of RAMP Safety Policy Division (SPD) and party comments in the docket of the RAMP proceeding as well as in the docket of the relevant GRC proceeding.[19]

[19] The comment summary would be subject to informal discussions between parties.

- IOUs should address all RAMP comments and explain how any recommendations found in the RAMP comments were or were not adopted and why in their GRC testimony when they ask for GRC cost recovery.

Addressing RAMP Issues

WG participants discussed how issues from RAMP comments are addressed. Typically, RAMP proceedings are closed via procedural decisions, with RAMP comments addressed by IOUs in the GRC. However, it can be difficult to address risk related issues after an IOU files a GRC because RAMP filings are organized by risk rather than by spending category as in the GRC.

WG participants indicated that a mechanism for resolving risk related or RAMP specific issues would make the RAMP proceedings more useful to the GRC. Specifically, intervenors identified a need for mechanisms to address findings (or allegations) of IOU non-compliance with Commission guidance on RAMP requirements. WG participants also acknowledged that an Administrative Law Judge (ALJ) may order changes to the RAMP model.

Staff recommend:

- The Commission expand the scope of RAMP proceedings to include resolving compliance concerns such as compliance with the RAMP guidance adopted in D.18-12-014 and D.20-01-002.
- The scope of RAMP proceedings should continue to allow for rulings or orders requiring that risk modeling concerns be addressed prior to the GRC being filed.
- That IOUs may fundamentally change risk and RSE scores, selected mitigations, and other issues in response to the RAMP process and comments means that sometimes the IOU should be required to update their RAMP model and file this before or with their GRC.
- The scope of GRC proceedings should continue to allow for a revision and resubmittal of an IOU's RAMP model. Critical issues raised in the RAMP should flow through and be addressed and integrated into the GRC review process. The integration process may include the ALJ in the GRC proceeding directing the IOU to revise and resubmit its RAMP model.

Additional RSAR Improvements (Scope Issue 3.a.)

ED Staff recommendations include several RSAR improvements not discussed in the three WG meetings. After reviewing several cycles of RSAR filings, Staff noticed a significant portion of IOU annual spending variances are a function of an IOU imputing the cost of a program equally across the entire GRC cycle despite a program's uneven spending (for example, design and permitting in the first year of a program will have the same imputed cost as the construction phase in the subsequent years, but only require a fraction). As such, Staff believe that variances may be better analyzed by evaluating spending through the entire GRC cycle.

Staff recognize IOUs' responsibilities to manage shifting priorities and emergencies. Sometimes an IOU shifts resources between non-SRM programs and SRM programs. Staff believe that analyzing SRM spending alongside total IOU spending will provide additional insight regarding IOU management of SRM priorities. Requiring IOUs to including total IOU expenditures in their RSARs would also helpfully contextualize the impact of SRM spending variances on rates.

Staff recommend the following changes to RSAR requirements to address these issues:

- IOUs should track programs over a full GRC cycle. Each program should include the cumulative GRC imputed costs, imputed costs to date, actual costs by year, cost to date, and variance to date.
- IOUs should provide a statement regarding the anticipated completion status for each line item as to whether the program is anticipated to be completed during the GRC cycle. For the last year of the GRC cycle, the completion status will summarize the entire GRC cycle and discuss any deferred or cancelled scope.
- IOUs should include reporting of total expenditures (not only SRM) for all GRC programs and all memorandum and balancing accounts to provide context for the SRM spending as a subset of total GRC spending. Variance should be calculated, but units and variance explanation for non-SRM spending would not be required.

(End of Appendix A)

APPENDIX B

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

FILED
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Order Instituting Rulemaking to Further Develop a Risk-Based Decision-Making Framework for Electric and Gas Utilities.	Rulemaking 20-07-013 (Filed July 16, 2020)

JOINT MOTION OF SOUTHERN CALIFORNIA GAS COMPANY (U 904 G), SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M), AND PACIFIC GAS AND ELECTRIC COMPANY (U 39 M) TO ELIMINATE SEPARATE GAS SAFETY REPORTING REQUIREMENTS

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February 18, 2022

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Further Develop a Risk-Based Decision-Making Framework for Electric and Gas Utilities.	Rulemaking 20-07-013 (Filed July 16, 2020)

JOINT MOTION OF SOUTHERN CALIFORNIA GAS COMPANY (U 904 G), SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M), AND PACIFIC GAS AND ELECTRIC COMPANY (U 39 M) TO ELIMINATE SEPARATE GAS SAFETY REPORTING REQUIREMENTS

Pursuant to Rule 11.1 of the California Public Utilities Commission's ("CPUC" or "Commission") Rules of Practice and Procedure, Southern California Gas Company ("SoCalGas"), San Diego Gas & Electric Company ("SDG&E"), and Pacific Gas and Electric Company ("PG&E") (collectively, the "Utilities") respectfully move the Commission to eliminate the requirement to separately submit certain gas safety reports,[1] as they overlap with requirements to submit Risk Spending Accountability Reports ("RSARs") and other safety accountability reports. As explained below, and as previously discussed in several workshops and meetings with Track 3 participating parties and CPUC staff, certain reporting requirements currently overlap with or are duplicative of information that is otherwise publicly available in other proceedings, including the General Rate Case ("GRC") and Risk Assessment and Mitigation Phase ("RAMP"). The Utilities therefore request elimination of the requirement to file the duplicative gas safety reports. The Utilities have shared the proposal described in this Motion with the Commission's Safety Enforcement Division ("SED") and Energy Division ("ED") and are not aware of any opposition to the substance of this request from them or others, except as summarized below. In the interest of efficiency and conserving resources, it is reasonable and beneficial to grant this Motion to consolidate duplicative reporting requirements on an expedited basis or resolve this request in the final decision addressing Track 3 of the instant proceeding (if such decision is issued by June 1, 2022), for the reasons set forth herein.

[1] As described in Section III below, the gas safety reports include SoCalGas's and SDG&E's Gas Transmission, Distribution and Storage Safety Report and PG&E's Gas Distribution Pipeline Safety Report and Gas Transmission and Storage Report.

I. INTRODUCTION

Within Track 3 of this proceeding, which focuses in part on eliminating redundancies in accountability reporting, SoCalGas, SDG&E and PG&E have proposed in technical working group workshops and related communications that the Commission should merge the requirements to submit gas safety reports required by Pub. Util. Code §§ 958.5 and 591 and Decisions ("D.") 19-09-025, D.17-05-013, D.13-05-010, and D.11-05-018, ("Gas Safety Reports") as the content of the reports is now included in other filings or is otherwise readily available to the Commission. With the increasing safety accountability reports required by the Commission, including the RSARs, Safety Performance Metric Reports ("SPMRs"), RAMP applications, Gas Safety Plans, and the upcoming Risk Mitigation Accountability Reports, the Utilities now provide substantial risk and safety information to the Commission on an annual basis. To promote an efficient use of resources and reduce duplicative reports by the Utilities and review by the Commission, the requirements to separately file the Gas Safety Reports should be eliminated.

II. BACKGROUND

A. Procedural Background

The focus of Track 3 of Phase I of this proceeding is "Refining RAMP and Related Procedural Requirements," and the Track specifically addresses resolving "Potential redundancies between RSAR and related safety accountability reports and possible ways to integrate safety accountability reporting across proceedings; [and] Potential redundancies between RAMP, GRC, and RSAR filings…."[2] To explore these issues, Energy Division created a technical working group ("TWG") for the Track, and hosted workshops and solicited feedback.

On February 9, 2021, Energy Division hosted a workshop in this proceeding to explore standardizing the organization and format of General Rate Case ("GRC") and RAMP filings. Included in the topics was a discussion of merging existing Gas Safety Reports into the RSAR. On March 11, 2021, a workshop report summarizing the discussions held during the February 9, 2021, workshop was served in this proceeding.[3]

During a workshop on August 27, 2021, the Utilities proposed to consolidate relevant information from the existing Gas Safety Reports into the RSARs. At Energy Division's direction, the Utilities agreed to create tables to compare each report to the RSAR and present the tables at the October 7, 2021, workshop.

[2] R.20-07-013, Assigned Commissioner's Scoping Memo and Ruling, p. 5 (November 2, 2020).
[3] The workshop report is provided as Attachment 6 to this Motion.

On October 7, 2021, there was a TWG workshop hosted by Energy Division. At the workshop, the Utilities again presented the proposal to merge the information in the Gas Safety Reports into the RSARs. Attached hereto as Attachment 1 is the presentation made by the Utilities at the October 7 TWG workshop. The Utilities proposed that information would be included in the RSAR using RSAR standards/thresholds for reporting. The Utilities explained how the requirements of the Public Utilities Code could be satisfied with the information included in the RSAR, RAMP Report, and other information, and provided tables to show the overlap and redundancies with the Gas Safety Reports. Attached to this Motion are the RSAR comparison documents for SoCalGas and SDG&E (Attachment 2), the RSAR comparison document for PG&E's Gas Distribution Pipeline Safety Report (Attachment 3), and the RSAR comparison document for PG&E's Gas Transmission and Storage Report (Attachment 4). During the TWG, the Utilities also asked whether this issue could be addressed in a Staff Report (similar to how certain issues were handled in Tracks 1 and 2) and subsequently adopted in a final decision.[4]

Following the TWG, the Utilities compiled notes and comments regarding the consolidation of the Gas Safety Reports and submitted them to the working group attendees on October 11, 2021. Attached hereto as Attachment 5 are the TWG notes that the Utilities circulated to the TWG on October 11.

As directed by Energy Division, comments on the TWG (and a prior TWG on other issues) were due October 15, 2021. The only party submitting comments addressing the Gas Safety Reports merger was the CPUC's Public Advocates Office ("Cal Advocates"). The bulk of Cal Advocates' comments focused on other issues covered by the TWG. Cal Advocates briefly acknowledged "Most of the information in the Gas Reports is already provided in the RSAR and other (non-RSAR) identified reports, and any other information may be provided upon request through discovery." However, Cal Advocates indicated that the Utilities' proposal warranted further discussion because consolidation would result in less granularity, relying on discovery for granularity would delay review and reduce transparency, and it was unclear to Cal Advocates how the review of the reports would be handled (because currently only Energy Division reviews the RSAR, but Energy Division and Safety Enforcement Division review the Gas Safety Reports).

To move forward with this suggested "further discussion," the Utilities contacted Cal Advocates on November 3, 2021, and proposed several dates to meet (virtually) to discuss Cal Advocates concerns.

[4] *See* D.21-11-009 where the final decision incorporates with modification two Staff Reports that were issued following Track 1 and Track 2 TWG meetings.

After not hearing back, the Utilities reached out on December 9, 2021, to again attempt to schedule a discussion, but did not receive a response.

On November 18, 2021, the Utilities met with Energy Division and Safety and Enforcement Division. Following the meeting, an Energy Division staff member contacted the Utilities and indicated that Energy Division and SED staff did not have any issue with what the Utilities presented. However, they indicated that they believed a staff report for the recommendation was not appropriate and that the Utilities should provide the documents used in the TWGs to the full service list and clarify the Utilities ask that the proposal be included in a proposed decision.

On February 4, 2022, a representative from PG&E notified the service list of the Utilities' intent to file this Motion. The Utilities requested that parties reach out with any comments or feedback but did not receive any prior to the filing of this Motion.

B. Reporting Background

1. SoCalGas's and SDG&E's Gas Transmission, Distribution and Storage Safety Report and PG&E's Gas Transmission and Storage Report

SoCalGas's and SDG&E's Gas Transmission, Distribution, and Storage Safety Report and PG&E's Gas Transmission and Storage Report originated primarily from Public Utilities Code § 958.5. The statute was enacted in 2011 as part of Assembly Bill 56 (2011 Hill). The Statute required the Commission to impose several reporting requirements:

> (a) Twice a year, or as determined by the commission, each gas corporation shall file with the division of the commission responsible for utility safety a gas transmission and storage safety report. The division of the commission responsible for utility safety shall review the reports to monitor each gas corporation's storage and pipeline-related activities to assess whether the projects that have been identified as high risk are being carried out, and to track whether the gas corporation is spending its allocated funds on these storage and pipeline-related safety, reliability, and integrity activities for which they have received approval from the commission.
>
> (b) The gas transmission and storage safety report shall include a thorough description and explanation of the strategic planning and decision-making approach used to determine and rank the gas storage projects, intrastate transmission line safety, integrity, and reliability, operation and maintenance activities, and inspections of its intrastate transmission lines. If there has been no change in the gas corporation's approach for determining and ranking which projects and activities are prioritized since the previous gas transmission and storage safety report, the subsequent report may reference the immediately preceding report.

Aside from broad direction from the legislature, the Commission was largely left to determine the details of the gas transmission and storage safety reports. The Commission first expanded on the requirements in D.13-05-010 Attachment C (Application of San Diego Gas & Electric Company (U902M) for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2012) for SoCalGas and SDG&E. PG&E's Gas Transmission and Storage Report requirements were last expanded and set by D.19-09-025 (Application of Pacific Gas and Electric Company Proposing Cost of Service and Rates for Gas Transmission and Storage Services for the Period 2019-2021). Similar to efforts in this instant rulemaking, in D.19-09-025, the Commission consolidated PG&E's GT&S Safety Report and Transmission Pipeline Compliance Report.[5]

2. PG&E's Gas Distribution Pipeline Safety Report

Since the passage of Section 958.5 and the issuance of the decisions referenced above, the Commission has created several new safety focused compliance requirements for Utilities to submit to the Commission. Through the Safety Model Assessment Proceeding (A.15-05-002 et al.) ("SMAP"), the Commission created three new compliance filings, the RSAR, SPMR, and RMAR (the last of which has not been finalized). The Commission also implemented and refined the RAMP for utilities to provide robust risk assessment information prior to every GRC, with the information also updated with GRC filings. These submittals cover a host of information that was not supplied to the Commission at the time the Gas Safety Reports were first required.

PG&E's Gas Distribution Pipeline Safety Report ("GDPSR") originated in D.11-05-018 (PG&E's Application of Pacific Gas and Electric Company for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2011), which was issued shortly before Section 958.5. was adopted. Separately, D.17-05-013 (PG&E's Application of Pacific Gas and Electric Company for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2017) continued the GDPSR but reduced the timing frequency. Decision 17-05-013 approved a comprehensive Settlement Agreement between PG&E and all active parties that agreed to the continuation of the GDPSR but changed frequency from semiannual to annual, unless the CPUC directed otherwise.

