

# ELECTRIC PERSPECTIVES

## SAFETY

### CREATING A CULTURE OF PREVENTION

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All utility departments face budget challenges. Even those involved in public safety need to win and maintain internal support and funding for public outreach initiatives. The real secret ingredient for an enduring and effective safety program is to create a culture of prevention throughout your company.

A culture of prevention recognizes that public safety supports significant outcomes for the business: saving lives, preventing injuries, reducing costs, mitigating litigation, and enhancing the value of the utility's brand. When considered as part of a company's overall business strategy, a culture of prevention has the potential for increasing shareholder value.

Successful public safety outreach requires following a specific process, employing utility-specific best practices, and collecting and analyzing metrics. To put it all together, there are five key ingredients of a successful program: develop a strategic plan; document what you do; learn from experience and improve your results; share proof of your success with stakeholders; and seek expert guidance.

However, with the overall economy struggling, utility managers are under enormous pressure to reduce expenses as much as possible. And public safety costs, like all areas of a utility's business, are being carefully scrutinized. An economic case can be made to support (and even increase) funding for public safety outreach.



Courtesy: Culver Company

By using the right metrics, utilities can show how their public safety programs help to save lives and prevent accidents.

caused by contractors and homeowners. Additionally, the claims budget might include a utility's response to charges that it was negligent or did not follow industry-approved safety procedures that would prevent customers from coming into contact with energized power lines.

This utility did not attempt to calculate the indirect costs,

#### Claims Saving

For example, we recently looked at the regulatory filing of a utility that serves about 4 million residential customers. The filing outlined direct safety-related expenses of approximately \$154 million a year, including associated legal costs, settlements and payouts, health and safety administration, and risk management. This filing also revealed a significant area of expense: claims administration. In fact, this utility invested approximately twice as much in claims administration-related expenses as it did in the actual claims themselves.

Utilities file claims to recover costs associated with damages to utility infrastructure (such as overhead or underground power lines)

so the \$154 million did not cover all financial impacts to the utility. To allow for indirect costs, the utility would need to isolate and assign a dollar value to possible adverse impacts on system reliability, delays of previously scheduled projects, employee productivity, future rate cases, and the utility's brand.

Reducing claims and the cost of claims administration—especially by working to prevent incidents in the first place—delivers financial impacts that can be felt directly on the balance sheet and can generate real savings that can be put to more productive use.

#### Find a Prevention Champion

Public safety deals with many dif-



Courtesy: Culver Company

Public safety programs address many customer groups that may be active near substations or power lines, including tree-trimmers, roofers, excavators, aerial lift operators, first responders, and even school-age children.

increases the likelihood that a program will prevent incidents. Programs designed to prevent accidents before they occur free a company from chasing losses, thus promoting a culture of prevention and generating long-term positive results, such as improvements in reliability and reductions in claims-related expenses.

*Switch the emphasis from measuring public outreach activity to measuring changes in the public's behavior.* The survey showed that utilities do not

ferent at-risk customer groups that may be active near substations or power lines, including tree-trimmers, roofers, excavators, owners and operators of aerial lifts, first responders, and even school-age children. And since they are not utility employees, they do not necessarily receive regular and proper training in electrical safety.

From our experience, successful public safety programs have a champion within the utility who develops and communicates a logical plan for public safety outreach. He links the program to his utility's values and collects and analyzes data that will demonstrate that the program is working. In addition, the champion produces a report that can provide management with meaningful measurements concerning the program's goals and performance against those goals. Ultimately, he must change behavior of at-risk customer groups by cultivating awareness and safe habits.

The champion also has the responsibility to communicate the results of the utility's outreach effort to numerous internal or external stakeholders, such as claims, risk, legal, health and safety, and corporate communications. Generally, each department sees only that portion of the program that directly impacts its work. For example, the claims group may see only those elements necessary to support a utility's request for a recovery of damages from a telecommunications contractor who sev-

ered underground power lines. The information the internal champion would provide to claims might include documented proof that the utility regularly notified the offending contractor and provided guidance for safe digging around underground utility assets.

### Shift Perspectives

Developing and implementing a prevention-based public safety program also requires changing ways of thinking about customers and safety, many of which have been institutionalized. A recent survey by Culver Company of utility public safety managers provides three ways to change.

*Turn a culture of loss into a culture of prevention.* The survey showed that many utilities approach public safety from the viewpoint of a culture of loss, which is supported by loss metrics. Loss metrics alone—claims paid or damage costs recovered—do not measure prevention. By failing to link a program to its prevention value, utilities foster a culture of loss. A program cannot become successful if the company approaches safety solely from a loss perspective.

