

PUBLIC UTILITIES COMMISSION

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SUBJECT: Directive to PG&E to Take Corrective Actions to Address Safety Concerns with Cellon-Treated Wood Poles

Dear Mr. Bentley:

This letter is in response to Pacific Gas and Electric Company's (PG&E) safety issue notification regarding its Cellon-treated wood poles that was issued on May 7, 2021, to the Commission's Safety and Enforcement Division (SED). In the notification, PG&E identified an issue with its Cellon-treated wood poles after a Cellon-treated wood pole failed in a customer's backyard in Danville, California on July 8, 2020.

In the safety issue notification, PG&E identified that its inspection procedures for Cellon-treated wood poles failed to accurately assess pole integrity, prompting PG&E to self-report the potential systemic issue. In January 2021, PG&E initiated an Apparent Cause Evaluation (ACE) to identify and study the root causes of the Danville incident. PG&E completed the ACE on June 1, 2021, which determined that the failed pole had severe internal dry rot despite its 2005 and 2015 inspection records indicating no major degradation and identified three main causes for the pole failure. PG&E also identified approximately 29,804 in-service Cellon-treated wood poles that are high-risk in its service territory.

Given the immediate safety concern wood poles treated with Cellon gas pose, this letter serves as a directive to PG&E for reporting and notification requirements, follow-up, corrective actions and additional action items that SED would like PG&E to take in order to resolve the issue and ensure appropriate safety mitigation efforts are in place.

With regards to PG&E's Corrective Action Plan for Cellon-treated wood poles and follow-up, SED requests that PG&E complete the following:

- 1) Revise and update its inspection procedure, TD-2325P-01 Revision 2, to bridge the gap that led to the Danville incident. Specifically, PG&E shall revise its procedures to require drilling a new hole to test for internal dry rot for Cellon-treated wood poles, rather than

allowing intrusive tests to be conducted via reinspection of a previous borehole per its current standard. PG&E shall reevaluate its Pole Test and Treat (PT&T) Inspection Flow Chart (for gas-treated poles) in its current procedure to reconcile with the new requirement. PG&E shall also revise its procedure to provide pole inspectors with supplemental guidance should PG&E be unable to complete a full excavation due to aboveground obstructions. By December 3, 2021, PG&E shall provide to SED copies of its revised procedures. In its response, PG&E shall identify the specific changes made and explain how these changes will address the procedural gap and improve future inspection of Cellon-treated wood poles.

- 2) Develop a Pole Risk Model to assign risk scores for Cellon-treated wood poles (based on the probability of failure and wildfire risk). PG&E shall use the risk scores to prioritize inspection, reinforcement, and/or replacement of the poles. PG&E shall also evaluate whether to lower the degradation threshold that would trigger reinforcement or replacement of Cellon-treated wood poles. Once PG&E finalizes its Risk Score Methodology, PG&E shall provide SED with the risk scores for all of its 29,804 in-service Cellon-treated wood poles that are identified as high-risk. PG&E shall also provide a copy of its Prioritization Plan to SED based on the new model that incorporates the risk scores.
- 3) Review, assess, and revise its training methods and procedures for pole inspectors to improve work quality and overall data quality captured on inspection forms. PG&E shall evaluate its quality control processes to improve oversight on pole contractors. By December 31, 2021, PG&E shall report to the SED the result of its review and assessment. If any changes are made, PG&E shall explain what those changes are and how these changes will improve work quality of pole inspectors going forward.
- 4) On August 19, 2021, PG&E completed an off-cycle reinspection of all Cellon-treated wood poles on the same circuit as the Danville failed pole. By December 3, 2021, PG&E shall provide to SED the results of its re-inspections including all PT&T inspection records for each of the reinspected poles. Of the eight poles that were rejected in the reinspection, PG&E shall provide to SED copies of its work order notifications (Priority B Tags) showing the dates by which PG&E will replace the deteriorated poles. PG&E shall explain how it will ensure its pole integrity in the interim prior to the pole replacement dates. PG&E shall remove the eight rejected poles and send them to its Applied Technology Services lab for further testing and analysis, including testing for fungus levels to evaluate the effectiveness of the fumigant VAPAM. PG&E shall report back to SED any findings that warrant additional procedural changes. PG&E shall apply any learnings or results from the PT&T reinspection to the development of its Pole Risk Model (Item #2 above).

Based on SED's analysis and investigation to date on this issue, in addition to the corrective actions listed above, SED also directs PG&E to complete the following:

- 5) PG&E's off-cycle reinspection of Cellon-treated wood poles on the Danville circuit identified a likely human error gap tied to a single pole inspector. Of the eight poles that were rejected, three had severe internal rot that would have been present in the 2015 inspections and should have been identified. All three poles were inspected by the same inspector who also inspected the failed pole in the Danville incident. PG&E's

investigation into this matter further revealed that the inspector in question was employed in 2015 by one of its pole contractors, though this person's employment was terminated that same year. In response, PG&E conducted an extent of condition assessment and identified that 4,876 poles were inspected by the questionable inspector in 2015 that have not been reinspected since. Of the 4,876 poles, approximately 200 are located in High Fire Threat Districts (HFTDs). Because the human error gap suggests a quality issue with the inspector, SED directs PG&E to proactively reinspect all 4,876 poles, prioritizing on those that are Cellon-treat wood poles in HFTDs with the highest risk factors, e.g., aged 42 or older, subject to aboveground obstruction (that prevents a full excavation inspection), and not reinforced or stubbed. By December 31, 2022, PG&E shall complete these reinspections and report back to SED any findings that warrant additional corrective actions.

- 6) And as directed above in Item #3, PG&E shall review, assess, and revise its training methods and procedures for pole inspectors to improve overall work quality and to improve its quality control over pole contractors. By December 31, 2021, PG&E shall report to SED the result of its review and assessment. If any changes are made, PG&E shall explain what those changes are and how these changes will improve work quality of pole inspectors going forward.

SED will continue to monitor and track PG&E's actions by requesting status updates and meeting with PG&E to understand how its new procedures and processes will enhance future inspection of Cellon-treated wood poles. SED issues this memo to direct PG&E to complete all corrective actions and preventive measures as explained.

If you have any questions, please contact Nika Kjensli at (415) 703-1529 or email at Nika.Kjensli@cpuc.ca.gov.

Sincerely,

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CC:

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