



OFFICE OF ENERGY INFRASTRUCTURE SAFETY

**AUDIT OF PACIFIC GAS AND ELECTRIC
COMPANY'S QUALITY ASSURANCE
AND QUALITY CONTROL PROGRAM
FOR ASSET INSPECTIONS**

July 2026

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Executive Summary

Pursuant to its authority under Government Code section 15470, et seq, the Office of Energy Infrastructure Safety (Energy Safety) undertook an investigation of the Quality Assurance and Quality Control program applied by Pacific Gas and Electric Company (PG&E) to its electrical asset inspections.

The primary objective of this audit was to determine whether PG&E adhered to the targets, objectives, and verifiable statements of two sections of its 2023-2025 Wildfire Mitigation Plan (WMP): Section 8.1.6.1 (Quality Assurance (QA) for asset inspections) and Section 8.1.6.2 (Quality Control (QC) for asset inspections) for calendar year 2024. A secondary objective was to holistically examine the QA and QC programs to determine if there were any observations or recommendations that could be made to improve the programs, especially in light of the practices of other electrical corporations.

Overall, PG&E demonstrated QA and QC program frameworks consistent with its WMP commitments and successfully executed its 2024 QA/QC initiatives.

Energy Safety reviewed PG&E's program documentation and supporting materials relevant to its 2024 WMP to assess performance with its QA/QC WMP commitments, as well as whether the QA and QC programs fulfilled their purpose of reducing risk on PG&E's system and driving improvements to PG&E's asset inspection program. The assessment evaluated PG&E's adherence to quantitative performance targets, discrepancy documentation processes, corrective actions practices, training integration activities, and stakeholder coordination mechanisms supporting the QA and QC programs.

Based upon the documentation PG&E provided, Energy Safety determined that the company met the quantitative targets, and supported the relevant commitments evaluated under WMP Sections 8.1.6.1 (QA for asset inspections) and 8.1.6.2 (QC for asset inspections) for the 2024 calendar year. PG&E's QA/QC audit numbers and pass rates exceeded its WMP commitments for both transmission and distribution inspection programs, and PG&E documented QA/QC audit procedures that it used in 2024.

While PG&E met its 2024 WMP commitments under WMP Sections 8.1.6.1 and 8.1.6.2, Energy Safety makes the following observations regarding PG&E's 2024 performance and opportunities for improvement. These observations come, in part, from comparing similar QA and QC practices by Southern California Edison Company (SCE) and San Diego Gas & Electric Company (SDG&E) in Section 6. Relevant comparisons between PG&E's QA/QC program and those of SCE and/or SDG&E, if applicable, are summarized here along with any recommendations made by Energy Safety in light of them.

1. There was incomplete QA audit coverage across transmission inspection types by PG&E, with QA audits limited to ground inspections and not performed for aerial and

climbing transmission inspections. In the case of SDG&E, all transmission inspection types are included in its QA/QC audit program.

2. While there were high reported pass rates by PG&E, in some cases a substantial volume of inspection findings (e.g., maintenance issues that would have required correction within six months in some high-risk areas of PG&E's territory) were excluded from the pass rate calculations, which may limit the extent to which reported results reflect identified asset conditions.
3. There were far more desktop audits conducted by PG&E relative to field-based audits. In the case of SCE, all QC inspections performed for 2025 WMP programs were in the field. In the case of SDG&E, approximately two-thirds of distribution inspection programs were audited in the field in 2025. Energy Safety recommends that PG&E evaluate its QA/QC audit methodology to ensure an appropriate balance between desktop and field-based audits are performed to support effective asset condition verification and WMP risk reduction objectives.
4. PG&E counted non-auditable or limited scope reviews within audit populations to support WMP target attainment, despite incomplete assessment of these locations. In the case of SDG&E, it excludes audit outcomes associated with access issues or incomplete audits from the pass rate calculation. Energy Safety recommends that PG&E establish and document formal controls to ensure that audits that are not completed do not have the effect of improving PG&E's reported WMP target attainment metric.
5. There were data inconsistencies between PG&E's reported metrics and supporting datasets that affected metric transparency.
6. Between 2023 and 2024, PG&E revised the QA/QC criteria for determining whether an inspection failed to detect certain conditions, and this may have contributed to an improvement in pass rates from 2023 to 2024. In the case of SCE, its programs are reviewed and updated annually; however, no changes to QC criteria have been made since 2024.
7. PG&E relied heavily on contracted personnel to perform QA/QC activities, which requires strong standards alignment and feedback controls. In the case of SCE, its employees completed all QC inspections.
8. Distribution audit failure criteria were not clearly documented by PG&E, which may limit transparency and consistency in how audit outcomes are determined.

