Pacific Gas and Electric Company®

Jane Yura
Vice President
Standards and Policy
Gas Operations

6111 Bollinger Canyon
4th Floor
San Ramon, CA 94598
925-244-3398
Internet: JKY1@pge.com

August 30, 2013

Elizaveta Malashenko
Deputy Director
Office of Utility Safety and Reliability
Safety and Enforcement Division
California Public Utilities Commission

Re: Notification of Inadequate Nondestructive Examinations (NDE) of Girth Welds

Dear Ms. Malashenko,

As part of our internal quality assurance activities, PG&E identified inadequate weld inspection and documentation activities being performed by contract personnel supporting a PSEP pipe replacement project, R-134, on Line 114. The contract personnel for T. C. Inspection, Inc. (TCI) were performing Radiographic Testing (RT) inspections of girth welds on Line 114. The TCI personnel used a technique involving two exposures taken 180 degrees apart. This technique is not consistent with industry practice or TCI's procedures for RT, which require at least three exposures, separated by no more than 120 degrees (API Standard 1104 20th Edition, Welding of Pipelines and Related Facilities, Section 11). TCI's contract with PG&E was terminated on April 1, 2013.

PG&E's quality assurance activities for R-134 have been communicated to the SED via field discussions, the quarterly PSEP Compliance Report, submitted on July 30, 2013, and further supplemented through recent data request responses.

Upon discovery, PG&E began testing and verifying the accuracy of the two exposure method. PG&E completed radiographic laboratory testing, confirming that the two exposure method can effectively identify weld defects. In conjunction with this testing, PG&E conducted a system wide investigation of welds inspected in 2012-13 by TCI, as well as a portion of the welds inspected by TCI in 2010-11, and identified 502 welds system wide with inadequate weld inspections. All of the films from these inspections have been reviewed and evaluated, and we have identified no safety issues. Further, all of the affected pipeline sections were successfully hydro tested at the time of installation at a pressure confirming their current maximum allowable operating pressure.

As an added level of verification to the laboratory testing and reviews, additional RT will be performed on a statistically valid sample of these TCI-verified welds. The field testing is designed to further validate the results of the laboratory testing. PG&E is identifying and prioritizing 43 locations to schedule field examinations.

For all future NDE work, PG&E will:

- Review all contractor procedures prior to commencing work.
- Proficiency-test all inspectors prior to performing NDE inspections on PG&E assets.
- Perform periodic job observations of inspections to ensure that NDE activities are carried out in accordance with all applicable procedures, codes, standards and best practices.
- Develop an NDE manual to supplement the NDE procedureTD4160P-60, detailing the radiography test methods for work performed on PG&E pipelines and facilities. These test methods are consistent with industry best practices, and API Standard 1104 (20th Edition, October 2005), Section 11.

PG&E will continue to provide updates to the CPUC as part of our quarterly PSEP report.

Please contact me or Redacted for any additional information that you may require.

Sincerely,

Jane Yura
Vice President, Standards and Policy