

Company: Southern California Gas Company (U 904 G)  
Proceeding: 2016 General Rate Case  
Application: A.14-11-\_\_\_\_  
Exhibit: SCG-02

**SOCALGAS**

**DIRECT TESTIMONY OF DIANA DAY**

**RISK MANAGEMENT AND POLICY**

**November 2014**

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





**TABLE OF CONTENTS**

**I. INTRODUCTION.....1**

**II. REGULATORY CONTEXT .....2**

**III. THE RISK MANAGEMENT, SAFETY, AND RELIABILITY  
CULTURE AT SDG&E AND SOCALGAS.....4**

**IV. RISK MANAGEMENT PRACTICES AT SOCALGAS AND SDG&E  
ARE CONTINUING TO EVOLVE .....7**

**V. THE SOCALGAS AND SDG&E STRATEGIC PLANNING  
TRAJECTORY .....8**

**VI. CONCLUSION .....11**

**VII. WITNESS QUALIFICATIONS .....12**

**LIST OF APPENDICES**

Appendix-Glossary ..... DD-A-1

**CROSS-REFERENCES**

SDG&E-01 (Davis).....5

SCG-01 (Lane).....5

SDG&E/SCG-03 (Schneider/Geier).....5, 6

SDG&E/SCG-04 (Ayala).....5

SDG&E/SCG-05 (Dagg).....5

SDG&E-06/SCG-07 (Stanford).....5, 6

SCG-06 (Baker).....5

SDG&E-07/SCG-08 (Martinez).....5, 6

SDG&E-09 (Jenkins).....5, 6

SDG&E-10 (Woldemariam).....5, 6

SDG&E-15 (LaPeter).....5

SCG-18 (Olmstead).....5

SDG&E-19 (Mikovits) .....5

SDG&E-24 (Edgar) .....5, 6

## SUMMARY

San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (SoCalGas) have cultivated a mature, successful safety culture over many years and are committed to incorporating risk management principles and practices into its operations. As our risk management practices grow and mature, we will strive to:

- Continue to include safety and security risk management as an integral part of key organizational decision-making processes;
- Address risks in a more systematic, structured, transparent and timely manner;
- More closely integrate risk, asset and investment management; and
- More fully inform our risk, asset and investment management decisions with qualitative and quantitative analysis.

My testimony describes SoCalGas' and SDG&E's commitment to continued development of our Enterprise Risk Management (ERM) governance, which will continue to facilitate the review and discussion of safety and security risks, mitigation strategies, and related investments while maintaining successful risk mitigation processes already in place. This ERM governance will improve consistency for SoCalGas and SDG&E in risk identification, analysis, evaluation and prioritization, to focus on the risks that are most critical to our businesses. The framework will be refined, as needed, to reflect ongoing changes in the risk environment of business unit operations, industry practices, Commission priorities, and new regulations. The approaches we use to identify, prioritize and mitigate risks will conform to the stated and emerging expectations of the Commission.

To implement this integrated ERM organization, my testimony supports a request for \$2.964 million in operations and maintenance (O&M) expenses at SDG&E and \$2.592 million in O&M expenses at SoCalGas, totaling \$5.556 million in direct O&M costs for both utilities.