Overall, PG&E demonstrated QA and QC program frameworks consistent with its 2024 WMP commitments. Nevertheless, continued refinement of audit methodologies and reporting controls would further enhance visibility into the risks present on PG&E's system, and indicate areas where asset inspection practices might be improved.¹

¹ PG&E's 2023-2025 WMP notes that, among other things, PG&E's QA and QC programs are intended to improve the performance of its asset inspection programs and reduce risk on its system (see, e.g., pages 528, 1089-1092).

1. Introduction

This audit report presents the Office of Energy Infrastructure Safety's (Energy Safety's) performance assessment of Pacific Gas and Electric Company's (PG&E's) implementation of its Wildfire Mitigation Plan (WMP) Quality Assurance (QA) and Quality Control (QC) initiatives related to distribution and transmission asset inspections under Sections 8.1.6.1 and 8.1.6.2 of its WMP for calendar year 2024. This assessment considers planned and actual targets, objectives, and verifiable statements for these 2024 QA/QC initiatives, as referenced in PG&E's approved 2023-2025 WMP.²

This audit report also examines the QA and QC programs to determine if there were any observations or recommendations that could be made to improve the programs, especially in light of the practices of other electrical corporations.³

QA/QC programs for electrical asset inspections, as described further in this report, are designed to help ensure that existing asset inspection programs are accurately identifying conditions requiring maintenance and repair, and to improve the performance of the asset inspection programs. According to PG&E's internal documentation, PG&E's effectiveness in implementing its QA/QC initiatives directly impact its ability to reduce wildfire risk.⁴

While PG&E's 2023-2025 WMP considers activities over a three-year horizon, this report only addresses targets established for initiatives and objectives PG&E identified in its WMP to be executed in 2024. Therefore, this report uses the term "2024 WMP" to refer to portions of the 2023-2025 WMP addressed by this report.

This audit report reflects Energy Safety's conclusions after taking into consideration PG&E's comments on a draft of this report.

1.1 Performance Assessment Process

In accordance with the Public Utilities Code Section 8386.3 et seq., Government Code Section 15475 et seq., and Energy Safety's Performance Guidelines Section 8.2, Energy Safety conducted an assessment of the PG&E's 2024 WMP Sections 8.1.6.1 and 8.1.6.2.

The 2025 Performance Guidelines states:

² 2023-2025 WMP.

³ This report pursues this additional analysis as a primary objective of Energy Safety is to ensure that electrical corporations are reducing wildfire risk, in addition to assessing WMP implementation (Gov. Code section 15475.1(a)).

⁴ PG&E's Five-Minute Meeting Document states that, "critical attributes track and improve the identification of potential wildfire-causing conditions."

“8.2 Other Audits: Energy Safety may conduct other audits as necessary to evaluate electrical corporation performance with respect to its WMP.”⁵

This report considers the totality of all assessments completed with respect to WMP Sections 8.1.6.1 and 8.1.6.2 including all inspection, audit, investigation, and data analysis work performed by Energy Safety.

