

Debbie Powell
Vice President

Mailing Address:
Mail Code N13V
P.O. Box 770000
San Francisco, CA 94177

Phone: 415-973-8400
Email: Deborah.Powell@pge.com

May 7, 2021

Caroline Thomas Jacobs, Director
Wildfire Safety Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Leslie Palmer, Director
Safety and Enforcement Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Reference: Voluntary Self-Identified Notification: GO 165 and WMP Enhanced Inspections

Dear Directors Thomas Jacobs and Palmer:

Pursuant to Decision 18-05-23, we are reporting incomplete inspections of 54,755 poles under General Order (GO) 165 in 2020. The issue is primarily a result of differences between the inspection processes we used during our Wildfire Safety Inspection Program (WSIP) in 2019 and our traditional GO 165 inspection program.¹ The 54,755 poles should have had a GO 165 inspection completed no later than 2020 (five years after the last GO 165 inspection in 2015), or earlier.²

In 2019, we inspected all of the poles³ in Tiers 2 and 3 as part of the WSIP program, so these poles did undergo an in-depth safety inspection. However, during the WSIP inspections, we did not address all the requirements of GO 165.

¹ Of the 54,755 missed GO 165 inspections, approximately 50,130 poles had been inspected in 2019 through WSIP.

² Within the 54,755 poles there were poles that either had no GO 165 inspection records or incomplete inspection records that warranted an accelerated inspection. Please refer to corrective action number 1 below.

³ Our plan for the 2019 WSIP was based upon a static list of all existing digital pole records in Tier 2, Tier 3 and Zone 1.

In addition, during the process of investigating the potential GO 165 deficiency, we identified that we also should have inspected, but did not inspect, 3,296 poles in Tier 3 as required by our 2020 Wildfire Mitigation Plan.

We acknowledge that we fell short of meeting our own expectations and are working hard to put in place controls to avoid these gaps in the future.

A. Background

In 2019, we developed detailed and objective inspection criteria based on asset wildfire risk analysis that was informed by Failure Mode and Effects Analysis (FMEA). Those analyses identified single points of failure on electric components that could lead to fire ignition. We used this inspection criteria to launch accelerated inspections of electric facilities in the High Fire Threat Districts (HFTDs) to identify and repair non-conformances on facilities that posed an ignition, safety, or reliability risk.

As part of the 2019 WSIP, we inspected approximately 694,000 distribution structures in Tier 3, Tier 2, and Zone 1 HFTD areas. Our 2019 WSIP inspections included many aspects of the GO 165 inspection requirements, and in many ways, exceeded regulatory requirements while reducing risk for our customers. For example, we inspected and documented each component on our electric structures for fire ignition risk and verified all conditions through a centralized inspection review team with experience in system maintenance and engineering to evaluate conditions for necessary repairs.⁴

However, the 2019 WSIP inspections differed from the requirements of our GO 165 inspections in the following ways:

- We did not require contract qualified electrical workers (QEWs) performing the 2019 WSIP to pass the test for the ELEC-1000 GO 165 New Inspector Training course. This requirement is described in the Electric Distribution Preventive Maintenance Manual. ELEC-1000 provides direction on map corrections, verification of pending corrective notifications at the locations, patrol of secondary enclosures, and identification of new idle facilities.
- We did not require 2019 WSIP inspectors to identify the lowest priority issues (i.e., “F tags”), including missing high voltage signs, visibility strips, guy markers, or pole steps.

Although we inspected the majority of poles at issue under our WSIP inspection program in 2019, our inspections did not meet all of the GO 165 inspection requirements that came due in 2020.

In 2020, we expanded upon the 2019 WSIP inspection criteria to include the omissions noted above and integrated the two separate inspection activities. We refer to the combined WSIP and GO 165 inspections as enhanced inspections. In addition, while the 2019 WSIP inspections encompassed all distribution poles in Tier 2 areas, we transitioned the inspection program in 2020 to perform enhanced inspections based on risk, which resulted in including all Tier 3 poles, 33% of Tier 2 poles, and 20% of non-HFTD poles. These enhanced inspections on Tier 2 poles would satisfy both WMP and traditional GO 165 inspection requirements.