1 **SDG&E DIRECT TESTIMONY OF DIANA DAY**  
2 **RISK MANAGEMENT AND POLICY**

3 **I. INTRODUCTION**

4 A foundational priority of SoCalGas and SDG&E is the safety of our customers, our  
5 employees, and the communities we serve: it is part of our cultural DNA. For over 100 years,  
6 SoCalGas and SDG&E have delivered safe and reliable energy to a combined customer base that  
7 now approaches 25 million. As our infrastructure has expanded, matured and changed to  
8 accommodate different sources of supply, emerging technologies and ever-increasing customer  
9 expectations, the safety and security risks associated with operating larger and more complex  
10 electric and gas delivery systems have grown. Today we face risk of harm due to terrorism,  
11 cyber-attacks and system attacks at ever-increasing levels that were not present 20 years ago.  
12 Recent events such as the Southern California wildfires of 2003, 2007, and May of 2014, the San  
13 Bruno incident in 2010 and the attack on PG&E's Metcalf Substation have heightened the  
14 public's awareness about the inherent safety and security risks present around our facilities.  
15 While the reduction of safety, reliability and security risks will remain a fundamental principle  
16 guiding the decisions we make to construct, operate and protect our systems, we will continue to  
17 improve the risk management processes we use to enhance these decisions and adapt to the ever-  
18 changing risk landscape.

19 My testimony describes our current risk management practices, how we envision they  
20 will evolve and our commitment to progress. I also present forecasted expenses for SDG&E and  
21 SoCalGas' ERM program. To support our risk management efforts, my testimony supports a  
22 total request for \$5.556 million in O&M expense required for SDG&E's and SoCalGas'  
23 movement toward an integrated ERM organization. My testimony specifically presents the  
24 following:

- 25 • The regulatory context for our ongoing ERM efforts;
- 26 • An overview of the historic philosophy, structures, practices and analytical  
27 processes adopted by SoCalGas and SDG&E to address safety and security risks;
- 28 • SoCalGas' and SDG&E's commitment to an integrated approach to risk  
29 management; and
- 30 • Comments on the alignment of SoCalGas and SDG&E risk management concepts  
31 with the CPUC's current and emerging requirements.

1 My testimony and testimonies of other witnesses demonstrate that:

- 2 • The incorporation of safety, reliability, and security risk into the CPUC’s
- 3 ratemaking processes should evolve carefully and thoughtfully, as the associated
- 4 utility business structures and processes continue to mature;
- 5 • SoCalGas and SDG&E have considered safety, reliability and security risk in
- 6 their prioritization processes for many years;
- 7 • An independent third party, National Safety Council, has recognized SoCalGas
- 8 and SDG&E as being in the 93<sup>rd</sup> percentile of companies with a safety culture;
- 9 • SoCalGas and SDG&E have established governance structures and processes to
- 10 address safety and security risk; and
- 11 • SoCalGas and SDG&E will continue to implement risk management initiatives
- 12 that are consistent with our history of proactive compliance with the CPUC’s
- 13 safety and security risk objectives.

14 As shown in individual witness testimony chapters, SoCalGas and SDG&E’s Test Year  
15 (TY) 2016 General Rate Case (GRC) filings incorporate the assessment of public and employee  
16 safety, reliability and security risks.

## 17 **II. REGULATORY CONTEXT**

18 In the aftermath of San Bruno and Metcalf, the CPUC has undertaken a more  
19 “comprehensive reconsideration” of how it addresses the prioritization of safety, security and  
20 reliability issues in general rate cases.<sup>1</sup> The CPUC has issued progressively more explicit  
21 guidance, beginning with the CPUC’s rulemaking initiating an examination of the adoption,  
22 statewide, of new safety and reliability rules for gas pipelines.<sup>2</sup> The rulemaking is “creating a set  
23 of reporting metrics that convey consistent and comparable information regarding the gas system  
24 safety parameters”<sup>3</sup> and addressing the need for safety plans and a comprehensive safety  
25 management system.

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<sup>1</sup> R.13-11-006, Order Instituting Rulemaking to Develop a Risk-Based Decision-Making Framework to Evaluate Safety and Reliability Improvements and Revise the General Rate Case Plan for Energy Utilities (“Risk OIR”), p. 2.

<sup>2</sup> R.11-02-019, Order Instituting Rulemaking on the Commission’s Own Motion to Adopt New Safety and Reliability Regulations for Natural Gas Transmission and Distribution Pipelines and Related Ratemaking Mechanisms (“Pipeline Safety Proceeding”).

<sup>3</sup> R.11-02-019, Pipeline Safety Proceeding, p. 2.

