

## **FOR CONSIDERATION**

November 14, 2018

**TO:** The Board of Trustees

**FROM:** Thomas Falcone

**SUBJECT:** Approval of the Annual Report on the Board Policy on Safety

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### **Requested Action**

The Board of Trustees of the Long Island Power Authority (the “Board”) is requested to adopt a resolution finding that the Long Island Power Authority and its subsidiary, LIPA (collectively the “Authority”), have complied with the Board Policy on Safety (the “Policy”) for the period since the last annual review, and approving the annual report for the Policy, which resolution is attached hereto as **Exhibit “A”**.

### **Background**

By Resolution No. 1379, dated September 27, 2017, the Board adopted the Policy. The Policy sets objectives to ensure a safe environment for the dedicated workforce of its service provider and the public. The Policy also establishes regular performance reporting by Staff to enable the Board to assess the adequacy of the service provider’s policies, procedures, and practices for safety; compliance with applicable health and safety laws and regulations; safety performance, including comparisons to peer electric utilities; and initiatives to improve safety of the service provider’s operations.

### **Compliance with the Policy**

Staff recommends that the Board find that the Authority has complied with the objectives of the Policy for the period since the last annual review, for the reasons set forth below.

The Policy provides for the following:

- a) “Reviewing on a periodic basis no less than every three years the policies, procedures, and practices of the Authority’s service provider.”

In 2017, the Authority hired Schumaker & Company (“Schumaker”) to complete a Safety Assessment of PSEG Long Island. Schumaker’s report concluded that PSEG Long Island “has an effective safety organization” and a “positive safety culture” in which safety is a top priority. The Schumaker report also contained nine recommendations aimed at improving safety performance in such areas as staffing, training, performance metrics, material storage racks, and disposal of obsolete tools and equipment. Since 2017, PSEG Long Island has made substantial progress toward implementing these recommendations.

- b) “Benchmarking the safety performance of the service provider to the top 25 percent of peer utilities, as measured by OSHA Recordable Incidence Rate and OSHA Days Away Rate.”

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

- c) “Assessing the operational factors that contribute to injuries (e.g. motor vehicle accidents) and the efforts to improve performance, where necessary.”

PSEG Long Island has an ongoing process for assessing the factors that drive safety performance. PSEG Long Island has identified several areas that merit close tracking and has established programs to reduce safety risks, including: removal of work hazards, reducing musculoskeletal injuries through improved work techniques, and increasing emphasis on motor vehicle safety.

Further details on PSEG Long Island’s Safety Program are contained in the attached presentation as **Exhibit “B”**.

### **Staff’s Work Plan**

The next in-depth assessment and review of the policies, procedures and practices of the Authority’s service provider is scheduled for 2020, in compliance with the Board’s Policy of a review “no less than every three years.”

### **Annual Review of the Policy**

Staff recommends no changes to the Policy.

### **Recommendation**

Based upon the foregoing, I recommend approval of the above requested action by adoption of a resolution in the form attached hereto.

### **Attachments**

**Exhibit “A”**

Resolution

**Exhibit “B”**

Presentation on PSEG Long Island’s Safety Program

**Exhibit A**

**RESOLUTION APPROVING THE REPORT TO THE BOARD OF TRUSTEES ON THE BOARD POLICY ON SAFETY**

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**WHEREAS**, the Board Policy on Safety (the “Policy”) was originally approved by the Board of Trustees Resolution No. 1739, dated September 27, 2017;

**WHEREAS**, the Board has received the annual Staff report on compliance with the Policy; and

**WHEREAS**, the Board has reviewed the Policy and affirms no changes to the Policy are required.

**NOW, THEREFORE, BE IT RESOLVED**, that consistent with the accompanying memorandum, the Board hereby finds that the Authority has complied with the Policy for the period since the last annual review and approves the annual report to the Board.

Dated: November 14, 2018

# Annual Report on the Board's Policy on Safety

November 14, 2018

# Topics For Discussion

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- Compliance with Applicable Health and Safety Laws and Regulations
- Benchmarking, Measuring and Verifying Safety Performance
- 2018 PSEG Long Island Safety Initiatives
- Schumaker & Company Safety Assessment Management Actions

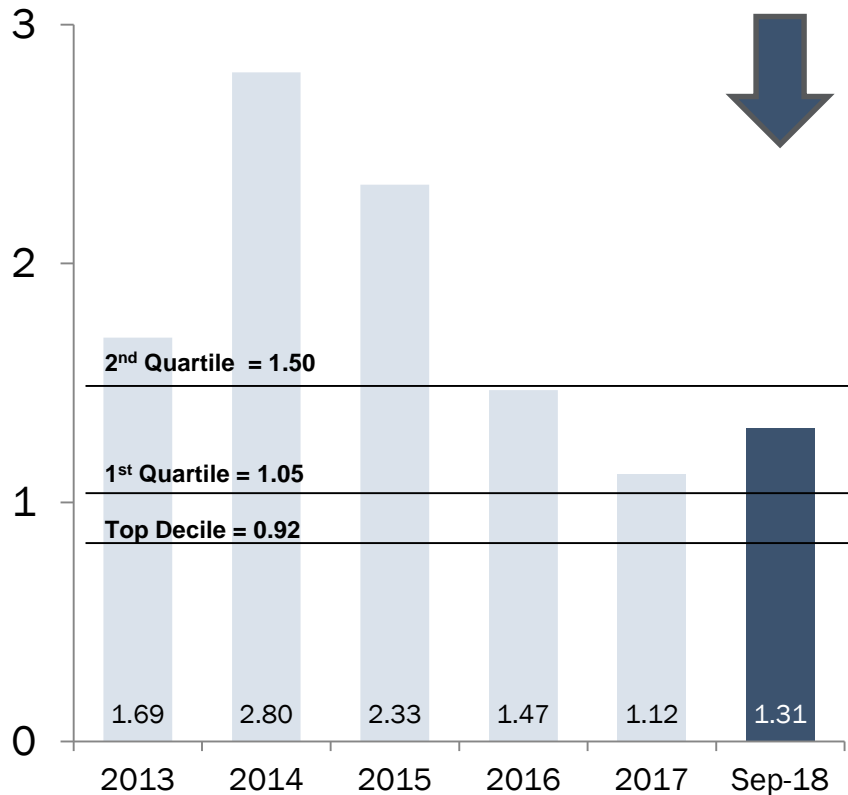
# Annual Assessment of PSEG EH&S Program Guide