⁴ See Summary Table below for a more detailed comparison of 2019 and 2020 inspection scopes.

Without considering the 2019 WSIP inspections, distribution poles in HFTD Tier 2 that had last received GO 165 inspections in 2015 were due for another inspection in 2020. During work planning for 2020, we scheduled the enhanced inspections of HFTD Tier 2 poles that received a WSIP inspection in 2019 to later years because the WSIP inspections addressed the significant safety risk items. This resulted in missed GO 165 inspections.

B. May 2020 Initial Compliance Evaluation

In May 2020, after conducting an internal review of our 2020 workplan for compliance with General Order 165, we determined several thousand Tier 2 assets that required GO 165 inspection would not be inspected in 2020 due to the transition to the risk based approach. We also determined that we should notify the CPUC of this issue. We considered this to be a compliance issue, not a safety issue, because we believe that the lack of a GO 165 inspection on the 54,755 poles does not present significant risk for the following reasons:

- The 2019 WSIP inspections completed the year prior were more comprehensive than the GO 165 inspections because they focused on fire ignition risk in addition to other risks on our system;
- The detailed documentation on individual structures associated with the WSIP inspections provided improved controls over the adequacy and reliability of the inspections;
- We accelerated the inspection frequency in Tier 2 areas from five years to three; and
- While the WSIP inspections did not identify Priority “F” EC Notifications, they reflect the lowest priority of maintenance issues that can be scheduled for completion anytime within 60 months.

Although we believe there was no safety risk, the delay or reliance on WSIP inspections still represented a GO 165 inspection gap. In addition, when we introduced the WSIP in our 2019 Wildfire Safety Mitigation Plan, we had represented that we would perform GO 165 inspections in addition to the WSIP. As a result, we prepared a Self-Report letter summarizing this issue.

Upon further reflection, and since there was still time to perform the inspections within the required timeframe, the Senior Vice President of Electric Operations directed the inspection organization to complete the enhanced inspections before the end of 2020, and report any missed poles in our annual GO 165 report for 2020, to the extent any were actually late.⁵

Despite the intent to inspect the Tier 2 poles in 2020, there was a breakdown in communication. Our 2020 work plan was not updated to include the GO 165 inspections for the 54,755 poles, and most of these poles were not inspected in 2020.

C. 2021 Gap Analysis

In early 2021, an anonymous caller to our Compliance and Ethics hotline identified that we had not performed some GO 165 inspections as required in 2020. The team assigned to review the anonymous

⁵ At that time, we overlooked the fact that GO 165 requires poles to be inspected every 5 years + 3 months. The GO 165 deadlines for each pole was not calendar year 2020, but was, in fact, the 2020 anniversary of its 2015 inspection plus 3 months. In other words, where we inspected a pole on March 1, 2015, the deadline for the next inspection would be June 1, 2020. As a result, the inspections for poles would be late, even if inspected in 2020, if the anniversary of the inspection date was in the earlier part of the year.

call discovered that most of the Tier 2 poles referenced above had not been inspected in 2020. Upon confirmation of this gap, we began an investigation to determine the number of poles that did not receive a GO 165 inspection in 2020 and, as noted above, these poles were not included in our 2020 work plan.

During the 2021 investigation, we reviewed electronic inspection records as well as relevant paper inspection records. In total, 54,755 poles are missing GO 165 inspection records. Approximately 50,130 of these poles were inspected as part of the 2019 WSIP.

D. Additional Analysis of 2019 WSIP and 2020 Tier 3 WMP Enhanced Inspections

In our April 7, 2021 meeting, we discussed the potential for gaps associated with our 2019 WSIP. We have not been able to replicate field conditions at the end of 2018 that became the basis for our 2019 plan. However, we have located WSIP inspection records for all assets (694,250 poles) that were part of the 2019 plan.

We also evaluated the completeness of 2020 enhanced inspection records for each Tier 3 distribution pole. We were unable to locate enhanced inspection records for approximately 3,296 Tier 3 poles. The asset records for these poles were added to our asset registry after the creation of the 2020 inspection plan. These poles have up-to-date GO 165 records, but do not have 2020 enhanced inspection records. We are continuing to validate our 2020 WMP compliance and will update you if we identify additional issues.

