

Report to the Board of Trustees

September 27, 2017

PSEG Long Island Safety Program Overview

Topics For Discussion

- Health and Safety Governance
- Benchmarking, Measuring and Verifying Safety Performance
- Continuous Improvement

PSEG Governance

- PSEG Governance requires PSEG's governing entities and its management to implement and oversee written guidance that:
 - Defines expectations, accountabilities and the control environment,
 - Grants authorities that correspond to the accountabilities; and
 - Defines the methods by which performance will be verified.
- Boards, Committees and Councils implement and/or support management guidance and governance processes of PSEG. These entities create and/or oversee Policies, Practices, Directives, Instructions and governance.
- The **PSEG Environment, Health and Safety (EHS) Policy** and **PSEG Practice 575-1, EHS Program Guide** serve as the high level EHS governance documents or PSEG Long Island.
- The Company, in keeping with the PSEG Environment, Health and Safety Policy and Standards of Integrity, conducts its operations in a manner to meet all applicable environmental and health and safety laws and regulations. This requirement is implemented pursuant to the **PSEG Business Conduct Compliance Program (Program)**.
- The Company implements the Program in accordance with the PSEG Environment, Health and Safety (EHS) Program Guide (Guide).
- The Chief Compliance Officer has overall responsibility for the implementation, interpretation, and maintenance of the PSEG Business Conduct Compliance Program.

PSEG EHS Policy

- Establishes EHS governance for PSEG Long Island and assures a consistent understanding of acceptable actions and behaviors to responsibly conduct business in a manner that protects the environment, and the health of employees, contractors, customers, and the public.
- Subject to review and revision every three years
- Owned by the PSEG Executive Officer Group



PSEG **Environment,** **Health &** **Safety** **Policy**

PSEG and its subsidiaries will responsibly conduct its worldwide businesses in a manner that protects the environment and the health and safety of employees, contractors, customers and the public.

We will integrate this commitment into our business planning, engineering design and operations by establishing and maintaining management systems that achieve operational excellence and carry out the following principles:

- Health and Safety**
- Nuclear Safety**
- Climate Change**
- Compliance**
- Risk Reduction**
- Pollution Prevention & Resource Conservation**
- Open Communication**
- Continuous Improvement**



PSEG EHS Program Guide

- Describes the 14 elements of the management systems required to implement the PSEG EHS Policy.

1. Management Commitment	8. Business Planning
2. EHS Aspects	9. Training
3. Legal Requirements	10. Recordkeeping
4. Performance Indicators	11. Contractor Management
5. Roles and Responsibilities	12. Communication
6. Control Programs	13. Monitoring Performance
7. Incentive and Discipline	14. Continuous Improvement

- Based on ISO 14001.
- The PSEG EHS Compliance Committee owns the Program Guide and members facilitate its implementation in their respective business. It was last revised and approved by the EOG on 12/14/16.
- Requires annual certification by the businesses.
 - Line management is responsible and accountable for ensuring operations are conducted in compliance with EHS laws and regulations, as well as internal policies and procedures.
 - Designed to heighten employee awareness of the importance of internal controls and related responsibilities for environmental and occupational health and safety compliance.
 - Provides executive management with reasonable assurance that adequate controls are in place and functioning as intended.

