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R2110001

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to
Develop Safety Culture Assessments
for Electric and Natural Gas Utilities.

Rulemaking 21-10-001

**ADMINISTRATIVE LAW JUDGE'S RULING SEEKING COMMENTS ON
POLICY QUESTIONS ON SAFETY POLICY DIVISION PHASE 2 STAFF
PROPOSAL**

This ruling seeks comment from interested parties on the attached staff proposal titled, "Staff Proposal for Implementing Safety Culture Assessments for SMJUs and Gas Storage Operators" (Staff Proposal) pursuant to Senate Bill 901. Parties who wish to provide formal comments in response to this ruling must file and serve them no later than May 25, 2026. Reply comments must be filed and served by no later than June 15, 2026.

1. Background

On October 13, 2021, the California Public Utilities Commission (Commission) initiated this Rulemaking to design a framework surrounding the implementation of safety culture assessments for California's large investor-owned electric and gas utilities (IOUs) and small and multi-jurisdictional utilities (SMJUs) and independent gas storage operators (storage operators). In January 2025, the Commission approved a Decision creating a safety culture assessment framework for large IOUs while leaving the proceeding open to address Phase 2 issues addressing safety culture assessments for SMJUs and storage operators. A Phase 2 prehearing conference was held on May 27, 2025, and a Phase 2 Administrative Law Judge (ALJ) Scoping Memo was issued on August 26, 2025.

Safety Policy Division (SPD) hosted a workshop on November 18, 2025 comparing safety culture assessments for SMJUs and storage operators with larger IOUs. A November 24, 2025 email ruling set a December 22, 2025 deadline for filing party comments on that workshop and a January 9, 2026 deadline for filing party reply comments on that workshop. That ruling also set a January 30, 2026 for filing party proposals for conducting safety culture assessments of SMJUs and storage operators.

Small Business Utility Advocates (SBUA) and Central Valley Gas Storage (CVGS) filed opening comments on the workshop on December 22, 2025, and CVGS and SBUA filed reply comments on January 9, 2026. Alpine Natural Gas Operating Company (Alpine); CVGS; Wild Goose Storage and Lodi Gas Storage filing jointly; and PacifiCorp, Bear Valley Electric Service (BVES), and Liberty Utilities (Liberty) filing jointly submitted Phase 2 party proposals on January 30, 2026. SBUA filed a comment on Phase 2 party proposals on January 30, 2026. The Commission held a workshop on Phase 2 party proposals on February 6, 2026. A February 12, 2026 ALJ ruling set a March 11, 2026 deadline for filing party comments on the Phase 2 party proposals, and a March 18, 2026 deadline for filing party reply comments. Southwest Gas Corporation; Gill Ranch Storage; BVES, Liberty, and PacifiCorp filing jointly; the Public Advocates Office of the California Public Utilities Commission (Cal Advocates); and CVGS filed comments on the Phase 2 party proposals on March 11, 2026. SBUA filed comments on Phase 2 party proposals on March 12, 2026. SBUA and CVGS filed reply comments on March 18, 2026.

This ruling seeks comment from interested parties on the attached Staff Proposal. Parties who wish to provide formal comments in response to this

ruling must file and serve them no later than May 25, 2026. Reply comments must be filed and served by no later than June 15, 2026.

2. Request for Formal Comment

Attached to this ruling is the Staff Proposal. To guide parties' and the Commission's review of the material, this ruling directs parties to provide comment on the Staff Proposal and respond to the questions below. When responding to the questions below, parties shall organize and submit their comments in the same order in which the issues and questions are presented in this ruling.

2.1. Questions

As stated above, the Staff Proposal presents a variety of recommended actions for implementing safety culture assessments for SMJUs and storage operators. Parties are directed to respond to the specific questions below. If applicable, describe any specific changes to the recommendations in the Staff Proposal that are necessary to fully develop the safety culture assessments.

1. How should the safety culture assessments of SMJUs and storage operators address contractors performing safety-critical functions for these entities? What type of safety-critical functions should be included in the responsibilities of such contractors?
2. The Phase 1 decision for large utilities established an advice letter mechanism to allow for modifications and enhancements to the safety culture assessment framework, leveraging the Working Group's efforts to refine the framework (D.25-01-031 at 29-30). Should a similar modification mechanism be incorporated for Phase 2 utilities under this proposal, and what processes should be used to ensure the framework evolves over time based on implementation experience?
3. Parties raised confidentiality concerns with respect to a peer-review model; however, it remains unclear what

specific concerns are being identified and which categories of information they apply to. Given that 1) the Staff Proposal recommends preserving Principle 2, which states that “Safety culture assessment methods should protect privacy, data confidentiality, and anonymity of individual workers” for Phase 2 utilities, and 2) the Staff Proposal does not expect independent gas storage operators to fall under the peer-review process, please explain the following:

- a. Which categories of information do confidentiality concerns apply to and why;
- b. Why protection is needed for each of the categories of information listed above, including whom the information is being protected from disclosure to;
- c. Whether the level or type of protection should differ under a peer-review model versus an independent third-party model, and why; and
- d. Are there existing mechanisms in use by any Phase 2 entities to protect confidential information that could be expanded or utilized in the context of a peer-review process for safety culture assessments
- e. What role should the Commission play, if any, in establishing or enforcing those protections.

IT IS RULED that:

1. Opening comments in response to this ruling must be filed and served by no later than May 25, 2026.
2. Reply comments must be filed and served by no later than June 15, 2026.

Dated April 27, 2026, at San Francisco, California.

/s/ JACK CHANG

Jack Chang
Administrative Law Judge

ATTACHMENT A

(SPD Proposal Safety Culture Assessments for Phase 2)

(END OF ATTACHMENT A)