- The **PSEG Environment, Health and Safety (EHS) Policy** and **PSEG Practice 575-1, EHS Program Guide** are the high level EHS governance documents for PSEG Long Island.
  - The PSEG annual assessment of the implementation of the EHS Program Guide found that systems, procedures and practices in place satisfactorily address the objectives contained in the PSEG EHS Program Guide.
  - There is 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.
  - Adequate controls are in place and functioning as intended.
- PSEG Long Island conducts its operations pursuant to the **PSEG Business Conduct Compliance Program**.

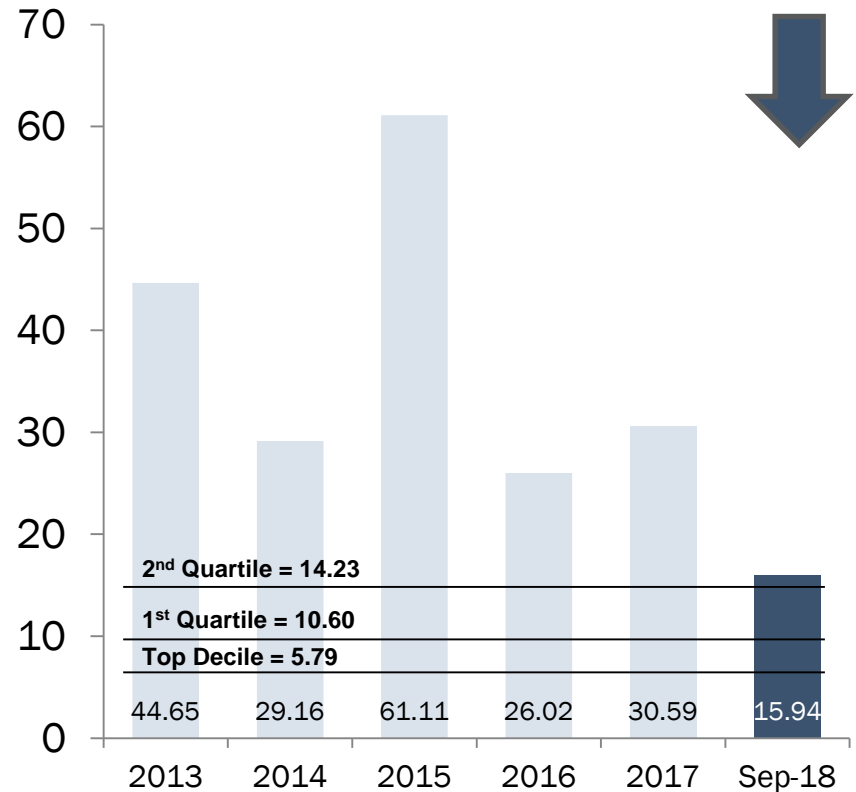
# Benchmarking, Measuring and Verifying Safety Performance

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



# 2018 Safety Performance Initiatives

PSEG LI strives to maintain a downward trend in OSHA recordable and lost time incidents building upon proven programs and a positive safety culture.

- **Frontline training programs** in the areas of Safety Leadership, Hazard Identification, Incident Prevention and “Normalization of Deviance” provide employees with the requisite safety tools to work safe.
- The **Industrial Athlete Program** is 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. Musculoskeletal injuries have been reduced nearly in half (48%) since 2014.
- **Engineering out hazards** through disciplined investment in tools, equipment, and operating practices has resulted in less severe injuries and a reduction in lost work days nearing top quartile performance among benchmarked peers.



# 2018 Safety Performance Initiatives

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- **Additions to safety staff** embedded in the lines of business and to their professional development has reduced the risk of OSHA violations and non-compliance with company practices.
- A strong **internal audit and self-assessment program** is resulting in year over year fewer identified hazards in the work environment.
- **One-on-one safety interactions** with employees are occurring regularly with focus on key concerns (i.e., ergonomics, use of human performance tools, and hitting fixed objects MVA's).
- A **redesigned Health & Safety Training Program (AET)** was rolled out in April 2018 and will be delivered to over 1,000 employees by year end.
- **Fleet vehicle program improvements** including enhanced driver training ; AVLS technology in 600 vehicles; supervisor rides with employees; Circle of Safety, Distracted Driving, and Professional Driver campaigns; and improved forklift safety program.

# Schumaker & Company Safety Assessment

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The 2017 Assessment revealed:

- “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.”

# Schumaker & Company Recommendations Implemented

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- Expanded use of Safety Leading Indicators and Tier II dashboard.
- Repair and/or Replacement of damaged material storage racks.
- Securing and tagging equipment removed from operations until disposal.
- Implementation of a new investment recovery practice to assure disposal of obsolete tools and equipment in a timely manner.
- Additions to safety organization staffing.
- Implementation of the PSEG Long Island Learning Management System.
- Development of a training and safety support resource plan to assure adequate facility and staffing resources for skills and safety training.