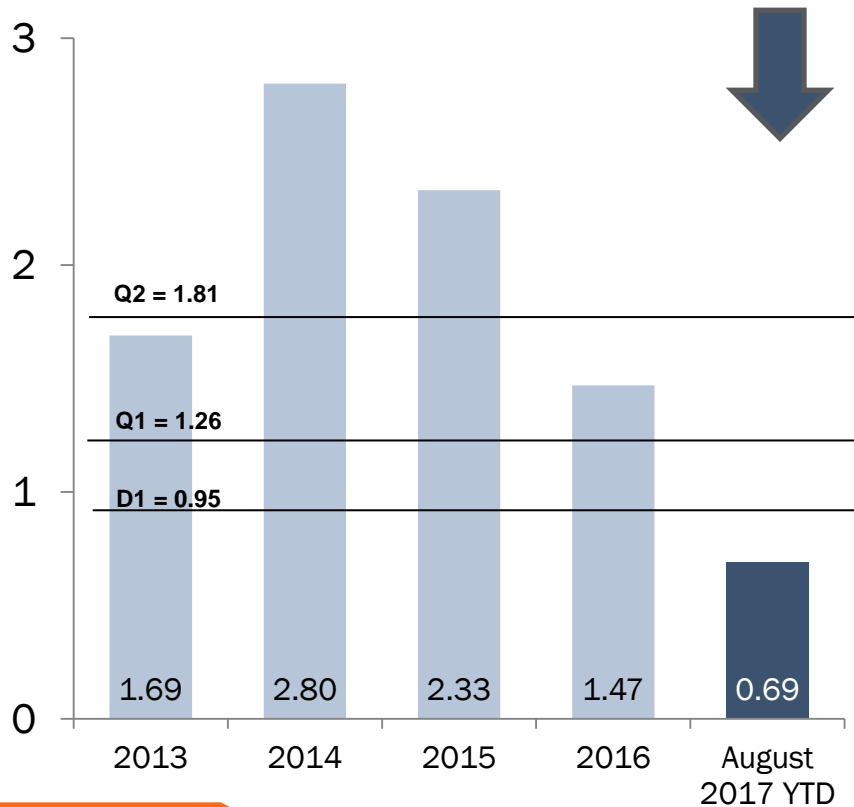
PSEG Health & Safety Strategy Model



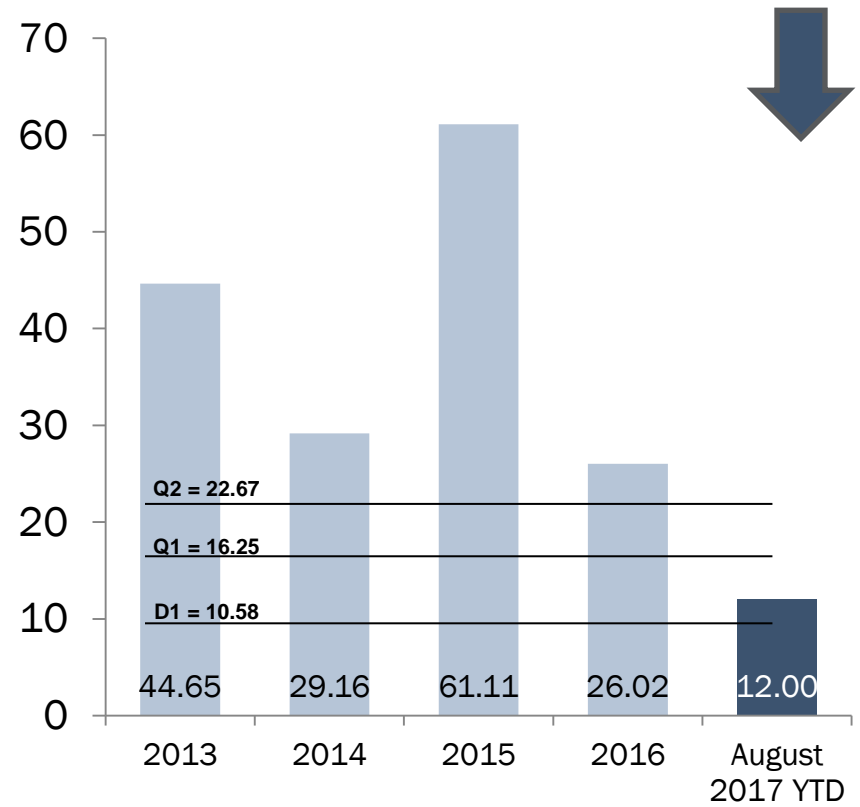
Benchmarking, Measuring and Verifying Safety Performance

- PSEG Long Island participates in an OSHA benchmarking process with 13 utilities in the United States that is used by LIPA and PSEG Long Island to set Safety Targets for the OSA (Operations Services Agreement).

OSHA Incidence Rate



OSHA Days Away Rate



Continuous Improvement

- PSEG-LI employees follow safety practices that meet or exceed OSHA standards that are documented in the company's Safety Manual.
- The PSEG-LI Safety Council structure encourages employees to participate in resolving safety issues.

