



California Public Utilities Commission
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PRESS RELEASE

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CPUC ADVANCES SAFETY OF ELECTRIC AND NATURAL GAS INFRASTRUCTURE IN CALIFORNIA

SAN FRANCISCO, December 13, 2018, 2018 - The California Public Utilities Commission (CPUC) today adopted a decision that will improve the safety of the state's electric and natural gas infrastructure.

This decision, issued in the Safety Model Assessment Proceeding (SMAP), adopts new rules requiring utilities to follow more uniform and quantitative procedures in assessing risks to their systems, identifying mitigation measures, and evaluating the cost-effectiveness of their measures. It follows up on a 2016 CPUC decision that created an interim risk-based decision-making framework and directed the utilities to develop a more uniform approach to risk management.

The decision represents a major milestone in the CPUC's efforts to improve the effectiveness and transparency of utility risk mitigation efforts. In practice, utility spending on assessing and mitigating risks, into which the public has had very limited visibility, will become much more transparent.

Safety risks occur throughout a utility's operations, and can include gas pipeline outages, fallen electrical lines, employee accidents, and damage to facilities resulting from wildfires. Currently, utilities make decisions about which risks to prioritize, and how much to spend on mitigation efforts, primarily by relying on the qualitative judgment of subject matter experts. Going forward, California utilities will be required to do this in a much more quantitatively rigorous way. They will also be required to publicly present their analysis identifying their top risks, seek input from interested parties and CPUC staff, and perform rigorous quantitative analysis to determine risk reduction



benefits from mitigation measures. Ultimately, this will increase utility accountability for risk mitigation spending, benefiting ratepayers across California.

CPUC Commissioner Clifford Rechtschaffen, who is the assigned Commissioner to the SMAP proceeding, said, “This proceeding highlights the range of safety risks facing our energy system today, and the need for continuous improvement and innovation to address those risks transparently and cost-effectively. Today’s decision will improve the ways in which we are addressing safety risks, but much more remains to be done. My colleagues and I will continue to work with stakeholders to advance the safety of our state’s energy system.”

The proposal voted on is available at

<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M237/K979/237979000.PDF>.

The CPUC regulates services and utilities, safeguards the environment, and assures Californians’ access to safe and reliable utility infrastructure and services. For more information on the CPUC, please visit www.cpuc.ca.gov.

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