1 In March 2012, Executive Director Clanon sent a letter instructing Pacific Gas and  
2 Electric (PG&E) to base its TY 2014 GRC on an “explicit safety and security risk assessment.”<sup>4</sup>  
3 Specifically, Executive Director Clanon directed PG&E to “give a risk assessment of its physical  
4 system as well as a description of and a justification for the company’s risk mitigation programs  
5 and policies.” PG&E was also instructed to “provide testimony to identify and prioritize areas of  
6 risk and include the underlying rationale for [its] assessments.”<sup>5</sup> Moreover, “PG&E should  
7 submit testimony detailing the overall policy of the utility’s safety and security measures,  
8 including both the physical security and cyber security of the system. Testimony should  
9 encompass how safety and security are incorporated into corporate policies, goals, and culture,  
10 and the efforts being made to bolster system safety and security.”<sup>6</sup> This direction advanced the  
11 stakeholder process the CPUC began to “integrate safety and security more fully into the rate  
12 setting processes,”<sup>7</sup> and expanded the CPUC’s focus to include electric operations as well as gas.  
13 The Clanon Letter was issued just prior to PG&E’s filing of its TY 2014 GRC Notice of Intent.  
14 PG&E offered risk witness testimony as part of its TY 2014 GRC presentation.<sup>8</sup>

15 In November 2013, the CPUC issued a subsequent OIR to develop a risk-based decision-  
16 making framework to evaluate safety and reliability improvements and revise the Rate Case Plan  
17 (RCP) for energy utilities.<sup>9</sup> The CPUC recognized that the current RCP guidance “is outdated, is  
18 not adequately attuned to current needs and realities, does not serve satisfactorily demands of the  
19 current regulatory environment, and does not fully reflect the technical complexity of policy  
20 issues we are facing today.”<sup>10</sup>

21 The CPUC has stated it expects “an evolution in the way utilities identify safety and  
22 reliability risks and justify the value of investments and operations expenses in relation to how  
23 well those risks are mitigated.”<sup>11</sup> Along these lines, Assigned Commissioner Peevey issued a  
24 ruling requiring Southern California Edison (SCE) to provide additional risk mitigation

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<sup>4</sup> March 5, 2012, Letter from CPUC Executive Director Paul Clanon to Mr. T. Bottorff, Pacific Gas & Electric (“Clanon Letter”), p. 1, *available at* [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

<sup>5</sup> Clanon Letter, p. 1.

<sup>6</sup> Clanon Letter, p. 2.

<sup>7</sup> Clanon Letter, p. 2.

<sup>8</sup> Application 12-11-009.

<sup>9</sup> Risk OIR, R.13-11-05.

<sup>10</sup> Risk OIR, p. 6.

<sup>11</sup> Risk OIR, p. 7.

1 testimony in support of its current GRC request.<sup>12</sup> And on July 10, 2014, the Commission  
2 unanimously adopted a Safety Policy Statement that “defines the role of the Commissioners,  
3 binds together the agency in constantly strengthening [the Commission’s] safety efforts, and  
4 provides a unifying vision and guidance for the organization’s multiple and disparate  
5 functions.”<sup>13</sup>

6 **III. THE RISK MANAGEMENT, SAFETY, AND RELIABILITY CULTURE AT**  
7 **SDG&E AND SOCALGAS**

8 Risk management at SoCalGas and SDG&E occurs at multiple levels. As mentioned  
9 previously, our utilities exhibit consistent attention to safety and security in everyday operations.  
10 One of our stated core values is, “Treat safety as way of life.”<sup>14</sup> At all levels within SoCalGas  
11 and SDG&E, we pay significant attention to the development of structures, roles and processes  
12 to address the risks associated with our operations and facilities.