III. DISCUSSION

As explained in workshops and comments, the Commission should retire the separate Gas Safety Reports. Much of the content of the Gas Safety Reports, which were initiated over

[5] Subsequent to D.19-09-025, the CPUC issued the Rate Case Plan D.20-01-002, which directed PG&E to incorporate its request for test year 2023 revenue requirements related to its GT&S system into its GRC, therefore making the GT&S system subject to RSAR reporting requirements.

ten years ago, is now contained in the safety accountability reporting, RAMP, Gas Safety Plan or other public filings, like the GRC. Recognizing that not all aspects of the Gas Reports as they appear today will be retained, there is a benefit to streamlining the creation and review of the substantial safety data provided to the Commission and aligned with the scope of Track 3 in this instant proceeding. The Utilities have provided the following information and the attached workshop documents and comments to support an eventual decision merging the reports to be included in the record of this proceeding.

SoCalGas and SDG&E have identified only a few pieces of gas safety reporting information that are not entirely included in their RSARs. As shown in Attachment 2, the bulk of material included in SoCalGas's and SDG&E's Gas Transmission, Distribution and Storage Safety Report ("GTDSSR") is included in their RSARs. The spend and units that comprise the majority of the GTDSSR are also the prominent piece of the RSARs. The unique aspects of the GTDSSR can be met by the RSAR and other filings, by expanding their service lists. Although the GTDSSR is distributed twice a year, the Legislature gave the Commission the authority to determine the frequency of such reports.[6] The GTDSSR also requires explanations of the companies' planning and decision-making with respect to transmission, distribution, and storage. This information is fully explained in the RAMP reports, in the GRC, in the SPMRs[7] and also in the annual gas safety plans. The GTDSSR requires details on activities over a certain threshold. The RSAR includes the details at a somewhat higher level – at a level consistent with how costs are presented in the GRC. The GTDSSR requires dates for new projects that proceed ahead of other projects. The RSAR includes a requirement to explain emergent, deferred, or canceled projects. The GTDSSR requires a spreadsheet of the data underlying the report. For the RSAR, Energy Division routinely requests Excel versions of the RSARs, and the Utilities anticipate the requests and timely provides them shortly after filing. Finally, the GTDSSR has two further requirements in the appendices: a copy of the Work Order Authorization ("WOA") Request Form and a Baseline Assessment Plan Completion and Reassessment Due Dates ("Basement Assessment Plan Dates"). The WOA Request Form is not regularly reported externally but is available upon request at any time. The Baseline Assessment Plan Dates have not been generally

[6] Pub. Util. Code § 958.5(a) ("Twice a year, *or as determined by the commission*….") (emphasis added).
[7] D.19-04-020 at 32 ("As discussed in Section 4.4 of D.19-04-020, we require the IOUs to include in their annual Safety Performance Metrics Reports a general description of how their risk mitigation activities and risk spending are meeting their RAMP and GRC goals for managing and minimizing safety risks.").

provided historically; however, they have been provided as part of Transmission Integrity Management Program audits upon request.

For PG&E, the GDPSR and Gas Transmission and Storage Report ("GTSR") reporting information is also mostly met by the existing reports and public filings, as shown in Attachment 3 and Attachment 4, respectively. Much of the material included in PG&E's GDPSR (Attachment 3) is similar to and repetitive of the information provided in the RSAR, for example, details related to recorded spend, units, and variance explanations to imputed regulatory values at the Maintenance Activity Type ("MAT") level for safety, reliability, and maintenance MATs. Many of the unique aspects of the GDPSR, like the overview of the decision-making process and distribution planning, pipeline records discrepancies, inspection details, and compliance drivers, can be met by the SPMR, Gas Safety Plan or through other publicly available filings like the GRC and RAMP. For PG&E's GTSR (Attachment 4), similar to the GDSPR, much of the information duplicates imputed and actual data that will be provided in the RSAR. Many of the unique aspects of the GTSR, like progress on PG&E's storage and transmission programs, safety developments, integrated planning process, inspection details, and overall compliance status with transmission regulations can be met by the SPMR, Gas Safety Plan or through other publicly available filings like the GRC and RAMP. Unique information in the GDPSR and GTSR that is not available in another filing including information related to budget, project details, procurement and disposition will be provided through RAMP and GRC filings or can be obtained through discovery.

Related to timing of the reports, the GDPSR is submitted annually on March 31, concurrent with the RSAR. The GTSR is filed and served twice a year, once in March and once in November. However, as noted above, there is no statutory requirement governing a semiannual submission. Public Utilities Code 958.5 allows the CPUC to modify the schedule for submission of the reports.

With respect to the unique GDPSR and GTSR information, PG&E has not received any comments or questions from other parties, or seen this information used by other parties. It is therefore an inefficient use of time and resources to continue to require this information to be reported.

IV. CONCLUSION

For the reasons set forth above and in the attached documents, the Utilities respectfully request expeditious resolution of their Motion, given the timing of upcoming Gas Safety Reporting submissions which for (1) SoCalGas and SDG&E are currently due on July 29, 2022,

based on a Rule 16.6 extension request that was approved on January 21, 2022, (2) PG&E's GDPSR is currently due by March 31, 2022, and (3) PG&E's GTSR is currently due May 15, 2022. To sufficiently allow time to limit the unnecessary use of resources, SoCalGas and SDG&E request a decision on this Motion by June 1, 2022,[8] or, alternatively, this issue could be included as part of a decision on Track 3 of the instant proceeding if issued before that date.[9]

Respectfully submitted on behalf of SoCalGas and SDG&E,

By: */s/ Elliott S. Henry*[10]
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February 18, 2022

[8] *See, e.g.*, D.14-03-008.
[9] While this motion is pending PG&E intends to continue to produce the reports as required by the Commission. If this request is granted, PG&E's final GDPSR will be submitted on March 31, 2022, and the final GTSR will be submitted on May 15, 2023 (for the 2022 reporting year), to ensure no gaps in reporting.
[10] Signed on behalf of Pacific Gas and Electric Company and San Diego Gas & Electric Company in accordance with Rule 1.8(d) of the Commission's Rules of Practice and Procedure.

ATTACHMENTS

Proposal to Merge Existing Gas Reports

October 7, 2021

R.20-07-013 ALJ/CF1/mef

Safety Orientation

Earthquake

Know the safest places to duck, cover, and hold, such as under sturdy desks and tables.

Fire

Know your exits, escape routes, and evacuation plan. If safe to do so, use your compliant fire extinguisher. Exit the house and call 911.

Active Shooter

Get out, hide out, take out, and call 911.

Medical Emergency

Know who can perform first aid and CPR. Call 911 if you're alone or share your location with the call leader to send help. If you have an AED, ensure you and others in your household know where it's located and how to use it.

Psychological Safety

- ✓ We care for each other.
- ✓ Look out for one another.
- ✓ Create a safe space for all.
- ✓ Welcome new ideas from everyone.
- ✓ Practice self-care.

Ergonomics

- ✓ Practice ***30/30*** (every 30 minutes, move & stretch for 30 seconds).
- ✓ Ensure proper ergonomics.
- ✓ Use and update RSI Guard.

Emergency Planning

- ✓ Update emergency contacts via *PG&E@Work for Me.*
- ✓ Create/update a personal emergency preparedness plan.

COVID-19

- ✓ Wash hands frequently
- ✓ Wear a mask when required
- ✓ Get vaccinated if you are able to
- ✓ Follow current CAL-OSHA regulations and local county health orders.
- ✓ Visit COVID-19 employee site for latest updates and tips.

Corporate Security 800-691-0410 | **Nurse Care Line** 888-449-7787 | **HR Helpline** 415-973-4357 | **Employee Assistance Program** 888-445-4436

Purpose and Background

Proposal to Merge Existing Spending Accountability Reports

See Tables

Next Steps

APPENDIX

Gas Reports in Addition to RSAR

Report	IOU	Description	Directive
Gas Transmission and Storage (GT&S) Compliance Report	PG&E	Provides a description of the Integrated Planning Process, Budget and Spend, and safety programs details for Pacific Gas and Electric Company's Gas Transmission and Storage system.	D.19-09-025 *(PG&E's 2019 GT&S Rate Case)*
Gas Distribution Pipeline Safety Report	PG&E	Provides a description of the Integrated Planning Process, Budget and Spend, and Capital Project details for Pacific Gas and Electric Company's Gas Distribution system.	D.11-05-018 *(PG&E's 2011 GRC)* Continued in D.17-05-013 *(PG&E's 2017 GRC)*
Gas Transmission and Distribution Safety Report	SDG&E	Provides a description of the Strategic Planning and Decision-Making Process, Budget and Spend, and variance explanations for SDG&E's Gas Transmission and Distribution Systems.	D.13-05-010 *(Sempra Utilities' 2012 GRC), Attachment C.*
Gas Transmission, Distribution, and Storage Safety Report	SoCalGas	Provides a description of the Strategic Planning and Decision-Making Process, Budget and Spend, and variance explanations for SoCalGas's Gas Transmission, Distribution, and Storage Systems.	D.13-05-010 *(Sempra Utilities' 2012 GRC), Attachment C.*

PU Code 958.5

- (a) Twice a year, or as determined by the commission, each gas corporation shall file with the division of the commission responsible for utility safety a gas transmission and storage safety report. The division of the commission responsible for utility safety shall review the reports to monitor each gas corporation's storage and pipeline-related activities to assess whether the projects that have been identified as high risk are being carried out, and to track whether the gas corporation is spending its allocated funds on these storage and pipeline-related safety, reliability, and integrity activities for which they have received approval from the commission.
- (b) The gas transmission and storage safety report shall include a thorough description and explanation of the strategic planning and decision-making approach used to determine and rank the gas storage projects, intrastate transmission line safety, integrity, and reliability, operation and maintenance activities, and inspections of its intrastate transmission lines. If there has been no change in the gas corporation's approach for determining and ranking which projects and activities are prioritized since the previous gas transmission and storage safety report, the subsequent report may reference the immediately preceding report.
- (c) If the division of the commission responsible for utility safety determines that there is a deficiency in a gas corporation's prioritization or administration of the storage or pipeline capital projects or operation and maintenance activities, the division shall bring the problems to the commission's immediate attention.

PU Code 591

- (a) The commission shall require an electrical or gas corporation to annually notify the commission, as part of an ongoing proceeding or in a report otherwise required to be submitted to the commission, of each time since that notification was last provided that capital or expense revenue authorized by the commission for maintenance, safety, or reliability was redirected by the electrical or gas corporation to other purposes.
- (b) The commission shall ensure that the notification provided by each electrical or gas corporation is also made available in a timely fashion to the Office of the Safety Advocate, Public Advocate's Office of the Public Utilities Commission, and parties on the service list of any relevant proceeding.

Risk Spending Accountability Report (RSAR) and the GRC Attachment C – Gas Transmission, Distribution and Storage[1] Safety Report (Attachment C)

Table 1: Information Contained in Both RSAR and Attachment C

RSAR Description	Attachment C Equivalent Description	Regulatory History
Provides recorded spend and units, where available, compared to adopted/imputed regulatory values for all lines of business with in-scope GRC workpapers	Tables with the amounts budgeted each calendar year and over the rate case period, as well as the amount spent during the reporting period and over the rate case cycle for all Gas Distribution, Transmission and Storage[2] Operations.	D.13-05-020 (Attachment C) A.2. and B.3. and D.19-04-020 (RSAR)
Provides variance explanations at the GRC Workpaper level for Safety, Reliability, and/or Maintenance Programs and also for the RAMP mitigation activities performed within each GRC workpaper	Variance explanations between budgeted values and recorded spend for the prior year in the March 1 report. The September report includes spending on activities for the first half of the year, but it does not include variance explanations.	D.13-05-020 (Attachment C) A.5. and B.6. and D.19-04-020 (RSAR)

[1] Storage only applies to SoCalGas, since SDG&E doesn't have Gas Storage operations.
[2] *Id.*

Table 2: Information Unique in Attachment C and Not in RSAR[3, 4]

Attachment C	Other Information Location	Regulatory History
GRC Attachment C Report is sent to the Directors of the Safety and Enforcement Division and the Energy Division. The September 1, 2021, report recipients included: Energy Division Central Files, Leslie Palmer; Sunil Shori; Jean Spencer; Dennis Lee; Belinda Gatti; Michael Robertson; and Matthewson Epuna.	The RSAR is more widely distributed (and additional recipients could be added)	D.13-05-020 (Attachment C) Pg. C1, Section A.
GRC Attachment C Report is sent in March and September of each year. Variance Explanations are not included in the September report for mid-year spend.	Public Utilities Code 958.5 requires (a) Twice a year, or *as determined by the commission* RSAR can be viewed as a satisfactory substitute because it contains a full year of data and the variance explanations, and annual reporting is at the commission's discretion	D.13-05-020 (Attachment C) Pg. C1, Section A.

[3] The Attachment C Reports potentially include some Gas Operations activities not currently included in the RSAR.
[4] Information not located in another report may be made available through discovery.

A thorough description and explanation of the: strategic planning and decision-making approach that the utility uses to determine and rank the following: the pipeline transmission safety, integrity, and reliability of its pipeline transmission projects; the pipeline distribution safety, integrity, and reliability of its pipeline distribution projects; the operation and maintenance (O&M) activities related to both gas transmission and gas distribution activities; the inspections of the utility's gas transmission and distribution pipelines. And also a thorough description and explanation of the strategic planning and decision-making approach SoCalGas uses to determine and rank gas storage capital expenditure projects; and the O&M activities related to gas storage.[5]	D.19-04-020 Safety Performance Metrics Report D.14-12-025, D.16-08-018, D.18-12-014 and D.20-01-002 Risk Assessment and Mitigation Phase Report (RAMP) P.U. Codes 956.5, 961, 963, and D.12-04-010 Gas Safety Plans due annually in March to Safety and Enforcement Division Starting with the TY 2024 GRC, the GRC filings will include a Risk Mitigation Effectiveness Ranking and this comparison will be included in future Risk Mitigation Accountability Reports	D.13-05-020 (Attachment C) Sections A.1 and B.2

[5] D.19-04-020 at 32 ("As discussed in Section 4.4 of D.19-04-020, we require the IOUs to include in their annual Safety Performance Metrics Reports a general description of how their risk mitigation activities and risk spending are meeting their RAMP and GRC goals for managing and minimizing safety risks. This is a reasonable approach that meets the general requirements of D.14-12-025. We therefore decline to also require this explanation in the RSARs.")