E. Corrective Action Plan

We have developed the following short-term and longer-term, systemic corrective actions:

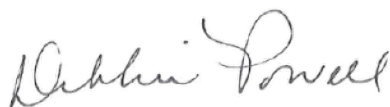
1. Perform accelerated enhanced inspections for poles without GO 165 inspection records. These inspections were completed by May 7, 2021.
2. Complete enhanced inspections for those poles that were inspected through WSIP but did not receive full GO 165 inspections. For pole locations in the HFTD areas, these inspections will be completed by July 31, 2021. For pole locations outside the HFTD areas, these inspections will be completed with all other scheduled non-HFTD poles by December 31, 2021.
3. Implement controls and controls testing for adding inspections to the current year work plan when asset records are modified or created during the year.
4. Implement controls and controls testing to ensure alignment between internal commitments and the inspection and maintenance work plan.
5. Strengthen the asset registry for electric operations and build processes for compliance and operational assurance from design to the final as-built.

We recognize that the predominant causes of these discrepancies are poor internal communication, coordination, and execution. We have created a new position, Director of Compliance and Operational Assurance, which reports directly to our Chief Operating Officer. That Director will lead the Operational Assurance Project Management Office (PMO). A tactical branch of the PMO will validate in the near term that our 2021 compliance requirements are accurately captured in the asset registry and included within scope of the 2021 work plan. A strategic branch of the PMO will focus on

building the new asset registry and creating the roadmap that creates sustainability and an increased level of operational discipline.

Please contact Lise Jordan at (415) 420-0422 or Lise.Jordan@pge.com for any questions you may have regarding this Self-Report or if you would like to further discuss any of these issues. I certify the contents of this letter.

Sincerely,

A handwritten signature in cursive script that reads "Deborah Powell".

Deborah Powell
Vice President, Asset & Risk Management

cc: Service List in R.18-10-007 (via email)
Nika Kjensli, Program Manager, ESRB, SED, CPUC
Banu Acimis, Program & Project Supervisor, ESRB

Summary Table

Inspection Approach	Description	Scope
Pre-2019 Inspection Program	<ul style="list-style-type: none"> • Detailed inspection program that used maintenance plans for assets associated within an identified plat map • Inspectors trained to identify all needed maintenance work ranging from the most urgent safety issues to lowest priority conditions • Inspectors documented their work on paper maps • Continued through 2019 in addition to 2019 WSIP 	<ul style="list-style-type: none"> • Distribution – every 5 years + 3 months • Meet GO 165 requirements • Paper-based inspection records
2019 Wildfire Safety Inspection Program (WSIP)	<ul style="list-style-type: none"> • Performed accelerated FMEA based inspections of its electric distribution, transmission, and substation facilities with a focus on safety and fire ignition in HFTDs • Examined individual electric distribution and transmission structures through a visual 360-degree overhead inspection (ground or climbing) • Performed transmission inspections by aerial helicopter or drones • Affirmatively recorded the condition of the various components, equipment, conductor, and pole to document the comprehensive review • Identified compelling abnormal conditions and/or regulatory conditions, recorded them electronically, and logged work in SAP and GIS 	<ul style="list-style-type: none"> • Focused on safety and fire ignition that went above-and-beyond the GO 165 requirements. • Overhead HFTD T2 and T3 assets + zone 1 • Inspected approximately 694,000 distribution structures, 50,000 transmission structures and 200 substations in high fire risk areas • Static list • Pronto Forms to Mobile Inspection App for Inspection Records
2020 and Beyond Enhanced Inspection Program	<ul style="list-style-type: none"> • Transitioned to a risk-based inspection timeline • Developed a detailed and objective inspection criterion based on asset wildfire risk analysis that was informed by Failure Mode and Effects Analyses to identify single points of failure on electric components that could lead to fire ignition • Performed visual enhanced inspections on overhead assets comprised of ground, climbing or helicopter inspections, and in some cases drones 	<ul style="list-style-type: none"> • Meet all aspects of our pre-2019 GO 165 inspections along with the improved FMEA based • T2 – transition to 33% in 2020 from 100% 2019 WSIP and 20% before 2019 • Static list for plan • Inspection App for Inspection Records