13 Both SoCalGas and SDG&E have undertaken a thoughtful and measured approach to the  
14 adoption of structures and processes to further the development of a risk-aware culture. Both  
15 SDG&E and SoCalGas have developed risk registries, which identify and prioritize top risks  
16 within each organization. Each utility has implemented an investment management process that  
17 is used to prioritize investments that address risk mitigation actions. SDG&E formalized its  
18 approach to ERM by establishing a comprehensive risk management policy and guidelines, with  
19 defined, substantive roles and responsibilities established throughout the organization and  
20 transparent repeatable processes to support assessment of risk-reduction impact of projects.

21 The table below provides a list of the primary SoCalGas and SDG&E witnesses that  
22 address how safety, reliability and security risk mitigation is incorporated into strategic  
23 governance and policies, day-to-day operations and resource allocation processes for each utility.  
24 Because risk mitigation goals and processes are deeply engrained in our culture, this list is not  
25 comprehensive, but it provides an overview of the central witnesses addressing risk mitigation in  
26 policy and operational areas.

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<sup>12</sup> A.13-11-003 (SCE GRC), May 15, 2014, Assigned Commissioner’s Ruling Amending Scoping Memo and Ordering Supplemental Testimony Regarding Risk Management and Safety Matters.

<sup>13</sup> July 10, 2014, Safety Policy Statement of the Public Utilities Commission of the State of California, *available at* [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

<sup>14</sup> Sempra Energy Governance Statement of Corporate Values, *available at* [www.sempra.com](http://www.sempra.com).



<b>Incorporation of Safety and Security Risk Mitigation Into Policies and Operations</b>			
<b>Ex. No.</b>	<b>Witness Name</b>	<b>Title</b>	<b>Testimony</b>
SDG&E-01	Steve Davis	President and COO	Policy
SCG-01	Bret Lane	COO	Policy
SDG&E-03; SCG-03	Doug Schneider	VP – Gas Engineering & Systems Integrity	Overview Gas Risk, Asset Management and Investment
SDG&E-03	David Geier	VP – Electric Transmission & Systems Engineer	Overview Electric Risk, Asset Management and Investment
SDG&E-04; SCG-04	Frank Ayala	Director - Gas Operations	Gas Distribution
SDG&E-05; SCG-05	John Dagg	Director - Transmission & Systems Operations	Gas Transmission
SDG&E-06; SCG-07	Ray Stanford	Engineering Design Manager	Gas Engineering, Emergency Services
SCG-06	Phil Baker	Director – Storage	Storage Integrity Program (SIMP)
SDG&E-07; SCG-08	Maria Martinez	Director – Pipeline Integrity	Transmission Pipeline Integrity Program (TIMP) and Distribution Pipeline Integrity Program (DIMP)
SDG&E-09	John Jenkins	Director – Major Projects	Electric Distribution Capital
SDG&E-10	Jonathan Woldemariam	Director – Electric Transmission & Distribution Engineering	Electric Distribution Operations and Maintenance
SDG&E-11	Carl LaPeter	Palomar Plant Manager	Generation
SCG-18	Chris Olmstead	Director – SCG Applications Services	Information Technology
SDG&E-19	Stephen Mikovits	Director – Application Services	Information Technology
SDG&E-24	Sarah Edgar	Director – Human Resources and Labor Relations	Emergency Services

2 Doug Schneider, Vice President Engineering and System Integrity for SoCalGas and  
3 SDG&E, will provide an overview of some of the natural gas operations work over the last 30  
4 years to address safety and security risks and current risk mitigation efforts. Over the past  
5 decade, the governance, methods, processes, and measures have expanded. These programs  
6 reflect leading risk management practices, including defining, analyzing, prioritizing, and  
7 monitoring risks. These programs and other initiatives are enabling SoCalGas and SDG&E to  
8 maintain our infrastructure in a manner that meets or exceeds applicable federal and state  
9 regulations and requirements.

1 David Geier, Vice President Electric Operations at SDG&E, will provide an overview of  
2 SDG&E's risk priorities, asset programs and investments requested to support them. SDG&E  
3 introduced behavior based safety (BBS) training in the 1990s to further improve the safety  
4 practices of our employees. In the mid-2000s, SDG&E began upgrading its Geographical  
5 Information Systems (GIS) to, among other things, provide more comprehensive asset data. In  
6 the last decade, SDG&E has focused very specifically on the organization, tools and procedures  
7 to minimize fire risk.

