



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

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Culture Assessments for Electric and Natural
Gas Utilities.

Rulemaking 21-10-001

**COMMENTS OF CENTRAL VALLEY GAS STORAGE, LLC (U-915G) ON
PHASE 2 WORKSHOP ON SAFETY CULTURE ASSESSMENTS FOR SMALL AND
MULTI-JURISDICTIONAL UTILITIES AND GAS STORAGE OPERATORS**

December 22, 2025

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I. INTRODUCTION.

Pursuant to the Administrative Law Judge’s Email Ruling Setting Schedule for Workshop Comments and Party Proposals, issued on November 24, 2025 (“ALJ Ruling”), Central Valley Gas Storage, LLC (“CVGS”) submits these comments on the Phase 2 Workshop on Safety Culture Assessments for Small and Multi-Jurisdictional Utilities and Gas Storage Operators, which was held by the California Public Utilities Commission (“Commission”) on November 18, 2025 (“Workshop”). The purpose of the Workshop was to examine how the characteristics of small and multi-jurisdictional utilities and gas storage operators affect the applicability of the safety culture framework developed for large investor-owned utilities and adopted by the Commission in Decision 25-01-031. The ALJ Ruling invites parties to file and serve written comments on the Workshop no later than December 22, 2025, and as such these comments are timely filed.

II. BACKGROUND OF THE SAFETY CULTURE PROCEEDING.

The Commission has defined safety culture as the collective set of values, principles, beliefs, norms, attitudes, behaviors, and practices that an organization’s managers, employees,

and contractor personnel share with respect to risk and safety.¹ Phase 1 of this proceeding developed requirements for safety culture assessments to be conducted by the large electric and natural gas investor-owned utilities (the “Large IOU Framework”). The Large IOU Framework consists of a Comprehensive Assessment conducted once every four years by a third-party evaluator, and an internal Self-Evaluation conducted annually in between Comprehensive Assessments.² The Large IOU Framework also directs the large IOUs to follow the Goals and Guiding Principles for safety culture assessments adopted in D.25-01-031.³

Phase 2 of this proceeding is focused on developing requirements for safety culture assessments to be conducted by the small and multi-jurisdictional utilities and gas storage operators (collectively, the “Phase 2 Utilities”).⁴ The Workshop was convened to evaluate important differences between the large IOUs and the Phase 2 Utilities and how those differences can inform development of a safety culture assessment framework applicable to the Phase 2 Utilities.

III. CVGS COMMENTS ON THE WORKSHOP.

During the Workshop, Commission Staff and the Phase 2 Utilities discussed the Large IOU Framework and the ways in which the Phase 2 Utilities may differ from the large IOUs, such that implementation of safety culture assessment requirements may necessarily differ from the Large IOU Framework. The Commission organized the roundtable discussion among the

¹ Decision (“D.”) 25-01-031 at Conclusion of Law 4.

² *Id.* at Ordering Paragraphs 13-17.

³ *Id.* at Ordering Paragraphs 2-4.

⁴ R.21-10-001, Assigned Commissioner’s Phase 2 Scoping Memo and Ruling (Aug. 26, 2025) at 2.

Phase 2 Utilities around three questions, each of which is listed below along with CVGS's comments.

*1. **Value:** What do you see is the value of utility safety culture assessments, and how might that value be different for small utilities compared to larger organizations? Please discuss what factors contribute to those differences.*

As CVGS stated during the Workshop, CVGS does not expect that the value of safety culture assessments would be any different for Phase 2 Utilities compared to larger organizations. Utility safety culture assessments help a utility ensure that the various elements of its safety program (e.g., trainings, meetings and other safety communications) are creating a culture that is focused on safety. They help a utility to identify areas of improvement and areas where the utility already excels, and then inform how the utility should focus its efforts toward continuous improvement going forward. The implementation of safety culture assessments might differ between the smaller and larger organizations, including to account for the size of the utility and operational characteristics, but the value is the same.

One party commented that while safety culture is just as important for the Phase 2 Utilities as the large IOUs, smaller utilities may have more involvement from upstream parent companies in the administration of safety requirements and development of a safety culture. CVGS agrees, as its direct parent company, Caliche Development Partners III, LLC ("Caliche"), is quite involved in issues related to safety at CVGS, and CVGS and Caliche work very collaboratively to ensure a safe workplace and a healthy safety culture that is focused on continuous improvement. Caliche personnel will be involved in the quarterly and annual safety assessments at CVGS that it is currently developing and about to start implementing. There are also entities upstream from Caliche with indirect equity interests in CVGS, but these entities are

farther removed and do not shape the safety culture at CVGS. CVGS supports consideration of parent companies in the Phase 2 Utilities' safety culture assessment framework, but only to the extent that such parent companies have any input or control over safety-related issues at the utility.

*2. **Obstacles:** What are the most significant obstacles small organizations face with implementing the kind of comprehensive safety culture assessments that will be performed for large utilities?*

Many parties commented on ways in which implementation of safety culture assessments may differ for Phase 2 Utilities compared to the large IOUs. CVGS agrees with comments that it is important to make sure employees and contractors feel comfortable reporting safety issues so that the whole organization can learn from that observation. CVGS works hard to foster an environment in which employees and contractors are willing to report safety issues like near misses. For instance, CVGS has available at all times an "Observation Card" that anyone on the site can fill out and submit to report a safety observation, and it may be submitted anonymously.

Another point of discussion at the Workshop was that smaller organizations are more likely to have greater familiarity and closer relationships among employees and contractors, and that this has both advantages and disadvantages. One advantage is that information spreads quickly, as communication is easier and faster with fewer employees. There are fewer layers between employees or contractors working in the field and management, allowing for more free flowing information. The discussion noted that one disadvantage is that more familiarity and closer relationships in an organization can introduce roadblocks if individuals are less inclined to report safety observations, or perhaps pay less attention if they assume the people they know so well are always going to act safely.

CVGS agrees that smaller organizations are more nimble and able to communicate information throughout the organization efficiently. CVGS also acknowledges the potential disadvantages that come from having a smaller organization and works to ensure that employees and contractors do not become complacent, and are vigilant in maintaining a focus on safety. CVGS emphasizes this constant focus on safety through frequent safety meetings, a robust safety training program, and a formal Management of Change process.⁵

*3. **Mitigation:** How do you think those challenges could be addressed or reduced, if at all? Please consider how assessment and monitoring tools could be simplified or modified to remain meaningful while fitting smaller organizations.*

The time allotted for the Workshop ran out before the group could discuss this third question in detail. However, one of the issues that was raised by CVGS during the roundtable discussion was that costs of compliance would likely be the biggest challenge of implementing requirements similar to the Large IOU Framework for the Phase 2 Utilities. For instance, if the Commission decides to require Phase 2 Utilities to engage a third-party evaluator for the safety culture assessments (and whether that would be appropriate is still subject to discussion and debate), it will be important for the smaller entities comprising the Phase 2 Utilities to maintain flexibility in choosing a third-party evaluator as opposed to being limited to third-parties utilized by the large IOUs. Additionally, given the smaller footprint and employee count of the Phase 2 Utilities, CVGS encourages the Commission to avoid significant compliance requirements or reporting burdens that could be difficult for these entities to implement.

⁵ R.21-10-001, Response of Central Valley Gas Storage, LLC to Administrative Law Judge's Ruling Directing Filing of Additional Information Within 10 Days (May 5, 2025) at 8-13.

IV. CONCLUSION.

CVGS appreciates the opportunity to present these opening comments and looks forward to further participation in this proceeding.

December 22, 2025

Respectfully submitted,

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