

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 11, 2025

Mr. Austin Hastings
Vice President, Gas Engineering Pacific Gas and Electric Company
Gas Transmission and Distribution Operations
6121 Bollinger Canyon Road
San Ramon, CA 94583

GI-2025-08-PGE-29-19

SUBJECT: SED Closure letter for General Order (GO) 112-F Inspection of PG&E's Pipeline Construction and Material Traceability Program

Dear Mr. Hastings:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission (CPUC) reviewed PG&E's response letter dated October 17, 2025, that addressed three (3) concerns noted during the G.O. 112-F audit of Pacific Gas and Electric Company's (PG&E) Pipeline Construction and Material Traceability program that was conducted on August 12 through 15 and August 18 through 22, 2025.

Attached is a summary of SED's inspection findings, PG&E's response to SED's findings, and SED's evaluation of PG&E's responses to the findings.

This letter serves as the official closure of the 2025 G.O. 112-F audit of PG&E's Pipeline Construction and Material Traceability Program.

If you have any questions, please contact Matthew Shaffer at (916) 969-9334 or by email at Matthew.Shaffer@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Matthewson Epuna".

Matthewson Epuna
Program & Project Supervisor
Gas Safety and Reliability Branch
Safety and Enforcement Division

Enclosure: Post-Inspection Written Preliminary Findings

cc: [REDACTED], PG&E Gas Regulatory Compliance
[REDACTED], PG&E Gas Regulatory Compliance
[REDACTED], PG&E
Matthew Shaffer, SED
Claudia Almengor, SED

Summary of Inspection Findings

Concerns

1. During records review, SED found that the coating report for a project was incomplete. Specifically, the form did not indicate whether the Final Visual Inspection was completed by the inspector.
 - Project ID- R-985; Order Number- 74011612; Coating inspection form- TD-4185P-F01, Rev.0 page 1 of 24 completed on 6/22/2021 column "Final Visual Inspection" was incomplete for Welds W-1, W-2, W-3, W-13, and W-14.
 - PG&E response to Data Request #26, dated 8/21/25, states:
"PG&E records indicate that all the tasks that are required to complete the visual inspection were completed (please see other columns). The column was just not checked off. Furthermore PG&E SME has reviewed the coating reports and the QC review reports and confirmed that based on all the information the visual inspection can be checked as acceptable."
 - **Response to Concern #1:**
 - PG&E acknowledges SED's Concern. The documentation of coating inspection is completed manually by a Coating Inspector and subsequently reviewed manually by a Quality Control technician. Both of these processes are susceptible to human error. To prevent this recurrence, PG&E is working to develop an as-built mobile application for gas transmission documentation that has built-in logic to automatically check the required fields prior to the inspector submitting the form. The mobile as-built application was piloted in 2025 on a handful of gas transmission projects with success and the full-scale deployment is being evaluated as part of PG&E's Enterprise effort to modernize business applications through Propel/Elevate. CAP number 131795784 was created to keep track of this upgrade.
 - **SED's Response:**
 - SED accepts PG&E's response, and SED may review the built-in mobile application for documentation during a future inspection.
2. During records review, SED discussed with PG&E personnel the tracking of unused, scrapped, or returned materials at the end of a project. PG&E explained that returned fittings are tracked by the warehouse, while returned pipe is documented by a third-party pipe yard and reported to their planning department. If materials are transferred to another project, the receiving project retains the Transfer form. While SED understands that pipe material documentation follows the pipe to its next use, SED is concerned that there is no thorough accounting for 100% of the pipe assigned to a project. Specifically, there is no documentation when pipe is scrapped, or documentation retained by the originating project when pipe is transferred elsewhere.
 - **Response to Concern #2:**
 - PG&E acknowledges SED's concern but respectfully disagrees with the assertion that projects must retain documentation for 100% of unused pipe assigned to a project. PG&E maintains robust controls to ensure full traceability of all transmission pipe placed into service, in compliance with 49 CFR §192.607. Pipe stored in warehouses or scrapped is not considered "in service."
 - **SED's Response:**

- SED does not accept PG&E's response. SED's understanding is that all operators shall have a process and method of tracking pipeline materials procured, delivered to job sites, used and unused including records demonstrating the final location of the materials in any given construction project. SED will continue to review this matter.
3. During records review, SED was not provided with a complete set of Material Test Reports (MTR) initially for any of GSRB's selected projects for review. All missing MTRs were located promptly upon request, but upon discussion of the issue PG&E stated that MTRs were only associated or linked with the first project to use that pipe in their SAP system. For all other projects, it was simply noted that the proper MTR was available. SED recommends that PG&E find process to link all appropriate MTRs to a given project so that thorough documentation for the project is readily available.
- **Response to Concern #2:**
 - PG&E acknowledges SED's concern. PG&E's primary system of records for storing Mill Test Reports (MTRs) is the Supplier Quality Assurance SAP database. All project documents including MTRs are readily available upon request, as SED referenced in their concern.
 - **SED's Response:**
 - SED has no further comments about this concern.