8 As Messrs. Jenkins and Woldemariam testify, the primary focus of the risk management  
9 efforts at SDG&E have been to reduce the risk associated with wildfires, attacks on critical  
10 facilities and other large-scale natural disasters. Specific fire risk mitigation initiatives include  
11 Reliability Improvements in Rural Area Team (RIRAT) and Fire Risk Mitigation (FiRM)  
12 projects. Similarly, Mr. Schneider and Ms. Martinez testify that SoCalGas has been devoted to  
13 implementing the pipeline and storage integrity programs (TIMP, DIMP, SIMP and Pipeline  
14 Safety Enhancement Program (PSEP)). SDG&E's gas operations are undergoing the same  
15 safety and security risk evaluations as are being adopted at SoCalGas. The witnesses listed  
16 above will provide additional specifics regarding our current risk, asset and investment  
17 management processes. Additionally, because it is not possible to mitigate risks to a point where  
18 there is zero likelihood of a risk causing an incident, SDG&E and SoCalGas have in place  
19 emergency services that will minimize consequences if an incident occurs, as described in Ms.  
20 Edgar's and Mr. Stanford's testimonies.

21 The investments SoCalGas and SDG&E have made to manage the safety and security  
22 risk of our infrastructure and services have a direct impact on our safety and reliability  
23 performance, as Messrs. Schneider and Geier testify. Evaluations and measures by independent  
24 third parties show that SoCalGas' and SDG&E's safety results compare favorably to those of  
25 peer utilities and companies. Notably, the results of recent safety surveys conducted by the  
26 National Safety Council indicate SoCalGas and SDG&E are in the 93<sup>rd</sup> percentile for safety  
27 culture.<sup>15</sup> The safety culture has led to improved Occupational Safety and Health Administration  
28 (OSHA) results. Over the past sixteen years the OSHA recordable incident rate<sup>16</sup> at SoCalGas

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<sup>15</sup> National Safety Council Safety Barometer, March 2013, SoCalGas and SDG&E.

<sup>16</sup> Of non-fatal work-related injuries and illnesses.

1 has improved from 8.0 in the mid-1990s to 3.5 in 2013. At SDG&E, there has been a similar  
2 improvement trend, with the rate declining from 8.6 to 2.31 in 2013.

3 **IV. RISK MANAGEMENT PRACTICES AT SOCALGAS AND SDG&E ARE**  
4 **CONTINUING TO EVOLVE**

5 SoCalGas and SDG&E have recognized the importance of continuing to develop and  
6 improve risk management practices going forward. For example, I was recently appointed to the  
7 newly created position of Vice President of Risk Management, an executive position dedicated to  
8 building an enterprise-wide risk management organization for both SoCalGas and SDG&E.

9 Under my leadership, this organization will:

- 10 • Set the policy, governance, structures, process, and guidelines for SoCalGas and
- 11 SDG&E's integrated approach to risk management practices;
- 12 • Provide guidance to create consistent, risk-informed<sup>17</sup> decision making;
- 13 • Implement qualitative and quantitative processes to support the assessment and
- 14 evaluation of risk; and
- 15 • Monitor execution of programs and measure results.

16 The ERM process that is currently being developed and implemented will provide a  
17 consistent framework for addressing risk at SoCalGas and SDG&E. This framework will  
18 incorporate leading practices from both internal (e.g., the SoCalGas TIMP asset life-cycle  
19 assessment and SDG&E's assessment and evaluation of fire risk through FiRM) and external  
20 organizations (e.g., Corporate Executive Board Risk Management Leadership Council). A  
21 central element of the ERM process will be to build upon existing risk registries to develop a  
22 comprehensive registry for each utility, which will provide an integrated view of each utility's  
23 risks. The risk registry<sup>18</sup> will capture sufficient information to be able to assess whether a risk  
24 has been assessed, the level of controls implemented and whether the controls are adequate. We  
25 will develop a set of guidelines that defines the process of risk identification, analysis (risk  
26 triggers/causes and consequences), evaluation (risk scoring methodology), and development of  
27 mitigation and contingency plans. SDG&E and SoCalGas are committed to the continued

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<sup>17</sup> "Risk-informed" decision making means that risk has been taken into consideration in coming to a final decision on how to proceed.