A description of each capital project and operations and maintenance (O&M) work activity that was planned to begin during the reporting period and projected to cost in excess of $250,000 (projects and work activities projected to cost $250,000 or less may be reported as an aggregate total by cost category).[6] For each capital project and operations and maintenance (O&M) work activity that was planned to begin during the reporting period and projected to cost in excess of $250,000 (projects and work activities projected to cost $250,000 or less may be reported as an aggregate total by cost category). The Safety Report shall include the start date, the completion date or anticipated completion date, and a description of the work that was performed during the reporting period. If the utility began a project or O&M activity during the reporting period that was not previously identified as a planned project or activity in a prior Safety Report, the utility shall provide an explanation of why that project or activity proceeded ahead of other projects or activities that were previously listed as a planned project or activity, and the source of the monies to be used on this project or activity.	GRC workpapers reported in the RSAR are an aggregated look of the GRC Attachment C individual work orders, where the RSAR is consistent with how the GRC is presented The RSARs include a subsection to highlight projects that have been cancelled, deferred or are emergent as compared to the TY 2019 GRC Imputed Authorized.	D.13-05-020 (Attachment C) Sections A.3, A.4 and B.4, B.5

[6] The GRC Attachment C Report includes projects and programs that are not funded by the GRC such as the Mobile Home Park Utility Upgrade (D.14-03-021), Leak Abatement Program (SB1371), Dairy Biomethane Pilots (SB1381), Aliso Canyon Turbine (A.09-09-020), and certain aspects of the Pipeline Safety Enhancement Plan (A.11-11-002). Programs such as these may have other specific reporting requirements. Specific information on planned O&M or capital activities for PSEP (non-GRC funding review) can be found in the PSEP Status Reports to the Commission. These reports are submitted in compliance with D.12-04-021 at 12, Ordering Paragraph 4.

Reporting Requirement Modifications: After experience is gained with the Safety Report and should circumstances warrant, the Safety and Enforcement Division and the Energy Division may increase the Safety Report threshold amount set forth in numbered paragraphs 3, 4, and 5 of this Attachment. Any increase in the Safety Report threshold amount shall be accomplished by notifying the Executive Director in writing of such a change and serving the letter on the service list in this proceeding.	The RSAR is a good substitute because it reports on all variances and provides explanations for Commission established thresholds that it has found to be reasonable	D.13-05-010 (Attachment C) Sections A.6 and B.7
The Commission directs SoCalGas to provide the Safety and Enforcement Division and the Energy Division with an electronic spreadsheet with the data required in that decision and attachment, including but not limited to the following information for each project or activity: a) cost of project, forecasted and actual; b) start date; c) completion date or anticipated completion; and d) utility region where project is located.	Energy Division requests the RSAR tables in Excel format that contain all this information shortly after the RSAR is filed	D.13-05-010 (Attachment C) Sections A.7 and B.8
Appendix A: Work Order Authorization Request Form	Not reported externally elsewhere in existing reports. May be provided upon request.	D.13-05-010 (Attachment C), Sections A.1 and B.2 Supports decision-making requirement
Appendix B: Baseline Assessment Plan Completion and Reassessment Due Dates	Not reported externally elsewhere in existing reports. Has been provided as part of TIMP audits upon request.	D.13-05-010 (Attachment C), Sections A.1 and B.2 Supports prioritization within TIMP per 49 CFR Part 192 as reported in Part 1.4 of the most recent Attachment C Report

Risk Spending Accountability Report (RSAR) and PG&E's Gas Distribution Pipeline Safety Report (GDPSR)

Information Contained in Both RSAR and GDPSR

RSAR Description	GDPSR Equivalent Description	Regulatory History
Provides recorded spend/units and imputed regulatory values (units/dollars) at the MAT level for Safety/Reliability/Maintenance Programs	Imputed regulatory values for Expense and Capital Safety, Reliability, and Maintenance (SRM) MWCs - Section 2	D.11-05-018 – 2011 GRC (A.09-12-020), Attachment 5 Item 2
	Recorded spend for Capital SRM MWCs - Section 4	D.11-05-018 – 2011 GRC (A.09-12-020), Attachment 5 Item 4
	Recorded spend for Expense SRM MWCs- Section 5	D.11-05-018 –2011 GRC (A.09-12-020), Attachment 5 Item 5
	Comparison between recorded spend and imputed regulatory values for Expense and Capital SRM MWCs - Section 6	D.11-05-018 – 2011 GRC (A.09-12-020), Attachment 5 Items 2-6
	Summary of recorded spend and imputed regulatory values for Expense SRM Programs at the MAT level - Section 7	D.11-05-018 – 2011 GRC (A.09-12-020), Attachment 5 Items 2-3 and 5-7 D.17-05-013 – 2017 GRC (A.17-11-009), Settlement Agreement Section 3.2.1.3 and 3.2.1.4 – MAT Level enhancement
	Summary of recorded spend and imputed regulatory values for Capital SRM Programs at the MAT level - Section 10	D.11-05-018 – 2011 GRC (A.09-12-020), Attachment 5 Items 2-4 and 6 D.17-05-013 – 2017 GRC (A.17-11-009), Settlement Agreement Section 3.2.1.3 and 3.2.1.4 – MAT Level enhancement

Provides variance explanations at the MAT level	Narrative at the MWC level of capital drivers behind the variance between imputed and recorded costs for SRM Programs - Section 10	D.11-05-018 – 2011 GRC (A.09-12-020), Attachment 5 Items 2, 4, 6, and 12
	Variance explanations between imputed regulatory values and recorded spend at the MAT level for SRM Programs – Section 12	D.11-05-018 – 2011 GRC (A.09-12-020), Attachment 5 Items 2, 6, and 12 D.17-05-013 – 2017 GRC (A. 17-11-009), Settlement Agreement Section 3.2.1.3 and 3.2.1.4 – MAT Level enhancement

Information Unique in GDPSR and Not in RSAR[1][2][3]

GDPSR	Other Information Location	Regulatory History
Overview of the decision-making process and distribution planning - Section 1	Gas Safety Plan (GSP) Section IV.3 - Risk Management Process: provides an overview of the risk management process and Gas risks 2023 GRC (A. 21-06-021), Exhibit (PG&E-3), Chapters 2-3: describe the investment planning process and risk management	D.11-05-018 – 2011 GRC (A.09-12-020), Attachment 5 Item 1
Budget for SRM MWCs - Sections 3, 6, 7, 10, 12	Not reported externally elsewhere in existing reports. May be provided upon request.	D.11-05-018 – 2011 GRC (A.09-12-020), Attachment 5 Item 3
Capital SRM MWCs: • Order details recorded spend - Section 4	Not reported externally elsewhere in existing reports. May be provided upon request.	D.11-05-018 – 2011 GRC (A.09-12-020), Attachment 5 Items 4, 7, 8, and 13

[1] Excludes Sections 14 and 15 of the GDPSR which provides Gas Distribution pipelines information if programs appear in the Risk Management Top 100 list. Gas Distribution pipelines have not been a part of the list.
[2] Information not located in another report may be made available through discovery.
[3] Information located in other reports may not be the exact information, level of detail, or format as what is currently in the GDPSR.

• Project stages and details – Section 7 • Total costs per year and inception to date – Section 8		
Recorded spend for SRM MWCs broken down between direct costs and indirect costs - Section 9	Not reported externally elsewhere in existing reports. May be provided upon request.	D.11-05-018 – 2011 GRC (A.09-12-020), Attachment 5 Items 4, 5 and 9
Pipeline Records Discrepancies – Section 13b	GSP Section IV.2 – Asset Family Structure: provides an overview of the Data Asset Family GSP Section IV.4 - Records and Information Management: provides an overview of Records and Information Management Program GSP Section VII.3 – Quality Management: internal records review is also a QM program General Order (GO)-112F Report: provides total mapping corrections annually	D.11-05-018 – 2011 GRC (A.09-12-020), Attachment 5 Item 13 and 16
Distribution Pipeline Inspection Plan details and Progress to Plan by work stream; Leak Survey data collection and find rate – Section 16[4]	2023 GRC (A.21-06-021), Exhibit (PG&E-3): provides information on planned work and historic completed work for Gas Distribution programs GSP Section IV.5 - Mitigating the Risk of Loss of Containment: provides progress on Leak Survey, and Leak Repair	D.11-05-018 – 2011 GRC (A.09-12-020), Attachment 5 Item 16 D.17-05-013 – 2017 GRC (A. 17-11-009), Settlement Agreement Section 3.2.1.1.2 – leak find rates as a function of MAT Code differentiated by grade of leak
Additional Project Details and Inspection Results; Pipe Dimensions and History – Sections	2023 GRC (A. 21-06-021), Exhibit (PG&E-3), Chapter 3: provides Risk Assessment and Mitigation Phase (RAMP)	D.11-05-018 – 2011 GRC (A.09-12-020), Attachment 5 Items 11, 14, and 17

[4] For Standby/Field meets, Cathodic Protection Monitoring, Meter Protection, and Atmospheric Corrosion Inspections PG&E provides the completed units in the RSAR.

11 (Capital Projects Planned), 13a (Capital Projects Status), 14a (Regulatory Requirement Driven Capital Projects), 17 (Project Descriptions)	materials which includes programs flagged as compliance driven	
Progress on Modernizing the City of Alameda's Owned System – Appendix A	2023 GRC (A. 21-06-021), Exhibit (PG&E-3), Chapter 14: provides forecast and revenues for O&M services	Ordering Paragraph 5 of Resolution G-3534 adopting a settlement between the city of Alameda and PG&E

Risk Spending Accountability Report (RSAR) and PG&E's Gas Transmission and Storage Report (GTSR)

Information Contained in Both RSAR and GTSR

RSAR Description	GTSR Equivalent Description	Regulatory History
Provides adopted/imputed regulatory values and recorded spend	Summary of Expense and Capital adopted/imputed regulatory value totals for all GT&S as well as Safety, Reliability, Maintenance (SRM) subtotals – Summary of Financial Information Section 1-4	Decision (D.) 19-09-025 – 2019 GT&S (A. 17-11-009), Section 3.2., Joint Stipulation (JS)-01, Advice 4161-G
	Summary of Expense and Capital recorded spend totals for all GT&S as well as SRM subtotals – Summary of Financial Information Section 1-4	D.19-09-025 – 2019 GT&S (A. 17-11-009), Section 3.2., Joint Stipulation (JS)-01, Advice 4161-G D.11-04-031 – Gas Accord V Settlement Appendix C item 2
	Tables with the adopted/imputed regulatory values and recorded spend for the reporting period for Expense and Capital by Maintenance Activity Type (MAT) – Explanation of Funds Budgeted, Adopted, and Spent for Each Major Work Category (MWC) and MAT Code Section 3-1[1]	D.19-09-025 – 2019 GT&S (A. 17-11-009), Section 3.2., Joint Stipulation (JS)-01, Advice 4161-G D.11-04-031 – Gas Accord V Settlement Appendix C item 2
	Tables with adopted/imputed regulatory values and the recorded spend for the reporting period for Expense and Capital by MAT – Explanation of Funds Budgeted, Adopted, and Spent for Each MWC and MAT Code Section 3-2	D.19-09-025 – 2019 GT&S (A. 17-11-009), Section 3.2., Joint Stipulation (JS)-01, Advice 4161-G D.11-04-031 – Gas Accord V Settlement Appendix C item 2
Provides variance explanations at the MAT level for SRM Programs	Variance explanations between adopted/imputed regulatory values and recorded spend for SRM MATs – Explanation of Funds Budgeted, Adopted, and Spent for Each MWC and MAT Code Section 3-2	D.19-09-025 – 2019 GT&S (A. 17-11-009), Section 3.2., Joint Stipulation (JS)-01, Advice 4161-G

[1] Overlap for SRM MWCs/MATs only.

Provides MWC and MAT descriptions	GT&S MWC and MAT descriptions – Introduction Appendix	D.19-09-025 – 2019 GT&S (A. 17-11-009), Section 3.2., Joint Stipulation (JS)-01, Advice 4161-G
Provides Risk Assessment and Mitigation Phase (RAMP) Table	Table with GT&S RAMP risks mapping the mitigations associated with the risks, the adopted/imputed regulatory values, and recorded spend for the reporting period – Safety Appendix Table 2-6	D.19-09-025 – 2019 GT&S (A. 17-11-009), Section 3.2., Joint Stipulation (JS)-01, Advice 4161-G

Information Unique in GTSR and Not in RSAR[2][3]

GTSR	Other Information Location	Regulatory History
Summary of PG&E's progress on safety programs, inspections, and progress toward rate case goal – Summary of Safety Developments Section 1-2	Gas Safety Plan (GSP) Section I.3 - PG&E's Goals: provides a summary of public safety developments GSP Section IV.5 - Mitigating the Risk of Loss of Containment: provides progress on Strength Testing, Vintage Pipe Replacement, In-Line Inspection (ILI), and Valve Automation Programs D.19-04-020 Safety Performance Metrics Report (SPMR) Section 5: provides safety performance metrics for top risks (ex: ILI Metrics 6-7)	D.19-09-025 – 2019 GT&S (A. 17-11-009), Section 3.2., Joint Stipulation (JS)-01, Advice 4161-G Public Outreach - D.12-12-030 – Pipeline Safety Enhancement Plan (PSEP) – Attachment D – Item 24
Integrated Planning Process – Strategic Planning and Prioritization of Work Section 1-3	GSP Section IV.3 - Risk Management Process: provides an overview of the risk management process and Gas risks 2023 GRC (A. 21-06-021), Exhibit (PG&E-3), Chapters 2-3: describe the investment planning process and risk management	D.11-04-031 – Gas Accord V Settlement, 2011 GT&S (A.09-09-013), Appendix C item 1

[2] Information not located in another report may be made available through discovery.
[3] Information located in other reports may not be the exact information, level of detail, or format as what is currently in the GTSR.

