



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

**FILED**

05/26/26

04:59 PM

R2110001

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

Rulemaking 21-10-001

**CENTRAL VALLEY GAS STORAGE, LLC (U-915G)  
COMMENTS ON PHASE 2 STAFF PROPOSAL AND ALJ RULING**

May 26, 2026

Jennifer Garlock  
Sheppard Mullin Richter & Hampton LLP  
350 South Grand Avenue, 40th Floor  
Los Angeles, California 90071  
Telephone: (213) 620-5570  
Email: jgarlock@sheppard.com

*Attorneys for Central Valley Gas Storage, LLC*

**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

**CENTRAL VALLEY GAS STORAGE, LLC (U-915G)  
COMMENTS ON PHASE 2 STAFF PROPOSAL AND ALJ RULING**

**I. INTRODUCTION.**

Pursuant to the Administrative Law Judge’s Ruling Seeking Comments on Policy Questions on Safety Policy Division Phase 2 Staff Proposal, dated April 27, 2026 (“ALJ Ruling”), Central Valley Gas Storage, LLC (“CVGS”) submits these comments on the three questions in the ALJ Ruling and the Staff Proposal titled “Safety Culture Assessments for SMJUs and Independent Gas Storage Operators” (“Staff Proposal”). The ALJ Ruling invited parties to file and serve comments no later than May 25, 2026. As May 25, 2026 was the Memorial Day holiday, these comments are timely filed on May 26, 2026.<sup>1</sup>

**II. CVGS COMMENTS ON THE PHASE 2 STAFF PROPOSAL.**

The ALJ Ruling seeks comment on the Staff Proposal, included as Attachment A to the ALJ Ruling, which sets forth a proposed safety culture assessment framework for small multi-jurisdictional utilities (“SMJUs”) and independent gas storage operators (“ISPs”).

CVGS supports the Staff Proposal’s methodology to scale the safety culture assessment framework based on the effective workforce size of the SMJU or ISP, and supports the mix of data collection methods proposed for each size category. We have identified one issue that

---

<sup>1</sup> Rules of Practice and Procedure, Rule 1.15.

requires clarification to implement this methodology. The effective workforce (“EW”) is the sum of (1) the utility’s direct employee headcount (“CH”), and (2) the “average number of contractor personnel (“CP”) engaged over a year (or peak season average, whichever is greater) performing work with potential to impact safety, over a three (3)-year period.”<sup>2</sup> The definition of the CP value will need to be refined to provide clearer guidance on how it is calculated. For instance, CVGS may engage a contractor to conduct a scope of work that will take two (2) weeks with five (5) different roles. It is possible the same individuals may not be present for the full two (2) weeks of work. For instance, certain individuals may have scheduling conflicts such that a different person from the same vendor would be present on-site for a portion of the work, but at no time would more than five (5) personnel be on-site. In this example, while there may have been eight (8) individuals on-site over the two (2) weeks, the work for which the contractor was engaged was completed with only five (5) people at a given time. For purposes of determining the size of the effective workforce, CVGS recommends that in this example the CP would be equal to five (5) (i.e., the number of roles that the contractor filled), and not the number of different individuals who came on-site during that period of work.<sup>3</sup> CVGS recommends that specific guidance for calculating the CP element of EW be developed in coordination with the SMJUs and ISPs as described below.

---

<sup>2</sup> Staff Proposal at 24.

<sup>3</sup> CVGS assumes that for purposes of the direct employee headcount, or CH, that the total will not include employees who have left the company in that year; in other words, where one person held a position, and then left the company and another person filled that role, CH would only ever include one employee that is filling that role. The same approach should be taken as to CP, where it is the number of roles that determines the size of the effective workforce, and not the number of individuals who may have filled that role over a year.

The Staff Proposal notes that the primary prerequisite for implementing the Phase 2 safety culture assessments is “the development of appropriate assessment guidelines, along with training and educational support, to enable Phase 2 Utilities to proceed with their respective assessments.”<sup>4</sup> This approach is reasonable and the referenced guidelines, training, and educational support will be helpful to the SMJUs and ISPs. CVGS would appreciate clarification on the means by which these resources will be developed and the expected involvement of the Phase 2 utilities. CVGS would support development of the assessment guidelines and training and educational support in a dedicated track or subgroup of the Utility Safety Culture Working Group, as suggested in the Staff Proposal.<sup>5</sup>

### **III. CVGS RESPONSES TO ALJ QUESTIONS.**

The ALJ Ruling also directed parties to respond to the questions listed in Section 2.1 of the ALJ Ruling, each of which is set forth below, along with CVGS’s response.