<sup>18</sup> A risk registry is a log that captures in one place a description of risks, an assessment of the probability and consequence of occurrence, the controls employed and an assessment of the inherent, residual and target risks.

1 advancement of risk management principles and practices. As our risk management practices  
2 grow and mature, we will strive to:

- 3 • Continue to incorporate safety and security risk management as an integral part of  
4 key organizational decision-making processes;
- 5 • Evaluate and address risks in a more systematic, structured, transparent and  
6 timely manner;
- 7 • More closely integrate risk, asset and investment management; and
- 8 • More fully inform our risk, asset and investment management decisions with  
9 qualitative and quantitative analysis.

10 SoCalGas' and SDG&E's risk management governance will continue to allow for the  
11 review and discussion of safety and security risks, mitigation strategies, and related investments.  
12 This ERM structure will improve consistency for SoCalGas and SDG&E in risk identification,  
13 analysis, evaluation and prioritization, to focus on the risks that are most critical. The framework  
14 will be refined, as needed, to reflect ongoing changes in the risk environment of business unit  
15 operations, industry practices, Commission priorities, and new regulations. The approaches we  
16 use to identify, prioritize and mitigate risks will conform to the stated and emerging expectations  
17 of the Commission.

18 To implement this integrated ERM organization, my testimony supports a request for  
19 \$2.964 million in O&M expense at SDG&E and \$2.592 million in O&M expense at SoCalGas,  
20 totaling \$5.556 million in direct O&M costs for both utilities.