Safety developments and inspections records discrepancies – Safety Developments Section 2-1 and Safety Appendix Table 2-1	<u>Safety Developments</u> GSP Section I.3 - PG&E's Goals: provides a summary of public safety developments GSP Section III – Process Safety: provides a summary of the process safety management system GSP Section IV.5 - Mitigating the Risk of Loss of Containment: provides progress on Strength Testing, Vintage Pipe Replacement, ILI, and Valve Automation Programs D.19-04-020 SPMR Section 5: provides safety performance metrics for top risks (ex: ILI Metrics 6-7) <u>Records Discrepancies</u> GSP Section IV.2 – Asset Family Structure: provides an overview of the Data Asset Family GSP Section IV.4 - Records and Information Management: provides an overview of Records and Information Management Program GSP Section VII.3 – Quality Management(QM): internal records review is also a QM program General Order (GO)-112F Report: provides total mapping corrections annually	<u>Safety Developments</u> D.19-09-025 – 2019 GT&S (A. 17-11-009), Section 3.2., Joint Stipulation (JS)-01, Advice 4161-G <u>Records Discrepancies</u> D.11-04-031 – Gas Accord V Settlement, 2011 GT&S (A.09-09-013), Appendix C item 7
Transmission pipeline inspection plan details and progress to plan by work stream – Pipeline Inspection Plan Section 2-2	2023 GRC (A. 21-06-021), Exhibit (PG&E-3): provides information on planned work and historic completed work for Gas Transmission programs GSP Section IV.5 - Mitigating the Risk of Loss of Containment: provides progress on Leak Survey, Leak	D.11-04-031 – Gas Accord V Settlement, 2011 GT&S (A.09-09-013), Appendix C item 7

	Repair, Pipeline Patrol, Strength Testing, and ILI Programs	
Storage developments and updates to Natural Gas Storage Strategy – Storage Section 2-3	2023 GRC (A. 21-06-021), Exhibit (PG&E-3), Chapter 7: provides information on Gas Storage Asset Family and Natural Gas Storage Strategy GSP Section IV – Asset Management: provides information on Gas Storage Asset Family D.19-04-020 SPMR Section 5: provides safety performance metrics for top risks (ex: Natural Gas Storage Baseline Inspections Performed Metric 12)	D.19-09-025 – 2019 GT&S (A. 17-11-009), Section 3.2., Joint Stipulation (JS)-01, Advice 4161-G
Pipeline piggability status; adopted vs actual mileage for pipe replacement and pipeline replacement completed project detail; adopted vs actual mileage for strength test and strength test completed project detail; long term goals established for these programs and progress towards those goals – Safety related developments specific to ILI, Pipe Replacement, and Strength Test Section 2-4	2023 GRC (A. 21-06-021), Exhibit (PG&E-3), Chapter 5: provides information on Transmission Asset Family (incl. ILI, Pipe Replacement, and Strength Test Programs) GSP Section IV.5 - Mitigating the Risk of Loss of Containment: provides progress on Strength Testing, Vintage Pipe Replacement, ILI, and Valve Automation Programs D.19-04-020 SPMR Section 5: provides safety performance metrics for top risks (ex: ILI Metric 6)	D.19-09-025 – 2019 GT&S (A. 17-11-009), Section 3.2., Joint Stipulation (JS)-01, Advice 4161-G D.12-12-030 – PSEP – Attachment D – Item 16
Status of compliance with Title 49 of the Code of Federal Regulations (CFR) Part 192 Subpart O and provides copies of Integrity Management procedures published in the reporting period – Status Compliance with Federal Code on Pipeline Integrity Management Section 2-5 and Safety Appendix Table 2-5	2023 GRC (A. 21-06-021), Exhibit (PG&E-3): provides information on Transmission programs and compliance with 49 CFR Part 192 Subpart O	D.11-04-031 – Gas Accord V Settlement, 2011 GT&S (A.09-09-013), Appendix C items 3 and 8

Status of Valve Automation and Gas Gathering Programs – Valve Automation and Gas Gathering Programs Section 2-6	GSP Section IV.7 – Mitigating the Risk of Inadequate Response and Recovery: provides progress on Valve Automation Program 2023 GRC (A. 21-06-021), Exhibit (PG&E-3), Chapter 5: provides information on Valve Automation, and Gas Gathering Programs	D.19-09-025 – 2019 GT&S (A. 17-11-009), Section 3.2., Joint Stipulation (JS)-01, Advice 4161-G
Status of Emergency Response Programs: Valve Automation, Public Awareness, and Valve Safety and Reliability – Emergency Response Programs Section 2-7	GSP Section IV.5 - Mitigating the Risk of Loss of Containment: provides progress on Public Awareness Program GSP Section IV.7 – Mitigating the Risk of Inadequate Response and Recovery: provides progress on Valve Automation Program 2023 GRC (A. 21-06-021), Exhibit (PG&E-3), Chapter 5: provides information on Valve Automation, Public Awareness, and Valve Safety and Reliability Programs	D.19-09-025 – 2019 GT&S (A. 17-11-009), Section 3.2., Joint Stipulation (JS)-01, Advice 4161-G
Details the amount of funds budgeted at the beginning of each calendar year, provides variance explanations between budget and adopted/imputed regulatory values for SRM MATs, explains how budgets created, and explains how imputed amounts were derived and their relationship to Commission authorized amounts – Explanation of Funds Budgeted, Adopted, and Spent for Each Major Work Category (MWC) and Maintenance Activity Type (MAT) Code Section 3-1	Not reported externally elsewhere in existing reports. May be provided upon request.	D.19-09-025 – 2019 GT&S (A. 17-11-009), Section 3.2., Joint Stipulation (JS)-01, Advice 4161-G

Appendix: Includes tables for Inspection Records discrepancies, Integrity Mgmt GDIs, and RAMP narrative explaining the six risks included in the 2017 RAMP that are applicable to the 2019 GT&S Rate Case – Safety Appendix Table 2-6	2023 GRC (A. 21-06-021),Exhibit (PG&E-3), Chapter 3: provides RAMP information General Order (GO)-112F Report: provides total mapping corrections annually	D.11-04-031 – Gas Accord V Settlement, 2011 GT&S (A.09-09-013), Appendix C item 6 previously related to the Risk Management Top 100 report
Transmission Pipeline Programs Appendix • Resource Planning and Contractor Selection Process – Section 1 • Quality Assurance and Quality Control – Section 2 • Procurement Policy and Practices – Section 3 • Pipeline Disposition Procedures and Costs – Section 4 • Public Outreach Costs – Section 5 • Service Outage Performance – Section 3 • Shareholder Costs Absorbed – Section 7	<u>Resource Planning and Contractor Selection Process</u> GSP Section V.5 - Contractor Safety, Training and Oversight: provides information on process to contractor safety and oversight process <u>Quality Assurance and Quality Control</u> GSP Section IV.6 - Supplier Quality Assurance for Distribution and Transmission: provides information on safety and quality of material provided by PG&E's suppliers <u>Service Outage Performance</u> GSP Section IV.2 – Asset Family Structure: provides information on Liquefied Natural Gas (LNG) and Compressed Natural Gas (CNG) Asset Family <u>Public Outreach Costs</u> GSP Section IV.5 - Mitigating the Risk of Loss of Containment: provides information on Public Awareness Program	D.19-09-025 – 2019 GT&S (A. 17-11-009), Section 3.2., Joint Stipulation (JS)-01, Advice 4161-G D.12-12-030 – PSEP – Attachment D – Required Contractor Information, Disposition, Shareholder Costs Absorbed, Procurement Policy and Practices, Outage Performance, Public Outreach Costs, Quality Assurance and Control (listed within items 1-29).

R.20-07-013 Track 3 10/07/2021 Meeting Notes Related to Gas Report Merging

Background: On February 9, 2021, Energy Division hosted the fourth in a series of workshops to explore standardizing the organization and format of General Rate Case (GRC) and Risk Assessment Mitigation Phase (RAMP) filings. Included in the topics was the possibility to merge existing Gas Reports into the Risk Spending Accountability Report (RSAR). On August 27, 2021, Energy Division hosted a Track 3 Working Group #1 workshop to continue the discussion. At Energy Division's direction, representatives from PG&E, SDG&E and SoCalGas (Joint Gas Utility representatives) agreed to prepare a table to compare each Gas Report to the RSAR and present this information at the scheduled October 7, 2021 Working Group meeting.

October 7, 2021 Working Group 3 Meeting Notes:

- On October 6, 2021, Joint Gas Utility representatives distributed the tables. At the Working Group meeting, Joint Gas Utility representatives presented the attached materials and explained the analysis performed to populate the tables. During the presentation, the Joint Gas Utility representatives provided background and reiterated the proposal from the February 9, 2021 Workshop. The Joint Gas Utilities proposed:
    - Consolidation of relevant information from existing Gas Reports into the Risk Spending Accountability Report (RSAR) and retirement of separate Gas Reports.[1]
    - Information will be included in the RSAR using RSAR standards/thresholds for reporting as defined in D.19-04-020.
    - The Commission find that the applicable PU Code requirements that initiated the Gas Reports are satisfied through the RSAR and RAMP Reports as well as other publicly available reporting requirements as described in the tables.
- The Joint Gas Utility representatives then presented each of the populated tables with an RSAR and Gas Report comparison. As SoCalGas' and SDG&E's gas reporting is similar, only one file was presented on behalf of both companies. Following the explanations regarding how the tables were populated and how to interpret the information, the Joint Gas Utility representatives received questions from Energy Division and CalAdvocates.

CalAdvocates:

- CalAdvocates asked if it was the Joint Gas Utility representatives' intention to include the "unique" information identified in the second tables of each attachment into the RSAR. The Joint Gas Utility representatives responded "no" and that their position is that, in general, the majority of the information is being provided in other (non-RSAR) identified reports, and any other information may be provided upon request through discovery.
- Specifically, with respect to references to the Gas Safety Plan citations, CalAdvocates asked if it was the Joint Gas Utility representatives' intention to change the Gas Safety Plan or the required reviewing department at the CPUC. The Joint Gas Utility representatives responded it is not their intention to change any of the additional listed reports or their reviewers. The column is

[1] The Gas Reports collectively refers to PG&E's Gas Transmission and Storage Compliance Report, PG&E's Gas Distribution Pipeline Safety Report, SDG&E's Gas Transmission and Distribution Safety Report, and SoCalGas' Gas Transmission, Distribution, and Storage Safety Report.

meant to identify where similar information to the Gas Reports can be found outside of the RSAR in other publicly available reports and therefore does not need to be added to the RSAR or retained through a separate Gas Report.

- The Joint Gas Utility representatives clarified that their proposal to merge the Gas Reports with the RSAR does not impact the existing Gas Safety Plan. The Gas Safety Plan is separate and distinct from the Gas Reports.
- In responding to questions, the Joint Gas Utility representatives stated that their report merger proposal is consistent with the goal of gaining efficiencies and removing redundancies.
- The populated tables indicate which information would be eliminated and available through discovery, if requested.
- PG&E explained that the RSARs compare recorded spending to what was adopted in GRC proceedings. Consistent with the RSAR being the report for the Gas Reports to be consolidated into, comparison of recorded to adopted is the relevant data.

Energy Division:

- Energy Division indicated that the consolidation of the Gas Reports with the RSAR is a separate issue, and it would be ideal if a joint proposal could be presented to the CPUC. Given that the merger of the reports is in scope of Track 3, PG&E inquired whether this issue could be addressed similar to Tracks 1 and 2 of this proceeding where a Staff Report was issued. Energy Division will discuss procedural next steps internally.

- The Joint Gas Utility representatives invited participating parties to review the tables and submit comments on October 22, 2021, when the next set of Working Group comments are due. In addition, the Joint Gas Utility representatives agreed to confer with interested parties, if necessary, to facilitate reaching a joint stipulation for adoption of their proposal.

Attachments:

- GasReports_WrkGrp_Presentation.pdf
- RSAR Comparison SCG_SDGE.pdf
- RSAR Comparison GDSR PGE.pdf
- RSAR Comparison GTS PGE.pdf

GENERAL RATE CASE PLAN WORKSHOP #4 REPORT

Standardization of RAMP Filings

March 11, 2021

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1. Executive Summary

On February 9, 2021, Energy Division hosted the fourth in a series of workshops to explore standardizing the organization and format of General Rate Case (GRC) and Risk Assessment Mitigation Phase (RAMP) filings for the large California energy utilities. The workshops were ordered in Decision (D.) 20-01-002, which modified the Commission's Rate Case Plan (RCP) for large energy utilities. The objective of the workshops is to further explore and develop proposals to increase the efficiency of GRC proceedings. The scope of the fourth workshop was to better integrate the RAMP into the GRC and the Risk Spending Accountability Report (RSAR) as well as standardize the organization and format of GRC and RAMP filings. In addition to Commission staff, identified workshop attendees included Southern California Gas Company (SoCalGas), San Diego Gas & Electric Company (SDG&E), Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), the Public Advocates Office (Cal Advocates), The Utility Reform Network (TURN), Protect Our Communities Foundation (PCF), Commissioner Rechtschaffen and Administrative Law Judge(ALJ) Fogel.

The workshop scope included six main subject areas followed by open discussion:

- Risk mitigation and cost presentation standards
- Merger of the RSAR and other accountability reports
- Potential redundancies between RAMP, GRC, and RSAR filings
- GRC settlements and the relationship with RAMPs and RSARs
- RCP requirement updates
- RAMP clarifications and refinements

The investor-owned utilities (PG&E, SCE, SDG&E, and SoCalGas; collectively "IOUs") presented on all topics except for introductory remarks and a presentation by Cal Advocates regarding RCP updates and RAMP clarification and refinement. Energy Division, Cal Advocates, TURN, and ALJ Fogel all participated in the discussion during the workshop. Below is a high-level summary of the workshop discussion.

A draft version of this workshop report was circulated for comment on February 25, 2021. Informal comments were submitted on March 4, 2021 by Cal Advocates, TURN, and PCF (March 4 Post-Workshop Comments).

The March 4 Post-Workshop Comments of Cal Advocates and TURN were clarifying in nature. Cal Advocates also provided an additional recommendation, which was not discussed at the workshop, for RAMP applications to include and consider the results of utility Climate Change Vulnerability Assessments ordered in D.20-08-046. PCF did not provide comments or participate in the discussion during the workshop and instead submitted written positions in its March 4 Post-Workshop Comments. All March 4 Post-Workshop Comments are reflected in this report in a manner consistent with the purpose of this report to summarize the discussions held at the workshop and provide a neutral record of the topics of discussion.

2. Introduction

On February 9, 2021, Energy Division (ED), in concert with Safety Policy Division (SPD), hosted the fourth in a series of workshops related to the GRC filings of the large California energy utilities. The workshops were ordered in D.20-01-002, which modified the Commission's RCP for the large energy utilities. The objective of the workshops is to further explore ideas to standardize GRC filings and streamline the process in order to increase the efficiency of GRC proceedings. The scope of the fourth workshop was to discuss the standardization of the RAMP filings of the IOUs. The workshop was facilitated by ED with support from SPD as well as SoCalGas and SDG&E. This workshop report summarizes the discussions held during the February 9, 2021 workshop.