*Change from reactive budgeting to proactive budgeting.* The survey results indicated that a more strategic foundation for public safety



Courtesy: Culver Company

have a single, commonly agreed-upon measurement of success for public safety outreach. For many public safety managers, the most popular way of conveying to upper management whether their programs have been successful is to report on a program's activities: training sessions delivered, brochures distributed, bill inserts mailed, etc. Documenting program activity alone, however, does not show the impact of that activity on changing customers' understanding or behaviors. A

# Reaching Out for Safety

**A** core value at every electric utility, safety is embedded in each company's brand. In response to member requests, Edison Electric Institute (EEI) recently formed a Public Safety Outreach Group. The group's first annual meeting will be November 2-3 at the EEI offices in Washington, DC.

The goals of the group include

- review and promote initiatives that strive to meet electric utility public safety goals and objectives;
- share best practices, communication programs, and industry resources;
- build national safety alliances with key trade associations, labor unions, and local, state, and national governmental bodies;
- offer regional electric public safety education workshops targeting at-risk audiences;
- establish minimum content requirements to be included in electric public safety training and other communication materials;
- provide expertise for research as well as media relations;
- develop and promote internal communications for stakeholders; and
- develop a database of electric utility public safety activities.

To participate in the group or learn more about the meeting in November, contact Charles E. Basham ([charlie.basham@sce.com](mailto:charlie.basham@sce.com)), Southern California Edison's manager of public safety.



Courtesy: Culver Company

better way to measure program effectiveness is through surveys that explore whether the distributed training materials were used, how the training improved understanding of safety principles, and how customer behavior changed as a result.

Managers also should document case examples of changes in behavior that resulted from their efforts. For example, the parents of a child who received utility-sponsored safety education in her school told their local utility that this education saved the lives of the entire family. During a heavy rain storm, a power line fell from the house into the yard. Family members were about to run outside to see what had happened, but the 12-year-old girl warned them that fallen power lines were probably energized and that water is a conductor. They followed her advice and called the utility instead.

## Score Touchdowns

A utility cannot promote prevention in an environment that has traditionally measured loss. It's like being in a football game where the winner is not determined by who scores the most touchdowns, but by which team gets the fewest penalties. It's

upside down.

Sometimes this perception is almost invisible and therefore difficult to overcome. The claims manager at a large utility recently reported at a meeting that the company had been successful in recovering 65 percent of the damages they were seeking from contractors who had damaged the utility's infrastructure. "What we are really measuring is recovery on a loss," his vice president commented after the meeting. "Had that loss been prevented, we wouldn't have incurred that cost at all. How do we prevent loss?"

Recovering losses is like trying to win the game by having the fewest penalties. Instead, prevention is how you win; it's how you score touchdowns. Prevention is an incident or accident that did not take place as a result of utility-provided education and signifies a change in behavior by at-risk groups.

Some examples of prevention include

- a road construction crew that calls the 811/Call Before You Dig number days before starting a street repaving project;
- a tree trimmer who surveys the landscape for power lines and in-

structs his crew to operate a bucket truck 10 feet away from an overhead power line; and

- a homeowner who examines where power lines come into contact with her home before starting a gutter-cleaning project.

Due to the difficulty in measuring incidents that never occur, reductions in the number of incidents involving utility infrastructure or reductions in the number of claims the utility must file to recover damages are among the best metrics for measuring prevention.

## Link Success

### Metrics to Prevention

Creating a proactive approach to prevention metrics is fundamental to a successful public safety outreach program. Utilities that use the right metrics can go from being simply effective to being truly successful by showing how their programs help to save lives, prevent accidents, and support the utility's long-term goals.

Here are some examples of success metrics, developed from surveys that Culver Company conducted as part of specific utility public safety outreach programs across the country.

- the rate at which excavators dug into underground power lines dropped 26 percent between 2006 and 2007 as a result of an excavator outreach and education program aimed at preventing accidents involving underground utility infrastructure; and
- elementary school students who received utility-sponsored safety training in the classroom increased their electrical safety test scores by approximately 34 percent when comparing pre- and post-training test scores.

These metrics represent new ways to measure results and demonstrate an increased understanding of electrical safety principles and practices, as well as changes in behavior. When utilities link outreach with prevention, management throughout the organization experiences the changes. Ultimately, so do customers and shareholders. Developing a culture of safety is inevitable, and it's the right thing to do. ♦

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Culver Company helps utility safety managers champion a culture of safety in their communities, through sustainable public outreach programs that follow industry best practices. For over 30 years, Culver Company has delivered reliable utility programs and materials for contractors, first responders, classrooms and communities—all designed to save lives, prevent accidents, and enhance the value of a utility's brand for customers and stakeholders.



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