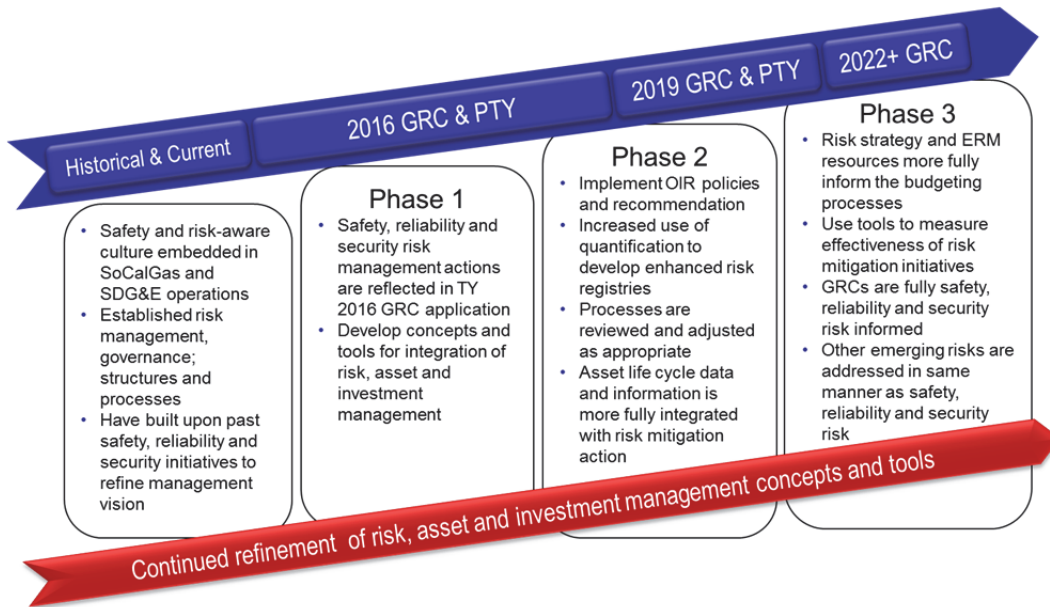
## 21 **V. THE SOCALGAS AND SDG&E STRATEGIC PLANNING TRAJECTORY**

22 The risks we face are not static. New, and often serious, threats to the safe, secure, and  
23 reliable operation of our infrastructure will continue to emerge. Our methods, expertise and  
24 systems will necessarily evolve and adjust to address these changes. Through the recent creation  
25 of my role, the reiteration of a risk management vision, and investments requested in the TY  
26 2016 GRC, SoCalGas and SDG&E demonstrate their commitment to continued improvements.

27 The figure below provides a summary of the commitments SoCalGas and SDG&E are  
28 making to improve our risk management processes. While mitigation of safety and security risks  
29 has been an integral aspect of managing our utility businesses, we are evolving the processes and  
30 tools supporting risk mitigation as described above. The TY 2016 GRC includes a request for  
31 funding to build and refine the new risk, asset and investment governance structures,

1 competencies and tools. SoCalGas and SDG&E anticipate that the TY 2019 GRC will also  
 2 request funding to support implementing Risk OIR results and the evolving nature of risk  
 3 management.

**SoCalGas and SDG&E Strategic Planning Trajectory  
 (Integrating Risk, Asset and Investment Management)**



4  
 5 The objective of our ERM program is to create a consistent methodology for evaluating risk  
 6 across SCG and SDG&E businesses that integrates risk with asset and investment management  
 7 using a combination of bottom-up and top-down processes. These evolving processes will  
 8 require adequate funding. The estimated operating expenses discussed below support the ERM  
 9 fundamental goal of reducing safety, reliability and security risks. The following table  
 10 summarizes the TY 2016 changes related to O&M.

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**TABLE DD-SDG&E/SCG-1**  
**Summary of 2016 Change**  
**(thousands of 2013 dollars)**

Description	2013 Adjusted Recorded	TY 2016 Estimated	Change
SDG&E ERM	631	2,964	2,333
SCG ERM	0	2,592	2,592
Total O&M	631	5,556	4,925

To develop and implement an enhanced ERM program that aligns with recently issued directives by the CPUC,<sup>19</sup> we are proposing the planned addition of 9 full time equivalents (FTEs) and requesting an additional \$4.9M in O&M costs. This represents a \$1.5M labor increase over the 2013 base year. The two additional Director positions would be responsible for the leadership, innovation, governance, and management necessary to identify, evaluate, mitigate, and monitor operational and strategic risk and to integrate the risk management and asset management with the SoCalGas' and SDG&E's investment management process.

Responsibilities would include but are not limited to:

- Develop and enhance ERM tools, practices, and policies to analyze and report on enterprise risks;
- Manage risks according to a well-defined process and analytic evaluation ERM framework, integrating risk process into strategic planning, asset management and investment selection, with a focus on maximizing risk mitigation to SDG&E and SoCalGas;
- Promote SoCalGas' and SDG&E's risk management policies and strategies in compliance with applicable regulations, industry standards, and strategic imperatives;
- Assist management to oversee and monitor, analyze and report all risk management activities for SDG&E and SoCalGas;
- Enhance SoCalGas' and SDG&E's asset management processes and procedures and develop a knowledge base of asset life cycle probability of failure, costs and consequences;

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<sup>19</sup> See, e.g., Ruling issued by ALJ Wong in Rulemaking 13-11-006, dated November 14, 2013, providing risk-based decision-making framework; and the Scoping Memo and Ruling of the Assigned Commissioner and Administrative Law Judge dated May 15, 2014, in R.13-11-006.

- 1 • Establish and enhance processes and procedures for metric driven organizational goals  
2 and objectives that investments are evaluated against;
- 3 • Provide key input into SoCalGas' and SDG&E's enterprise risk or other committee that  
4 oversees the ERM process and ensures alignment with organizational objectives; and
- 5 • Facilitate communications among all stakeholders and share best practices among  
6 business units.