3. Background

On January 16, 2020, the Commission issued D.20-01-002 (the "Decision Modifying the Commission's Rate Case Plan for Energy Utilities" in Rulemaking (R.) 13-11-006), referred to herein as the "RCP Decision." The RCP Decision adopted changes to the Rate Case Plan for large California energy utilities to enable the Commission to conduct GRC proceedings more efficiently, including modifications to the GRC procedural schedule and extending the GRC cycle for each utility from three years to four years.[1] R.13-11-006 was closed upon the Commission adoption of the RCP Decision.

The RCP decision also ordered a series of workshops to explore and develop proposals to increase the efficiency of GRC proceedings. The basic purpose of the series of the workshops is to see if various matters common to all GRCs can be redesigned and consistently applied to make the proceedings more efficient for the Commission and parties alike. Based on the number of workshop topics, ED identified four workshops (and associated suggested timing) and invited parties to provide feedback on the scope of each workshop:

1. Workshop No. 1 - Stipulated Terms / Rebuttable Presumptions / Standardized Attrition Year Ratemaking – September 4, 2020
2. Workshop No. 2 - Standardization of GRC Filings – October 7, 2020
3. Workshop No. 3 - Results of Operations (RO) Model Uniformity – November 19, 2020
4. Workshop No. 4 - Standardization of RAMP Filings – February 9, 2021

The IOUs are supporting ED staff in facilitating the RCP workshops, and an IOU has been designated for each workshop. The RCP Decision also requires that no later than 30 days after the conclusion of the workshop, the designated IOU shall submit a report to the Directors of the Energy Division and Safety and Enforcement Division with copies served on the service list of R.13-11-006 summarizing the workshop and any agreed-upon proposals.

Subsequently, in July 2020, the Commission opened a new Rulemaking, R.20-07-013, to address Safety Model Assessment Proceeding (S-MAP) long-term roadmap issues and priorities. The

[1] To transition to this change, the Test Year 2019 GRC cycle for SDG&E and SoCalGas was extended to a five-year cycle.

Rulemaking was split into two Phases. Phase 1 was divided into four tracks and Phase 2 was divided into two tracks with each of the tracks being clearly and discretely defined.[2] Phase 1/Track 3 concerns "Refining RAMP and Related Procedural Requirements" and is further divided into three parts:

a. Should the Commission provide further direction to align terms, definitions, and processes across RAMP and GRC proceedings, Risk Spending Accountability Reports (RSARs) and the Risk-Based Decision-Making Framework (RDF) to enable improved tracking of safety expenditures and related risk reductions? If so, should the guidance address:

   i. How risk mitigation and related administrative or other costs, or investments, should be presented and defined in RAMP and GRC applications, and the RSARs, to better enable comparisons of proposals over time and to distinguish such costs from non-RAMP related costs;

   ii. Potential redundancies between RSAR and related safety accountability reports and possible ways to integrate safety accountability reporting across proceedings;

   iii. Potential redundancies between RAMP, GRC, and RSAR filings; and

   iv. RAMP and RSAR requirements for GRC proceedings resolved via Settlement Agreement?

b. Should Rate Case Plan requirements be updated to reflect any clarifications adopted in this proceeding?

c. Other potential RAMP clarifications or refinements as needed, including those identified in D.20-01-002.

On January 13, 2021, ED sent a save the date via email for the workshop to the service lists of R.13-11-006 and R.20-07-013. There, ED stated that because the topics identified for the RCP Workshop No. 4 and the S-MAP Phase 1/Track 3 cover the same issues, ED determined that they are functionally the same and merged the RCP Workshop #4 with the S-MAP Track 3 Workshop. In preparation for the workshop, on January 22, 2021, ED issued a preliminary agenda for the consolidated workshop. The following is the combined RCP Workshop #4 and the S-MAP Track 3 Workshop summary prepared by SoCalGas and SDG&E, who were the leading IOU for this workshop.

4. Workshop

ED held the public workshop virtually via a recorded WebEx session on February 9, 2021. Due to the state's public health order in response to the COVID-19 pandemic, there was no in-person attendance. ED sent a notice of the workshop to the service lists of R.13-11-006 and

[2] *See* R.20-07-013 Scoping Memorandum issued on November 2, 2020 at pages 4-9.

R.20-07-013. The public workshop notice was posted on the Commission's Daily Calendar and website.

According to the ED's January 22 preliminary agenda (at page 1), the workshop is mandated by both D.20-01-002 and R.20-07-013. Pursuant to these Commission orders, the purpose of the workshop is to "[b]etter integrate RAMP into the GRC and GRC-related reporting into the RSAR" and "[s]tandardizing the organization and format of GRC and RAMP filings." The workshop, was scheduled from 11:00 am – 4:00 pm, and included the agenda below with topics prompted from ED's January 22 preliminary agenda:

- Introduction and Purpose
- Lessons Learned and Topic Overview
- Topic 1: Track 3.a.i – Risk Mitigation and Cost Presentation Standards
- Topic 2: Track 3.a.ii – Merger of the RSAR and Other Accountability Reports
- Topic 3: Track 3.a.iii. – Redundancies Between RAMP, GRC, and RSAR
- Topic 4: Track 3.a.iv. – GRCs Resolved by Settlement Agreement
- Topic 5: Track 3.b./c. – Refining RAMP and GRC Procedural Requirements
- Topic 6: Track 3.b. – Updates to RCP Requirements
- Topic 7: Track 3.c. – RAMP Clarifications and Refinements
- Discussion / Q&A

The agenda topics reference and align with the tracks set forth in the S-MAP Rulemaking Scoping Memorandum.

ED staff began the workshop by discussing the workshop logistics and background and provided an overview of the workshop's agenda and goals. Formal presentations were then made by the IOUs' representatives and Cal Advocates. After each formal presentation, attendees had an opportunity to comment and ask questions.

5. ED and SPD Lessons Learned

The workshop began with ED providing opening remarks, and then they transitioned to lessons learned. For ED's lessons learned, they described that while the RDF was being developed in the first S-MAP, parties to the proceedings were partially informed of how risk-related decisions were made but the general public was not particularly informed. With the approval of the S-MAP settlement agreement, adopted in D.18-12-014, ED explained that there has been a noticeable uptick in interest and understanding on how the Commission has made its decisions.[3] Accordingly, ED stated that having consensus amongst the parties has been very helpful in making the RDF process work. ED would like to see more consensus to further drive the decision-making process. ED also noted that the RAMP and GRC filings do not have the same level of detail when describing programs and mitigations resulting in additional complexities when evaluating decision-making in RSARs. ED emphasized the desire for

[3] In its March 4 Post-Workshop Comments, PCF notes its belief that "increased interest in risk-related decision-making likely resulted from the utilities' 2019 Wildfire Mitigation Plans," citing D.19-05-036, p. 29, fn. 42.

reporting to be expressed in work units, but recognized that, in some instances, there is no perfect unit of work and standardizing units may be limited based on the organization of each utility's GRC. That said, when there is an absence of units it is difficult for ED to evaluate and to determine if everything is being done properly in the context of RSARs. Similarly, ED has found that standardization of the discovery process is hampered because the IOUs are of differing sizes and are organized differently. ED has also stated that programs and mitigations are mismatched and hopes that the workshop process can develop definitions for programs and mitigations. ED noted that the Commission has not been using Risk Spend Efficiency (RSE) data when considering the funding of risk reducing activities and commented that RSEs can potentially be useful in that discussion. Lastly, ED concluded that modeling results are typically updated from the first "runs" presented in the RAMP prior to a utility submitting the GRC. ED acknowledges that RAMP cost estimates may not be accurate as they are calculated several years in advance and RAMP mitigations tend to be aspirational. The changes between RAMP to GRC may be confusing from the public's perspective when reviewing each filing. However, the extensive review process in the GRC is designed to consider any differences in the activities described in the RAMP and the GRC. In its March 4 Post-Workshop Comments, PCF notes that the "Energy Division's sentiment contradicts numerous Commission decisions which explicitly require quantification of risk reduction activities so that risk reduction activities may be prioritized based on their cost-effectiveness." PCF also states that the "Commission found in 2016, 'Without quantifying risk reduction, no meaningful ranking, prioritization or optimization of risk mitigations is possible, and the Commission's goals and processes set forth in D.14-12-025 are compromised.'"[4]

SPD also provided their "lessons learned" feedback based on its experience with SCE's recent GRC (Test Year (TY) 2021). SPD acknowledged and appreciated that SCE took SPD's RAMP feedback and incorporated it into the GRC, including a roadmap from the RAMP to the GRC making testimony and hearings much more productive by providing a baseline and a benchmark as reference. SPD also noted that SCE's modeling capability was greatly improved between the RAMP and the GRC and that consideration should be given to whether this model could become the template for other GRC applications.

6. Topic 1: Track 3.a.i – Risk Mitigation and Cost Presentation Standards

6.1 Staff Proposal

ED proposed that the IOUs present unified methods for identifying RAMP mitigation in the GRC, noting that RAMP is often more detailed. ED also proposed that the IOUs commit to presenting activities in the same manner in both the GRC and RAMP. While there has been movement in making GRC and RAMP more consistent, there is still more to do. Lastly, ED proposed developing guidelines to: (1) identify common elements between RAMP and GRC and (2) match RAMP information to the subsequent GRC.

[4] Citing to D.16-08-018, Interim Decision Adopting the Multi-Attribute Approach (Or Utility Equivalent Features) and Directing Utilities to Take Steps Toward a More Uniform Risk Management Framework (August 18, 2016), p. 182 (Finding of Fact 33).

6.2 IOU Presentation – Challenges of RAMP Standardization and RAMP to GRC Integration

On behalf of the IOUs, SCE presented slides explaining that standardization of RAMP faces similar challenges as GRC standardization. SCE noted that stakeholders did not raise any concerns at the RCP Workshop #2, during which time parties extensively discussed how GRCs are organized to mirror the organization of each IOU's business structure. In its March 4 Post-Workshop Comments, PCF states, "No conclusion should be drawn regarding concerns not raised at RCP Workshop #2. Workshop participants may not have had the ability or opportunity to raise their concerns at the workshop, and not all parties to R.20-07-013 were participants in R.13-11-006." Notwithstanding this viewpoint, the IOUs have not received feedback that IOU organizational differences present any barriers to assessing utility showing or finding items within the showing.

Further, SCE stated that it is difficult to standardize RAMPs across the IOUs because each is organized differently, has different business lines, enterprise risks, proposed controls, mitigations, and funding approvals. SCE also stated that the mechanism to compare the RAMP to the GRC is tied to unique accounting systems for each of the IOUs. For example, SCE, other than a small component, has no gas business, which is a fundamental difference between SCE and SDG&E, SoCalGas, and PG&E. This differences in business structures leads to differences in how the IOUs organize their GRC presentations to make it the most visible, transparent and effective according to their own business.

Lastly, the IOUs agree that presentation in RAMP should be generally consistent with the IOU's GRC to the extent reasonably possible. But funding is not sought in RAMP, and reasonableness is not determined. The granularity, level of detail/workpapers, and justification presented in RAMP does not appear to be fully aligned with the GRC.

SCE explained that standardization across utilities is simply not practical because all of the IOU RAMP reports and GRCs will be unique to their respective businesses. All of the IOUs provide testimony, workpapers and/or roadmaps that give detailed information on how the RAMP was integrated into the respective GRC showings. For example, SCE provided detailed and specific testimony and workpapers in its TY 2021 GRC that addressed how RAMP and the GRC are integrated; whereas, PG&E provided a map from the RAMP to the GRC that translates how mitigation and control programs are incorporated into the GRC. Meanwhile, SoCalGas and SDG&E served testimony that provided a roadmap of RAMP-related costs, a dedicated chapter on RAMP-to-GRC integration, and additional testimony and workpapers to delineate RAMP cost estimates.

At the end of its presentation, SCE stated that the IOUs will continue to provide information on how mitigations and controls are incorporated into the GRC. The IOUs remain open to parties' feedback on this topic.

6.3 Discussion

Following SCE's presentation, parties provided comments. SPD stated that it sounds like the IOUs are different and that the outcome of this proceeding will be three separate templates for

integrating GRC and RAMP for PG&E, SCE, SoCalGas and SDG&E. In response, SCE stated that making specific things consistent would be better than just having a template from one GRC to the next. SPD stated that a working group could work on standardization among the IOUs, as RAMP continues to evolve. TURN stated that it wants a clear connection between RAMP and GRC (*e.g.*, whether the IOU changed anything in the GRC because of feedback received in RAMP), and the IOUs should make those connections clear as to what has been identified as a major risk and how the IOUs are funding those risks in the GRC. SCE replied that it agrees with TURN that the product should be transparent. Cal Advocates agreed with TURN that a template with a minimum set of components would be good. Lastly, Cal Advocates stated that it would like to see a chain between the S-MAP and RAMP and the work completed in the GRC, to see actual improvements in safety which may not be a single template, but there should be a clear set of connections and alignment within the same utility. In its March 4 Post-Workshop Comments, PFC expresses that there is "no meaningful justification for not standardizing RAMPs across the utilities." PCF also indicated its "agree[ment] with the Energy Division that the utilities should present activities in the same manner in both the GRC and the RAMP."

7. Topic 2: Track 3.a.ii – Merger of the RSAR and Other Accountability Reports

7.1 Staff Proposal – Merge Existing Reports Into RSAR

ED proposed that further discussions take place regarding merging existing gas safety-related spending accountability reports with the RSAR. ED also proposed methods for imputing authorized costs and work completed. ED stated that costs show up in RSAR as authorized GRC dollars and recorded costs. ED stated that there needs to be a standard method for the IOUs to show how authorized costs are imputed in the RSAR because the public has a hard time understanding how this is done. Additionally, ED recommended that IOUs explicitly reference workpaper description activities in their variance explanations. Lastly, ED would like the IOUs to explicitly identify activities with no recorded costs as cancelled or deferred.

7.2 IOU Presentation – Consolidation of Existing Gas Reports into the RSAR and Methods to Achieve More Safety Spending Visibility

On behalf of the IOUs, PG&E presented that the IOUs are supportive of merging the existing accountability reports. Specifically, the IOUs propose to consolidate relevant information from the following existing gas safety reports (referred to herein as "Gas Reports") into their RAMP and RSAR, where applicable, with the retirement of those separate Gas Reports:

- PG&E's Gas Transmission and Storage (GT&S) Compliance Report pursuant to D.19-09-025;
- PG&E's Gas Distribution Pipeline Safety Report (GDPSR) pursuant to D.11-05-018;
- SDG&E's Gas Transmission and Distribution Safety Report pursuant to D.13-05-010; and
- SoCalGas's Gas Transmission, Distribution, and Storage Safety Report pursuant to D.13-05-010.

