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Sent: 10/31/2013 5:15:57 PM
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Bcc:
Subject: Follow Up: PG&E Quality Assurance Program for Radiographic Inspections

Liza:

Thanks for meeting yesterday to discuss the issues related to the non-compliant radiographic weld inspections conducted by one of PG&E's former Non-Destructive Examination (NDE) third-party contractors, TC Inspections (TCI). First, let me re-emphasize that this issue relates to the secondary inspection of girth welds and, at this point based on the information that has been reviewed, this does not involve the quality of the underlying girth welds. All our information regarding our welding program and all analyses of Line 114 conducted to date indicate that the quality of the underlying girth welds is not in question.

As you know, this issue was first revealed by PG&E's own enhanced NDE quality control program, which discovered TCI performing non-compliant radiographic testing on a weld inspection on transmission line 114 near Brentwood. We acted swiftly to remove TCI from our projects, immediately communicated the issue to the CPUC's third party auditor, Bureau Veritas, terminated TCI as an approved vendor, initiated immediate analysis and remediation efforts, and engaged an ongoing dialogue with SED.

PG&E is committed to continued cooperation with SED, and we share your focus on ensuring that this issue is fully understood, properly reviewed, analyzed and addressed. In that regard, PG&E proposes in the attached document several specific commitments for inclusion in the contemplated quality assurance program plan.

We look forward to our continued coordination with SED on this issue.

Please do not hesitate to call me if you have any questions or concerns.

Jesus Soto Jr