7 The other positions supporting the Directors include two additional Managers and four additional  
8 Principal Analysts. This team will:

- 9 • Support the Director in all aspects of the ERM program;
- 10 • Facilitate the identification of risks throughout the organization by developing, reporting  
11 and monitoring industry issues on risk management and developing methodologies for  
12 the assessment of risks throughout the organization;
- 13 • Develop and maintain enterprise governance frameworks, standards and practices relating  
14 to risk governance and effectively implementing them throughout SoCalGas and  
15 SDG&E; and
- 16 • Work collaboratively with all appropriate business units to ensure a consistent and  
17 integral approach is applied to risk governance that aligns to the overall ERM mandate.

18 The majority of the non-labor increase is to fund the hiring of third-party consultants skilled in  
19 developing and upgrading risk management processes, systems and tools. Such expertise will  
20 enhance SoCalGas' and SDG&E's asset management processes, procedures and systems and  
21 help integrate risk management and asset management into the strategic planning and investment  
22 optimization processes, with the overall goal of developing an industry-leading ERM program.

## 23 **VI. CONCLUSION**

24 My testimony, and that of other witnesses, demonstrates that SoCalGas and SDG&E have  
25 been continuously committed to safety, reliability and security for customers, employees and the  
26 communities we serve. SoCalGas and SDG&E agree with the CPUC that the implementation of  
27 risk, asset and investment management processes and tools are evolving and improving. We  
28 believe our commitments are directionally aligned with the CPUC and, based on all of our risk  
29 witnesses' testimonies, that SoCalGas' and SDG&E's TY 2016 GRCs are based on an  
30 assessment of the safety, reliability and security risks of SoCalGas and SDG&E systems.

1 **VII. WITNESS QUALIFICATIONS**

2 My name is Diana L. Day, and my business address is 101 Ash Street, San Diego,  
3 California 92101.

4 In June 2014, I was appointed Vice President, Enterprise Risk Management for SoCalGas  
5 and SDG&E. In that role, I am responsible for setting the policy, governance, structures,  
6 process, and guidelines for SoCalGas' and SDG&E's risk, asset and investment management  
7 practices.

8 I have held various positions with the Sempra companies since 1997, including Assistant  
9 General Counsel – Commercial of SDG&E (until June 2014), General Counsel of Sempra  
10 Energy Global Enterprises and Vice President and Associate General Counsel of Sempra Energy.

11 I received a bachelor's degree in economics (summa cum laude) from Washington State  
12 University. I received a juris doctor degree from the University of Virginia School of Law.

13 Prior to joining Sempra Energy, I was an attorney with the San Diego office of Latham &  
14 Watkins, where I served on that firm's Equal Employment Opportunity Committee. I also have  
15 prior service as a director of the San Diego American Corporate Counsel Association, the San  
16 Diego Volunteer Lawyer Program, and San Diego Imperial County Girl Scouts.

17 I have not testified previously before the Commission



## APPENDIX – GLOSSARY

<b>ACRONYM</b>	<b>DEFINITION</b>
BBS	Behavior Based Safety
DIMP	Distribution Integration Management Program
ERM	Enterprise Risk Management
FiRM	Fire Risk Mitigation
FTEs	Full Time Equivalents
GIS	Geographical Information Systems
GRC	General Rate Case
O&M	Operations and Maintenance
OSHA	Occupational Safety and Health Administration
PG&E	Pacific Gas & Electric Company
PSEP	Pipeline Safety Enhancement Program
RCP	Rate Case Plan
RIRAT	Rural Improvements in Rural Area Team
SCE	Southern California Edison Company
SIMP	Storage Integration Management Program
SDG&E	San Diego Gas & Electric Company
SoCalGas	Southern California Gas Company
TIMP	Transmission Integration Management Program
TY	Test Year