PG&E stated that the applicable Public Utilities Code (PUC) Sections 958.5 and 591's requirements can be satisfied through the RSAR and RAMP Reports. Information would be included in the RSAR using RSAR standards/thresholds for reporting. Gas Report information beyond scope of the RSAR would retire with the Gas Reports. SoCalGas and SDG&E added that their RSAR already provides the PUC Section 985.5 required information.

Regarding achieving more visibility into safety spending, PG&E, on behalf of the IOUs, presented that IOUs have or intend to impute most RAMP mitigations and controls and will provide a view of imputed and recorded amounts as part of upcoming RSARs. Also, as part of RSARs, the IOUs will identify adopted activities that are cancelled or deferred. To aid with future RSARs, the IOUs will also include work units where applicable in GRC filings and are not opposed to providing workpaper references as part of variance explanations, where applicable, in RSARs.

7.3 Discussion

Comments on Topic 2 (Track 3.a.ii) were held until discussion of Topic 4.

8. Topic 3: Track 3.a.iii. Redundancies Between RAMP, GRC, and RSAR

8.1 Staff Proposal – Address Reporting Redundancies

ED noted that there were no topics for discussion on this item.

9. Topic 4: Track 3.a.iv. GRCs Resolved by Settlement Agreement

9.1 Staff Proposal – Workshop Discussion to Resolve Support Issues

ED encouraged workshop discussions to include how GRC proceedings resolved via Settlement Agreement will provide needed support to related RAMPs and authorized values for RSARs.

9.2 IOU Presentation – Processes Exist to Review IOUs' RAMPS and GRCs

On behalf of the IOUs, SoCalGas/SDG&E responded to ED staff's proposal for a workshop discussion on how GRC settlements could include support related to RAMP reporting and authorized values for RSARs. SoCalGas/SDG&E stated that, although guidelines may be helpful, because parties spend significant efforts to reach settlement agreements, any guidelines developed should not negatively impact parties' ability to conduct and ultimately reach settlement agreements in GRCs. The Commission's Rules of Practice and Procedure currently define requirements related to settlements. That said, the IOUs are not opposed to establishing guidelines with respect to RAMP and RSARs for parties to consider during the settlement process. SoCalGas/SDG&E stated that if guidelines are established for settlements, GRC decisions should mirror the same level of detail. Currently, in situations in which a GRC decision (settled or litigated) does not provide the level of detail required to explicitly identify authorized amounts, IOUs impute authorized values and explain how this was accomplished in RSARs. SoCalGas/SDG&E noted that imputing authorized values may still be required and RSARs will address how imputing was accomplished in accordance with applicable approved settlements. SoCalGas/SDG&E made clear that there is value in settlements and the IOUs do

not want new requirements that would hinder the ability to settle. Guidelines, provided by the Commission, should leverage existing processes.

9.3 Discussion

The discussion that followed pertained to Topic 2 (Track 3.a.ii); there was no discussion regarding Topic 4 (Track 3.a.iv).

Following SoCalGas/SDG&E's presentation, TURN underscored that it is important for RSARs to include units in order to see that progress is made toward identifiable targets. Cal Advocates asked whether the Gas Reports would be simply incorporated into RSAR, to which PG&E replied yes. However, additional gas program information beyond the RSAR standards would no longer be provided. PG&E explained that the Gas Reports are partially duplicative of what the Commission's Staff already receive in the RSAR. Other than PG&E's Gas Transmission and Storage Compliance Report, the Gas Reports are submitted directly to Commission Staff and not filed. PG&E indicated it is their experience that while Staff currently makes inquiries, there is no requirement that ED or SED issue an evaluation report. Cal Advocates also commented that the Gas Reports are provided on a more frequent basis than RSARs and RAMPs. In response to Cal Advocates' comment, SoCalGas and SDG&E clarified that their Gas Reports are submitted twice a year; however, the first submission includes only numbers for the first half of the year and the second submission includes numbers for the full year and variance explanations.

SPD commented that there needs to be a discussion as to who will review the Gas Reports' information if being incorporated into RSAR because Gas Reports are currently submitted to ED and SED while review of the RSAR is the responsibility of ED. SPD pointed out that objectives of the original reports should be met and nuances between the reports, including who receives each report, need to be addressed. SoCalGas/SDG&E added that additional reports have been initiated since the enactment of the Public Utilities Code 958.8 that created the Gas Reports which are reviewed by SPD, including the Safety Performance Metrics Report and eventually the Risk Mitigation Accountability Report (RMAR). In response, ED stated that efficiencies of consolidating reports are obvious, but the granularity and frequency do not match.[5] Therefore, further discussions are warranted, and this is just the beginning of the conversation.

In its March 4 Post-Workshop Comments on Staff Proposal Topic 2 (Track 3.a.ii), "PCF disagrees with the Energy Division's statement 'that there needs to be a standard method for the IOUs to show how authorized costs are imputed in the RSAR because the public has a hard time understanding how this is done.'" PCF expressed its view that "[o]nly actually authorized amounts should be used," rather than use of 'imputed' authorized amounts.

[5] In its March 4 Post-Workshop Comments, "PCF agrees with the Energy Division but posits that, more important than granularity or frequency, the legislative intent and purpose of each report should be the guiding factor in discussions on merging reports."

10. Topic 5: Refining RAMP and GRC Procedural Requirements

10.1 Cal Advocates Presentation and Discussion

Cal Advocates focused its presentation on Track 3, "Refining RAMP and Related Procedural Requirements" Topics 3.b. and 3.c. (November 2, 2020 Scoping Memo Ruling at page 6):

> b. "Should Rate Case Plan requirements be updated to reflect any clarifications adopted in this proceeding?"
>
> c. "Other potential RAMP clarifications or refinements as needed, including those identified in D.20-01-002."

Cal Advocates recommends that the Commission include these clarifications and refinements to improve the RAMP and related procedural requirements:

1. Risk and accountability reporting should be revised to provide meaningful context including graphical indications of historical progress, current status, as well as depicting how near term planned mitigations fit into the context of a long-term mitigation plan. This information should be reported annually and included in both the RAMP and GRC filings.

   For example, 150 miles of conductor hardening authorized; 100 miles actually hardened out of 5,000 miles that need to be hardened in High Fire Threat Districts.

2. RAMPs and GRCs should include utility assessment of prior and proposed Mitigation Program Effectiveness. Utilities should develop and use appropriate program specific criteria for assessing mitigation program effectiveness. Utilities should also include a comparison of expected and actual effectiveness.

   Discussion:

   SPD questioned what kind of methodology was envisioned for measuring mitigation effectiveness. Cal Advocates responded that it would be dependent upon the mitigation program and that it would be difficult to have a common methodology for all programs. The expectation is that when an IOU proposes a mitigation program in its GRC, it should anticipate a specific outcome from that program and use that in making its decision. To demonstrate this, the utility should provide granular program level data and criteria as to why the program was selected, what the program is anticipated to do, and parties could review it. SPD further asked if Cal Advocates anticipates that the risk score would use the Multi-Attribute Value Function (MAVF) to perform the risk score calculation. Cal Advocates suggests that the use of the MAVF would be a good topic for future discussion. Mitigation programs proposed in GRC filings include much more granular information than the level of programs presented in RAMP applications. SPD asked if Cal Advocates envisions a uniform approach for measuring effectiveness across utilities. Cal Advocates stated that it would be difficult to

develop a uniform approach across utilities. Rather, Cal Advocates suggested that each IOU develop its own metric to match and describe its unique processes and share its approach to assessing effectiveness across the utilities to assist in the development of best practices.

3. RAMPs and GRCs should include a comparison of expected and actual mitigation program RSE values.

4. The Commission should standardize GRC mitigation programs reporting. For example, pole replacement programs should be reported with the number of poles to be replaced, as opposed to reporting only a budget for pole replacements.

5. The Commission should require utilities to list the comments by parties in the RAMP and when/how the utility has addressed the comments in its GRC. Furthermore, parties input from the pre-RAMP workshop should be included in RAMP filings.

   Discussion:

   At the workshop, there was discussion that page 42 of D.14-12-025 specifies that a "Utility [must] incorporate RAMP results into its GRC filing." To avoid past differences in how utilities incorporate RAMP results into GRCs, Cal Advocates recommends that the Commission provide explicit direction to provide transparency, accountability and ensure that utilities are addressing party concerns in the GRC.

While not presented at the workshop, in its March 4 Post-Workshop Comments Cal Advocates recommends that an additional RAMP refinement be included in Section 9 of the report discussing Topic 5 Refining RAMP and GRC Procedural Requirements:

6. Utility RAMP applications should include and consider the results of utility Climate Change Vulnerability Assessments, the requirements for which are laid out in D.20-08-046.[6] These assessments are required to include the best available forward-looking climate data available for the purposes of maintaining resilient and reliable service.[7] D.20-08-046 also puts forth that "Climate change adaptation planning in a time of worsening climate impacts is a prudent step to ensure the safety and reliability of the investments and operations of all California investor-owned utilities."[8] Given the acknowledged urgency of utility planning for climate change impacts, and the fact that these impacts are already

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6 D.20-08-046, Decision on Energy Utility Climate Change Vulnerability Assessments And Climate Adaptation in Disadvantaged Communities (Phase 1, Topics 4 and 5) (August 27, 2020).

7 D.20-08-046, p. 2 ("At its essence, climate change adaptation for California's investor-owned energy utilities focuses on incorporating the best available climate science into utility infrastructure and operational planning for the long term to help ensure provision of resilient and reliable service to all customers.").

8 D.20-08-046, p. 5.

occurring,[9] the RAMP process is an ideal venue for considering climate change impacts as they pertain to current top utility safety risks (*e.g*. wildfire). Therefore, Cal Advocates recommends that RAMPs be required to incorporate the results of climate change vulnerability assessments when assessing top utility safety risks, starting with the first scheduled vulnerability assessment filing by Southern California Edison Company (SCE) in 2022, which will be filed the same day as SCE's RAMP application.[10] Cal Advocates recommends that discussion of specific rules for incorporation of vulnerability assessment results into RAMP filings take place within an RDF Track 3 Working Group.[11]

11. Topic 6: Track 3b. Updates to RCP Requirements

11.1 Staff Proposal - Process for Revising RAMP, and Method Linking the RAMP and GRC

ED proposed to create a process for revising or supplementing the RAMP (particularly requirements for MAVF). ED also proposed that a methodology should be identified to link the RAMP's findings (particularly mitigation costs) to the GRC.

11.2 IOU Presentation – Processes that Currently Exist and Integration of RAMP Into the GRC

SoCalGas/SDG&E, on behalf of the IOUs, commented that RAMP is a report that provides a process for utilities to present its risk mitigation information to interested parties and the Commission, and feedback is received during the RAMP process. The utilities take feedback received on their respective RAMP filings seriously. SoCalGas/SDG&E responded to Staff's proposal stating that the process currently in place requires the utilities to integrate RAMP results, including comments to the RAMP filings, into GRCs and that no additional processes are needed or required. SoCalGas/SDG&E further clarified that the RCP requirements for reporting are evolving and the utilities continue to pivot and include requirements as they evolve. Given the revised schedule for filing GRCs, there is sometimes not enough time to revise testimony or execute new or additional analysis and meet the filing deadline. SoCalGas/SDG&E further stated that some of the comments received in RAMPs (particularly where comments conflict with each other) would be better addressed in a statewide proceeding, such as the S-MAP forum, rather than in a utility-specific GRC.

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[9] Bedsworth, Louise, Dan Cayan, Guido Franco, Leah Fisher, Sonya Ziaja. (California Governor's Office of Planning and Research, Scripps Institution of Oceanography, California Energy Commission, California Public Utilities Commission). 2018. Statewide Summary Report. California's Fourth Climate Change Assessment. Publication number: SUMCCCA4-2018-013. https://www.energy.ca.gov/sites/default/files/2019-11/Statewide_Reports-SUM-CCCA4-2018-013_Statewide_Summary_Report_ADA.pdf.

[10] D.20-08-046, p. 100.

[11] Due to the submission of this recommendation in March 4 Post-Workshop comments to the draft Workshop Report, parties have not yet had an opportunity to comment on this recommendation.

SCE also responded to Staff's proposal stating that RAMP does not provide GRC-quality forecasts, instead the RAMP provides cost estimates for mitigation activities. The RAMP informs, but is not intended to serve as a substitute for the cost forecasts presented as part of a reasonableness showing in the GRC that occurs a year later. Additionally, in their respective GRCs, the IOUs explain the differences and the variances that occur between the RAMP and the GRC, and provide a roadmap to show how the RAMP integrates into the GRC. The IOUs will continue to follow this format. SCE further stated that each IOU's GRC is the appropriate venue to address specific concerns about the variances; however, generalized requirements should be addressed in a statewide proceeding.

11.3 Discussion

TURN responded to the IOU's presentation stating that all of the information in the RAMP, including the RSE, is a tool for justifying proposals in the GRC. To the extent IOUs are receiving feedback in the RAMP, it gives the utility an opportunity to improve their GRC and it is TURN's expectation that their comments be addressed. TURN further stated that the IOUs should highlight and acknowledge the feedback received and whether or not it was incorporated into the filing or if any calculations were changed. TURN disagreed that some issues be dependent to the timing of S-MAP (previously triennially) because that would cause an undue delay in addressing those issues.[12] SoCalGas/SDG&E responded by stressing the importance of timely feedback due to multiple workshops and the narrow windows in the RAMP process. SCE also responded agreeing that comments from intervenors that would make the showing more accurate or transparent should be included; however, if a party is seeking to change the requirements then, as a matter of due process, all parties need to be heard before the change is enacted.[13]

ALJ Fogel requested background regarding why the RAMP estimates are different from the GRC forecasts and requested guidance regarding how to follow the costs between the two filings. SoCalGas/SDG&E responded that there are several differences between the two reports making tracking costs difficult, namely: (1) costs in GRCs are presented by organization whereas the RAMP is presented by activity; (2) the RAMP reflects safety risk cost estimates only and those that are anticipated to be proposed in the next GRC; and (3) the GRC forecast is calculated closer to the operating year. SCE also responded that the Commission was very thoughtful in establishing these different phases – the RAMP and the GRC. The GRC forecasts represent a different timeframe than the RAMP estimates, and that the RAMP is not seeking funding. Thus, they are two different types of showings with two different goals. Also, the GRC forecasts are developed significantly closer in time to the date that the utility actually files its application seeking funding approvals.