*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?*

**CVGS Response:** “Safety-critical functions” should include the performance of work on-site related to operations and maintenance of the facility equipment, including wellheads, downhole cavern or well work, new construction of pipelines or drilling activities, or other field activities related to the foregoing.

CVGS envisions that contractors would naturally be included in the self-assessments it would conduct as a Very Small or Small Utility. Category 1 of the safety culture assessment data

---

<sup>4</sup> Staff Proposal at 39.

<sup>5</sup> Staff Proposal at 34.

collection methods includes interviews, focus groups, and surveys. CVGS envisions that the conduct of any of these perception-based methods (if applicable to CVGS) would include not just employees, but also contractors performing safety-critical work on-site when the assessment occurs.

Category 2 is observation of the worksite and/or meetings. While working at the CVGS facility contractors are subject to all of the same requirements and policies as CVGS employees. Contractors working on-site are included in all regular CVGS daily and weekly safety meetings. Therefore, any observations of work or meetings taking place on-site will inherently include contractors as well as employees.

Category 3 of the safety culture assessment data collection methods involves the analysis of documentation. CVGS maintains documentation of training records of employees, as well as relevant training records for contractors (at the individual level and at the company level). All CVGS policies apply to contractors working on-site in the same way as they apply to employees. Therefore, all documentation, policies, procedures, and any other data related to safety already applies to contractors and includes feedback from contractors (in the case of “system outputs” like near-miss reports or the “safety observation cards” used at CVGS). Therefore, analysis of this documentation in the safety culture assessment will seamlessly incorporate 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?*

**CVGS Response:** CVGS supports including an advice letter mechanism to allow for updates to the Phase 2 safety culture assessment framework over time. This would allow the SMJUs and ISPs to request modifications or suggest improvements to the framework based on their experience implementing the safety culture assessment framework.

Decision 25-01-031 states that the Advice Letter shall “report on how the recommendations contained within it were developed in partnership with the Utility Safety Culture Working Group.” Because the Staff Proposal would leave Working Group participation as voluntary, not mandatory, an Advice Letter process for the Phase 2 utilities should not include this requirement that all recommendations are developed within the Working Group. Given the significant differences among and between the SMJUs and ISPs, any Phase 2 utility should be permitted to file an Advice Letter with recommendations for changes to the safety culture assessment framework provided that it documents the reasoning for such request.

If Safety Policy Division is authorized to propose changes and modifications to the Phase 2 safety culture assessment framework, as permitted in D.25-01-031,<sup>6</sup> CVGS requests that the Phase 2 utilities have an opportunity to comment on any such proposal before it is adopted and implemented.

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*

---

<sup>6</sup> D.25-01-031 at 30.

*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;*
- 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; and*
- e. What role should the Commission play, if any, in establishing or enforcing those protections.*

**CVGS Response:** As noted within this question, CVGS and other ISPs are not expected to fall within the Small-Medium Utility category that is subject to the peer-review model for safety culture assessments. If such a peer-review model did apply to ISPs, CVGS would be concerned with the confidentiality of any personal identifying information related to employees and contractors, and any commercially sensitive information. CVGS considers these categories to include any information that is typically maintained as confidential in its regulatory filings. If CVGS was required to utilize a peer-review model, CVGS would expect that any information that may normally be withheld as confidential in regulatory filings would retain its confidential treatment in any safety culture assessment documentation shared with a peer or submitted to the Commission.

**IV. CONCLUSION.**

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

May 26, 2026

Respectfully submitted,

By: /s/ Jennifer Garlock

Jennifer Garlock  
Sheppard Mullin Richter & Hampton LLP  
350 South Grand Avenue, 40th Floor  
Los Angeles, California 90071  
Telephone: (213) 620-5570  
Email: jgarlock@sheppard.com

*Attorneys for Central Valley Gas Storage, LLC*