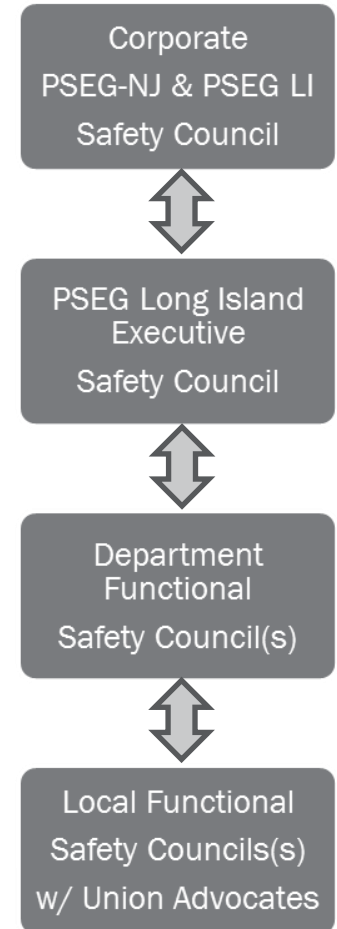
Our Commitment to **HEALTH & SAFETY**

Health and Safety must never be compromised. Your safety and well-being is our #1 priority – more than production, profits and serving the customer. Everyone has the absolute right and obligation to question, stop and correct any unsafe act or condition.

SAFETY, HEALTH AND WELL-BEING
are a way of life both on and off the job!

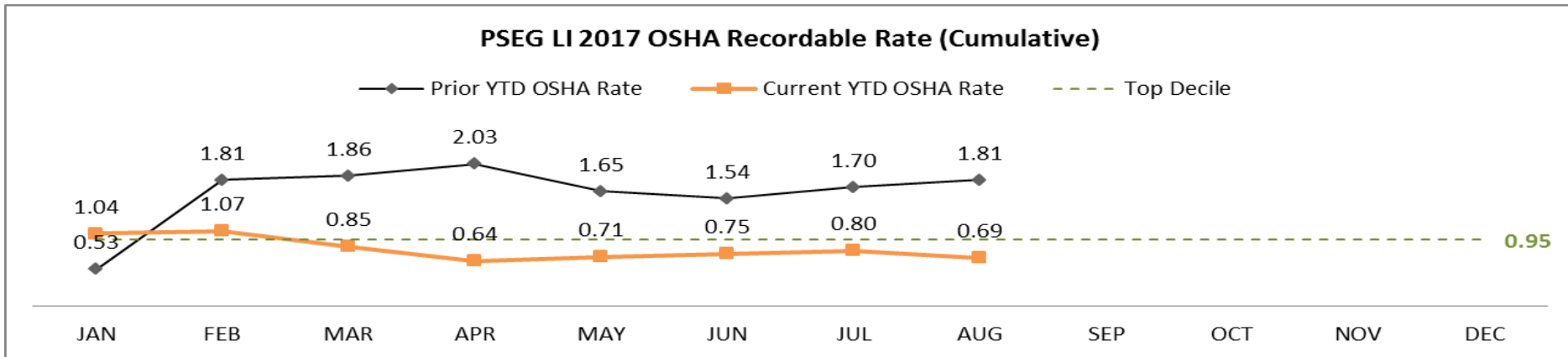
We will achieve an accident-free environment through a health and safety culture built on: **TRUST** We respect and trust each others' opinions and decisions and follow through on all health and safety concerns. **CARE** We approach each day with the determination to care for ourselves, co-workers, contractors and the communities we serve. **KNOWLEDGE** We have the knowledge and skills to be healthy and safe. **COMMUNICATION** We communicate in a clear, open and honest manner.

PSEG-LI Safety Council Structure



Continuous Improvement

- PSEG LI continues to maintain a downward trend in OSHA recordable and lost time incidents building upon program initiatives and a positive safety culture.
 - New Frontline training programs for Hazard Identification, Incident Prevention and “Normalization of Deviance” are currently being implemented.
 - The Industrial Athlete Program is now fully implemented and integrated into the physical workers training academies providing instruction on proper body mechanics and pre-job warm-ups. Teams are actively assessing ergonomic hazards and implementing solutions to prevent injuries.



Schumaker & Company Safety Assessment

Purpose

- LIPA engaged Schumaker & Company to evaluate the appropriateness and effectiveness of the safety initiatives of PSEG LI, including its Safety Standards and Procedures.

Approach & Methodology

- A comprehensive and structured approach that was interactive and participative with PSEG LI and LIPA management and staff.
- Conducted interviews with safety professionals and staff.
- Assessed safety conditions at operational and service centers.
- Visited and observed field crews.

Example of Findings

- “PSEG LI has an effective safety organization...that has created an open safety culture within the company.”
- “Employees believe PSEG LI demonstrated a commitment to safety and its improvement from the first day it assumed responsibility for the operation and maintenance of LIPA’s transmission and distribution assets.”