ALJ Fogel followed up with an additional question asking if the IOUs take the RSEs from the RAMP and update them in the GRC. SoCalGas/SDG&E responded that according to the S-MAP settlement agreement, IOUs are required to update the RSEs from RAMP in their GRC. The

[12] PCF similarly disagreed, as expressed in its March 4 Post-Workshop Comments.

[13] In its March 4 Post-Workshop Comments, PFC indicated its concurrence with SCE's viewpoint.

IOUs provide a roadmap in their GRC of changes or updates made between the RAMP and GRC processes.

ALJ Fogel asked for a description of the differences between the assumptions used to develop the RAMP versus the GRC forecast. SCE responded that they used the factors known at the time to develop the RAMP; and the RAMP may omit information that would support a full reasonableness showing because the RAMP itself is not a funding request. SoCalGas/SDG&E added that this might be a utility specific answer; however, at SoCalGas/SDG&E, the RAMP is activity-based whereas the GRC is workpaper based largely organizationally and the GRC workpapers are comprised of multiple components that include risk activities as well as other activities' costs.

ALJ Fogel noted that she remains concerned about being as efficient as possible with these processes and asked that stakeholders be mindful of avoiding duplication of effort in the production and the review of the RAMP and GRC.[14] TURN concurred stating that inclusion of the intervenor's RAMP comments into the GRC will aid in making the review process more efficient. PG&E responded that because they are incorporating the RAMP feedback and other inputs into the GRC that will lead to a degree of change. The GRC has a more refined forecast versus the RAMP estimate, but the RAMP is the lead process into the GRC. The RAMP focuses on the risk modeling and getting that right.

ED stated that there is a need to develop a process to close RAMP applications and the S-MAP is the venue for the parties to do so. ED suggested that working groups discuss how to accomplish closing RAMP proceedings in an efficient and effective timeframe prior to filing of the GRC Application.

In response to the ED's proposal that a methodology should be identified to link the RAMP's findings (particularly mitigation costs) to the GRC," PCF, in its March 4 Post-Workshop Comments, states "that no reason exists to reinvent the wheel. The RAMP filing and comment process already forms the basis for a utility's 'assessment of its safety risks in its general rate case filing.'" PCF recommends that the "Commission focus on enforcing existing requirements." On the topic of differences between RAMP estimates and GRC forecasts, PFC also indicated its view that in GRCs costs should be presented by program rather than by organization and "that the programs should be traceable from the RAMP to the GRC to the RSAR." However, with respect to ED's comment that "there is a need to develop a process to close RAMP applications and the S-MAP is the venue for the parties to do so," PFC in its March 4 Post-Workshop Comments disagrees "and submits that this statement by the Energy Division contradicts past Commission decisions."[15]

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[14] In its March 4 Post-Workshop Comments, PFC indicated that it "shares ALJ Fogel's concerns about efficiency and the need to avoid duplication of effort from the RAMP to the GRC."

[15] Citing as an example I.19-11-010, Order Instituting Investigation into the Risk Assessment and Mitigation Phase Submission of Southern California Gas Company (November 7, 2019), p. 5 describing circumstances for an OII to be consolidated with a GRC or closed.

12. Topic 7: Track 3.c. RAMP Clarifications and Refinements

12.1 Staff Proposal – Mitigation Risk Scores in Attrition Years and Master Data Requests

ED stated that the Rate Case Plan Decision (D.20-01-002) directed the IOUs to consider a Master Data Request (MDR) guideline for proceedings such as RAMP and RSAR. ED pointed out that the issue of a master data request in the context of the GRC was addressed in Workshop #2 and the consensus was that the workshop process has been the venue for seeking clarifications and is working formally (hearings) and informally (workshops).

ED stated that there is a need to include risk scores in RAMPs for attrition years. This issue pertains to development of a future RMAR. ED questions whether risk scores would be comparable between RAMPs and would it be possible or even desirable.

12.2a IOU Presentation – Post-Test Year Cost Estimates

There are multiple methods for determining post-test year revenue requirements and each utility must support their attrition proposal with information to meet the burden of proof in their respective GRCs. SoCalGas and SDG&E use an escalation-based mechanism to determine post-test year revenue requirements and largely do not provide project specific forecasts in the GRC beyond the test year. Given that SoCalGas and SDG&E use a mechanism, not project forecasts, in the post-test years and the intent of RAMP to inform GRCs in general, a requirement to provide post-test year cost estimates in RAMP is not applicable for SoCalGas and SDG&E. Project forecasts for post-test years are not needed as current reporting requirements (the Safety Performance Metric Report and the RSAR) demonstrate how mitigations perform in post-test years by comparing authorized funding and work units (where available) to recorded actual information.

SCE stated there is a difference among how the utilities calculate attrition in the post-test years. SCE bases their attrition years on project forecasts as opposed to an escalation factor. SCE will be providing the post-test year cost estimates in the RAMP and GRC wherever feasible for purpose of risk mitigation scoring. Post-test year cost estimates in RAMP seem to be of limited usefulness unless post-test year project specific funding is authorized in GRCs. SCE will provide a reconciliation and variance explanation if costs estimates change in the year between the RAMP filing and the GRC application.

12.2b IOU Presentation – Master Data Request for RAMP

On behalf of the IOUs, SCE stated that they do not feel having an MDR for RAMP would provide sufficient benefits. As the Commission has stated, the RAMP filings are evolving and are somewhat unique from one another. Each IOU's subsequent RAMP to GRC integration may be different making standardization of an MDR difficult. Any additional MDRs for RAMP may also be duplicative of the MDRs in the GRC. IOU's RAMPs are already a rather detailed process involving an extensive showing with workpapers. It is most efficient and productive for all stakeholders if parties review the showing and workpapers before issuing data requests. Otherwise, the utility may be answering data requests when the responsive material is already embedded in the RAMP showing. The process that seems to be favored by stakeholders and

repeatedly adopted by the Commission is multiple workshops after the RAMP Report is filed. The IOUs are open to discussions on how to improve the mapping and reader accessibility for our RAMP filings. If desired, additional walk-throughs can be provided to discuss the RAMP filings.

12.3 Discussion

TURN believes RSEs should be limited to the test year and believes that a test year plus an attrition process is preferred because of resource constraints. Conversely, PCF, in its March 4 Post-Workshop Comments, believes an escalation-based mechanism to determine post-test year requirements are not appropriate and recommends that any discussion of post-test year cost estimates recognize: (1) the regulatory compact and attrition year calculations work in two directions, and (2) utilities cannot rely upon attrition year adjustments in certain circumstances.

ED posed the questions: (1) how easy would it be to compare mitigations between RAMPs? and (2) what about attrition years that haven't happened yet in the course of a RAMP that is open? SPD stated that they need to develop a template first for the RMAR and that this discussion is premature. This topic will likely require a workshop to hash out the details. RMAR is considering comparing RSEs from one GRC cycle to another, but what is required to be compared for RMAR purposes remains an open item.

To address ED's and SPD's prompt, SoCalGas/SDG&E stated that the timelines and details for filing RMARs have not been established. Notwithstanding the implementation issues related to RMARs, SoCalGas/SDG&E commented that it was their understanding that the RMAR would not compare RSEs between GRC cycles, but rather would compare authorized to actual RSEs, similar to the RSARs for costs. TURN asked how the concept of authorized RSEs would work. SoCalGas/SDG&E responded that it is unclear how "authorized" RSEs will evolve in GRCs and whether the Commission will provide authorized RSE figures in future GRC decisions. SoCalGas and SDG&E noted that they did not present RSEs in the last GRC and will be doing so in the upcoming GRC. To do what SoCalGas and SDG&E are suggesting, ED stated that RSEs would be needed for the test year and post-test years, and asked how this would work? SoCalGas/SDG&E agreed, explaining that RSEs could be calculated for test years and imputed for post-test years using a similar methodology as the RSARs. SPD responded that the cost component would be rather straight forward as escalation-based values can be used. However, the RSE's numerator is more complicated. From GRC cycle to GRC cycle, there are different requirements and ways for calculating MAVFs, which may require going back to previous RAMPs or GRCs. SPD pointed out that it is premature to have this discussion and this topic should be addressed through a technical working group.

ALJ Fogel noted that D.19-04-020 suspended the requirement for utilities to submit RMARs and the requirement is dependent on Phase 2 of the S-MAP Rulemaking.

SoCalGas/SDG&E voiced concerns about comparing one GRC cycle's authorized to that of a new cycle. It is well recognized that things come up during GRC cycles that may require a utility to re-prioritize funding to address immediate needs. Therefore, for the RMAR, authorized

benefits from the current GRC cycle should be compared to actual benefits. ED concluded by recognizing the interest in the discussion and stating it will continue at a later time.

13. Next Steps

Comments should be sent to the SoCalGas and SDG&E representative, to ED and SPD with a copy to the service list. The schedule for comments and the workshop report is:

- Draft Report: February 25, 2021
- Informal Comments: March 4, 2021
- Final Report: March 11, 2021
- Final Report Comments: March 25, 2021

The Final Report is to be issued within 30 days of the workshop conclusion and is to be sent to the Director of Energy Division and Safety Policy Division as well as to the proceeding service list.

After service of the Final Report, ED indicated that working groups will convene. The working groups will discuss each part of the workshop report and will make recommendations. There may also be Staff proposals and/or party proposals in the record; the working groups will determine if these are needed.

14. Appendix A: Workshop Presentation

Consolidated Workshop RCP-RDF

D.20-01-002 Rate Case Plan (RCP) Workshop 4
R.20-07-013 Risk-based Decision-making framework (RDF) Track 3 (aka S-MAP 2.0)

February 9, 2021

11:00 AM to 4:00 PM

California Public Utilities Commission

Outline

- Agenda
- Purpose
- Lessons Learned
- Topic Overview

Agenda 11:00 AM to 4:00 PM

11:00	-	11:15	Introduction and Purpose	
11:15	-	11:30	Lessons Learned and Topic Overview	
11:30	**-**	**12:15**	**Track 3.a.**	**K. Vyas (SCE)**
12:15	-	1:00	Lunch	
1:00	**-**	**2:00**	**Track 3.a.**	**J. York (SDGE); K. Chang & K. Arnold (PGE)**
2:00	-	2:15	Break	
2:15	**-**	**2:30**	**Track 3.b./c.**	**Chris Parkes (Cal Advocates)**
2:30	**-**	**3:00**	**Track 3.b.**	**K. Vyas & J. York**
3:00	**-**	**3:30**	**Track 3.c.**	**K. Vyas & J. York**
3:30	-	4:00	Discussion / Q&A	

Purpose

- Improve integration of Risk Assessment Mitigation Phase (RAMP) into the General Rate Case (GRC) and GRC-related reporting into the Risk Spending Accountability Report (RSAR)
- Standardize the organization and format of GRC and RAMP fillings

This workshop is mandated by both the D.20-01-002 of closed proceeding R.13-11-006 and OIR R.20-07-013 (Track 3)

Lessons Learned
from Energy Division

- The public often doesn't have a good understanding of the risk evaluation process.
- The RAMP often doesn't provide the same level of detail as in the GRC.
- Standardizing units of work for the RSARs is hampered by GRC organization.
- Standardizing the discovery process is hampered by individual IOU organization (see 3.b).
- Programs/mitigations need better definitions.
- The CPUC must decide how it intends to use risk-spend efficiency (RSE) data in its consideration of funding risk reduction activities (see 3.a.ii).
- While the initial RAMP filing includes public participation and CPUC oversight the risk modeling results are often updated before they are presented in the GRC (see 3.b).

Lessons Learned
from Safety Policy Division's
Risk Assessment & Safety Advisory Section

- 2019 SCE GRC Application was an iterative step in the RAMP process:
  1. More thoroughly addressed their RAMP report and CPUC staff evaluation, and stakeholder feedback.
  2. Included a more useful "RAMP roadmap" tying their GRC sections to their RAMP report, that provides a template for future GRC applications.
  3. Utilized improved modeling capabilities to provide a wildfire risk curve that assessed wildfire risk on their distribution system for every circuit mile of the 10,000 miles of distribution system in high fire threat districts.
  4. Enabled greater transparency and stakeholder input into GRC the proceeding, allowing for better GRC decision-making.

Topic Overview
6 Topics of Track 3

From OIR R.20-07-013

Track 3: Safety Performance Metrics

6 Topics in Track 3

1. Track 3.a. Cost tracking, risk reductions, terms, and processes across RAMPs, GRCs, and RSARs
   - **3.a.i** - Risk mitigation and cost presentation standard: comparing RAMP and non-RAMP activities
   - **3.a.ii** - Merge the RSAR and other accountability reports
   - **3.a.iii** - Address potential redundancies between RAMP, GRC, and RSAR filings
   - **3.a.iv** - GRCs resolved via a settlement agreement must provide strong relationships to related RAMPs and authorized values for RSARs
2. Track 3.b. RCP requirements should be updated
3. Track 3.c. RAMP clarifications and refinements

3.a.i – Risk Mitigation and Cost Presentation Standard

Staff Proposal:

1. IOU to present unified methods for identifying RAMP mitigation in the GRC
2. IOU to commit to presenting activities in the same manner in both the GRC and RAMP
3. Develop guidelines to:
   a. Identify common elements between RAMP and GRC
   b. Match RAMP information to the subsequent GRC

Track 3.a

Kris Vyas
Southern California Edison

Standardization of RAMP Faces Similar Challenges as GRC Standardization

- At the Rate Case Plan (RCP) Workshop #2, parties extensively discussed how GRCs are organized to mirror the organization of each IOU's business structure, and IOUs have not received feedback that differences in organization amongst IOU's present any barrier to assessing utility showing or finding items within the showing. Stakeholders did not raise any concerns
- Similarly, it is difficult to standardize RAMPs across IOU's. The IOU's have different organizations, business lines, enterprise risks, proposed controls, mitigations, and funding approvals
- Further, the mechanism to compare the RAMP to the GRC is tied to unique accounting systems for each of the IOUs
- The IOUs agree that presentation in RAMP should be generally consistent with the IOU's GRC to the extent reasonably possible. But funding is not sought in RAMP, and reasonableness is not determined. The granularity, level of detail/workpapers, and justification presented in RAMP does not appear to be fully applicable to the GRC

The IOUs Currently Provide Testimony, Workpapers and Roadmaps Detailing RAMP To GRC Integration

- As previously mentioned, all of the IOU RAMP reports and GRCs will be unique to their respective businesses, and therefore any standardization across utilities is simply not practical
- All of the IOUs provide testimony, workpapers and/or roadmaps that give detailed information on how the RAMP was integrated into our respective GRC showings
  - SCE provided detailed and specific testimony and workpapers in our TY 2021 GRC that addressed how we integrated RAMP and GRC
  - PG&E provided a map from the RAMP to the GRC that translates how mitigation and control programs are incorporated into the GRC.
  - SoCalGas and SDG&E served testimony that provided a roadmap of RAMP-related costs, a dedicated chapter on RAMP-to-GRC integration, and additional testimony and workpapers to delineate RAMP cost estimates.
- The IOUS will continue to provide information on how mitigations and controls are incorporated into the GRC. We welcome parties' feedback

Intervenor Comments

Lunch

3.a.ii – Merge the RSAR and Other Accountability Reports

Staff Proposal:

1. Consider merging existing spending accountability report with the RSAR D.19-04-020.
2. Propose methods for inputting authorized costs and work completed.
3. IOU to reference workpaper description activities in variance explanations.
4. IOU to identify activities with no funding as cancelled or deferred.

Track 3.a.ii

Jamie York
SoCalGas / SDG&E

Kimberly Chang
Pacific Gas & Electric

Ken Arnold
Pacific Gas & Electric

Gas Reports in Addition to RSAR (3.a.ii)

In addition to the Risk Spending Accountability Report, the IOUs submit Gas Reports specific to gas operations activities.

Report	IOU	Description	Directive
Gas Transmission and Storage (GT&S) Compliance Report	PG&E	Provides a description of the Integrated Planning Process, Budget and Spend, and safety programs details for Pacific Gas and Electric Company's Gas Transmission and Storage system.	D.19-09-025 *(PG&E's 2019 GT&S Rate Case)*
Gas Distribution Pipeline Safety Report	PG&E	Provides a description of the Integrated Planning Process, Budget and Spend, and Capital Project details for Pacific Gas and Electric Company's Gas Distribution system.	D.11-05-018 *(PG&E's 2011 GRC)* Continued in D.17-05-013 *(PG&E's 2017 GRC)*
Gas Transmission and Distribution Safety Report	SDG&E	Provides a description of the Strategic Planning and Decision-Making Process, Budget and Spend, and variance explanations for SDG&E's Gas Transmission and Distribution Systems.	D.13-05-010 *(Sempra Utilities' 2012 GRC), Attachment C.*
Gas Transmission, Distribution, and Storage Safety Report	SoCalGas	Provides a description of the Strategic Planning and Decision-Making Process, Budget and Spend, and variance explanations for SoCalGas's Gas Transmission, Distribution, and Storage Systems.	D.13-05-010 *(Sempra Utilities' 2012 GRC), Attachment C.*

Proposal to Merge Existing Spending Accountability Reports

To merge existing Gas Reports with the RSAR, the IOUs propose the following be adopted:

- Consolidation of relevant information from existing Gas Reports into the RSAR and retirement of separate Gas Reports.
    - Information will be included in the RSAR using RSAR standards/thresholds for reporting.

- PU Code requirements that initiated the Gas Reports can be satisfied through the RSAR and RAMP Reports.

Public Utilities Code 958.5 and 591

PU Code 958.5

- (a) Twice a year, or as determined by the commission, each gas corporation shall file with the division of the commission responsible for utility safety a gas transmission and storage safety report. The division of the commission responsible for utility safety shall review the reports to monitor each gas corporation's storage and pipeline-related activities to assess whether the projects that have been identified as high risk are being carried out, and to track whether the gas corporation is spending its allocated funds on these storage and pipeline-related safety, reliability, and integrity activities for which they have received approval from the commission.
- (b) The gas transmission and storage safety report shall include a thorough description and explanation of the strategic planning and decision-making approach used to determine and rank the gas storage projects, intrastate transmission line safety, integrity, and reliability, operation and maintenance activities, and inspections of its intrastate transmission lines. If there has been no change in the gas corporation's approach for determining and ranking which projects and activities are prioritized since the previous gas transmission and storage safety report, the subsequent report may reference the immediately preceding report.
- (c) If the division of the commission responsible for utility safety determines that there is a deficiency in a gas corporation's prioritization or administration of the storage or pipeline capital projects or operation and maintenance activities, the division shall bring the problems to the commission's immediate attention.

PU Code 591

- (a) The commission shall require an electrical or gas corporation to annually notify the commission, as part of an ongoing proceeding or in a report otherwise required to be submitted to the commission, of each time since that notification was last provided that capital or expense revenue authorized by the commission for maintenance, safety, or reliability was redirected by the electrical or gas corporation to other purposes.
- (b) The commission shall ensure that the notification provided by each electrical or gas corporation is also made available in a timely fashion to the Office of the Safety Advocate, Public Advocate's Office of the Public Utilities Commission, and parties on the service list of any relevant proceeding.

Visibility on Safety Spending (3.a.ii)

Consider how to achieve more visibility into safety spending by:

1. Improve methods "imputing authorized" costs:
   - IOUs have or intend to impute most RAMP mitigations and controls and will provide a view of imputed and recorded amounts as part of the upcoming Risk Spending Accountability Report.
2. Relate authorized costs for work done:
   - IOUs provide this analysis as part of the RSAR; GRC filings will include work units, where applicable.
3. Reference workpapers in variance explanations:
   - IOUs are not opposed to providing workpaper references as part of variance explanations, where available.
4. Identify authorized activities that are cancelled or deferred:
   - IOUs provide this information as part of the RSAR pursuant to the 2019 SMAP Decision (D.19-04-020), for programs that meet the applied threshold, "…whether any projects or other units of work were canceled, deferred, or expanded that may have led to the difference."

3.a.iii – Address redundancies between RAMP, GRC, and RSAR

Staff Proposal:

1. Identify and significant redundancies between RAMP, GRC, RSAR fillings.

The IOUs do not have any topics for consideration here at this time.

3.a.iv – GRCs resolved via a settlement agreement

Staff Proposal:

1. Workshop discussions should state how GRC proceedings resolved via Settlement Agreement will provide needed support to related RAMPs and authorized values for RSARs.

Prudent Touchpoints With Settlements

- Parties spend significant efforts to reach settlement agreements. Any guidelines developed should not negatively impact parties' ability to conduct and ultimately reach settlement agreements.
- IOUs are not opposed to establishing guidelines with respect to RAMP and RSARs for parties to consider during the settlement process.
- If guidelines are established for settlements, GRC decisions should mirror the same level of detail.
- Imputing authorized values may still be required and RSARs will address how imputing was accomplished in accordance with applicable approved settlements.

Intervenor Comments

Break

Track 3.b and 3.c

Chris Parkes
Public Advocates Office

D.20-01-002 Rate Case Plan (RCP)
R.20-07-013 Risk-based Decision-making Framework (RDF)

Consolidated Workshop 4: Refining RAMP and GRC procedural requirements

Public Advocates Office
February 9, 2021

Chris Parkes, Supervisor, Financial Impacts Section, Safety Branch

Agenda
Energy Division Track 3 Workshop 6 Topics

3.a. Cost tracking, risk reductions, terms, and processes across RAMPs, GRCs, and RSARs.

i. Risk mitigation and cost presentation standard: comparing RAMP and non-RAMP activities.

ii. Merge the RSAR and other accountability reports.

iii. Address potential redundancies between RAMP, GRC, and RSAR filings.

iv. GRCs resolved via a settlement agreement must provide strong relationships to related RAMPs and authorized values for RSARs.

3.b RCP requirements should be updated.

3.c RAMP clarifications and refinements.

This Presentation

Scoping Memo/Track 3:

"Refining RAMP and Related Procedural Requirements"

3.b.: "Should Rate Case Plan requirements be updated to reflect any clarifications adopted in this proceeding?"

3.c: "Other potential RAMP clarifications or refinements as needed, including those identified in D.20-01-002."

Cal Advocates proposes refinements to:

1) Increase transparency;

2) Increase accountability; and

3) Increase dissemination and application of best practices.

Increasing Transparency, Accountability, and Best Practices

1. Utilities should enhance annual safety metrics and risk spending/mitigation accountability reporting:
   - ❑ Risk and accountability reports should be revised to provide meaningful context including graphical indications of historical progress, current status, as well as depicting how near-term planned mitigations fit into the context of a long-term mitigation plan.
     - e.g. 150 miles of conductor hardening authorized; 100 miles actually hardened; out of 5,000 miles that need to be hardened in High Fire Threat Districts.
   - ❑ This information should be reported annually and included in both the RAMP & GRC filings.

Increasing Transparency, Accountability, and Best Practices

2. Mitigation Program Effectiveness:
   - ❑ RAMPs and GRCs should include utility assessment of prior and proposed Mitigation Program Effectiveness. Utilities should develop and use appropriate program specific criteria for assessing mitigation program effectiveness.
   - ❑ Utilities should also include a comparison of expected and actual effectiveness.
3. Risk Spend Efficiency (RSE): Similar to Mitigation Program Effectiveness, RAMPs and GRCs should include a comparison of expected and actual mitigation program RSE values.

Refining RAMP and Related Procedural Requirements

5. The Commission should standardize GRC mitigation programs reporting.
   - ❑ For example, pole replacement programs should be reported with the number of poles to be replaced, as opposed to reporting only a budget for pole replacements.
6. The Commission should require utilities to list the comments by parties in the RAMP and when/how the utility has addressed the comments in its GRC.
   - ❑ Currently there is no tracking of party recommendations from the RAMP to the GRC. This leads to a lack of transparency and accountability that utilities are addressing party concerns in the GRC.

Questions/Discussion

Chris Parkes
California Public Utilities Commission
Public Advocates Office
Program & Project Supervisor
Safety Branch, Financial Impacts Section
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415-703-1975

3.b– RCP requirements should be updated

Staff Proposal:

1. List process for revising or supplementing the RAMP (particularly requirements for MAVF).
2. Identify methodology for link the RAMP's findings (particularly mitigation costs) to the GRC.

Track 3.b

Jamie York
SoCalGas / SDG&E

Kris Vyas
Southern California Edison

A Process is Already in Place to Review IOUs RAMPs and GRCs

- RAMP provides a process for reporting an IOU's available risk mitigation information and analysis. Disagreements regarding reporting requirements may be addressed in a statewide proceeding, such as the S-MAP.
- The RAMP process requires a utility to incorporate "RAMP results into its GRC filing" (D.14-12-025 at 42). Accordingly, utilities integrate risk mitigation information into the GRC, considering feedback from staff and parties identified in the RAMP proceeding, which will be evaluated as part of determining specific requests in the GRCs.
- No additional processes, workshops or otherwise, are needed.
- Additional processes would further diminish an already narrow window (set forth in D.20-01-002) for receiving RAMP results and then integrating them into the next GRC.

Integrating RAMP Into GRC

- The IOUs note that RAMP does not provide GRC-funding "forecasts," but simply gives cost estimates for the mitigations. IOUs already explain in the post-RAMP GRC application the difference between the RAMP-chosen mitigations and the GRC-proposed work
- As previously indicated, the IOUs provide testimony, workpapers and/or roadmaps that show how the RAMP was integrated into our respective General Rate Cases. We will continue to do so
- The current RAMP process calls for IOUs to integrate the RAMP results into their GRC. Accordingly, a particular IOU's GRC is the productive venue to consider whether concerns that may have been raised by Staff and parties in the utility's RAMP proceeding are adequately addressed in the utility's GRC showing

Intervenor Comments

3.c– RAMP clarifications or Refinement

Staff Proposal:

1. Include mitigation risk scores in RAMPs for attrition years (i.e. post-test years).
2. Develop a Master Data Request (MDR) guideline consistent with RAMP fillings and each IOU.

Track 3.c

Jamie York
SoCalGas / SDG&E

Kris Vyas
Southern California Edison

SoCalGas and SDG&E Use a Post-Test Year Mechanism; Program Cost Estimates in Attrition Years Are Largely Not Provided

- RAMP is intended to inform IOU GRC proposals.
- SoCalGas and SDG&E support the Staff proposal's statement that "Attrition years from prior GRCs are generally unrelated to the RAMP…"
- Generally, SoCalGas and SDG&E do not provide cost estimates in their RAMP or GRC beyond the test year. Rather, SoCalGas and SDG&E use an escalation-based post-test year mechanism for the GRC.
- SoCalGas and SDG&E support their attrition proposals with information to meet their burden of proof in GRCs.
- Accountability reporting demonstrates how mitigations perform in post-test years by comparing authorized funding and work units (where available) to recorded information.

SCE Plans on Providing Post-Test Year Cost Estimates in its RAMP and GRC

- While SCE is still finalizing our approach for our May 2022 RAMP showing, SCE currently anticipates providing Test Year and Post-Test Year cost estimates in its GRC, and in its RAMP wherever feasible for purposes of risk mitigation scoring
  - Post-Test Year cost estimates in RAMP seem of limited usefulness unless Post-Test Year funding authorization in GRCs also uses cost estimates (rather than simple formula attrition year mechanism)
- SCE will provide a reconciliation and variance explanation if cost estimates have changed in the one year between filing the RAMP and filing the GRC application.

The IOUs Do Not Feel a Master Data Request for RAMP is Warranted

- The IOUs do not feel that having an MDR for RAMP would provide benefits for all parties
- While a respective IOU's GRC remains generally consistent between cases, RAMP filings are likely to evolve and be somewhat unique from each other. In addition, each IOU's subsequent RAMP to GRC integration may be different, again making standardization of an MDR difficult. Any additional MDRs for RAMP may also be duplicative of the MDRs in the GRC
- The utility RAMPs are already a rather detailed process involving an extensive showing with workpapers. It is most efficient and productive for all stakeholders if parties review the showing and workpapers before issuing data requests. Otherwise, the utility may be answering data requests when the responsive material is already embedded in the RAMP showing
- The process that seems to be favored by stakeholders and repeatedly adopted by the Commission is multiple workshops after the RAMP Report is filed
- The IOUs are open to discussions on how to improve the mapping and reader accessibility for our RAMP filings. If desired, additional walk-throughs can be provided to discuss the RAMP filing

Intervenor Comments

Next Steps

- Workshop Report (D.20-01-002 calls for it in 30 days)
  - Compile notes and comments. Circulate draft
  - Final report to be published on CPUC website
- Working Group (Scope p 10)
  - Discussion of the report
  - Identify majority and minority views and recommendations
- Final Proposal
  - Final "outcomes" or "decisions" (e.g. final proposal)

Discussion on Preliminary Comments and Report Schedule

- Draft Report: Feb 25, 2021
- Informal Comments on Draft Report: March 4, 2021
- Final Report: March 11, 2021
- Final Report Comments: March 25, 2021

Questions?

California Public Utilities Commission

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(End of Appendix B)