1.2 QA/QC Requirements

Energy Safety's 2023-2025 Wildfire Mitigation Plan Technical Guidelines Section 8.1.6 – Quality Assurance and Quality Control – required electrical corporations to provide an overview of its QA and QC activities⁶ for asset management and inspections. This overview includes, but is not limited to:

- Tabular information regarding sample sizes.
- Type of QA/QC performed (e.g., desktop or field).
- Resulting pass rates, starting in 2022.
- Yearly target pass rate for the 2023-2025 WMP cycle.⁷

Based on PG&E's own procedures and supporting documentation, PG&E's "QC programs verify the accuracy and completeness of inspections and recordkeeping methods."⁸ The QA program builds on this process by "ensur[ing] compliance discrepancies resulting from completed QC and [QA] assessments are integrated into improvement efforts for updated standards, procedures, and training."⁹

Both QA and QC programs use sampling approaches, in which a portion of completed asset inspection locations is selected for further review. These samples are used to assess overall asset inspection quality and program performance, which is measured using pass rate metrics that represent the number of audited locations that pass divided by the total number of audited locations.

2. Audit Scope

An announcement letter for this audit of 2024 PG&E's QA and QC programs was sent to PG&E on May 22, 2025. The announcement letter included the audit scope with two key elements:

⁵ Performance Guidelines 2025, page 14.

⁶ PG&E's approach to quality control (QC) is to examine photographs and other records of a large number of asset inspections to determine if there were any critical issues that the original inspection missed, while its approach to quality assurance (QA) is to sample a portion of the inspections subject to QC to determine if the outcome of the QC itself was reasonable.

⁷ WMP Guidelines, pages 86-87.

⁸ RISK-6501P-04.

⁹ RISK-6501P-08.

1. Adherence to the targets, objectives, and verifiable statements of its WMP Sections 8.1.6.1 and 8.1.6.2.
2. Observations or recommendations for improvements to the quality assurance and quality control programs audited.

Energy Safety conducted this audit to assess how PG&E’s QA and QC programs identified and documented discrepancies, how those results were reflected in performance metrics such as pass rate calculations, and how sampling methodologies were applied to select audit populations. This audit assesses QA and QC activities performed during the period of January 1, 2024, through December 31, 2024.

3. Audit Process

To determine if PG&E adhered to the targets, objectives, and verifiable statements of its 2024 WMP Sections 8.1.6.1 and 8.1.6.2, and to form a basis for observations or recommendations for improvements in the performance of these initiatives, Energy Safety sent Data Requests (DRs) to PG&E. These DRs required PG&E to provide documentation to confirm completion of each quantitative and qualitative target, objective, and verifiable statement. DRs were also sent to other electrical corporations, as appropriate, to verify certain observations made by Energy Safety in the course of its analysis.

Where additional clarification or supporting detail was needed, follow-up requests were issued to supplement initial responses, resolve discrepancies, and further assess aspects of the QA and QC program. The Table 1 summarizes the timing and scope of the DRs issued during the audit, including follow-up actions taken by Energy Safety in response to PG&E's submission.

Table 1: Data Request Timeline

Data Request No.	Date Issued	Response Received	Scope	Follow-up
DR017	April 15, 2025 (initial); July 2025 – March 2026 (follow-up request)	May 9, 2025 (initial); July 2025 – March 2026 (iterative follow-up responses)	Initial request for QA/QC program documentation, including targets, objectives, and verifiable statements	Additional requests and discussions conducted to clarify audit datasets, discrepancy classifications, reinspection processes, review application, critical finding criteria, and QA/QC sampling populations

Data Request No.	Date Issued	Response Received	Scope	Follow-up
DR062	September 19, 2025	October 10 & October 15, 2025	QA/QC implementation details, including audit finding priorities, audit procedures clarifications, desktop versus field audit proportions, and QA program modifications	N/A
DR105	May 6, 2026	May 13, 2026	Review of SCE's QA/QC program implementation and practices for asset inspections	N/A
DR106	May 6, 2026	May 14, 2026	Review of SDG&E's QA/QC program implementation and practices for asset inspections	N/A

4. Detailed Assessment of WMP

Section 8.1.6.2 (QC of Asset Inspections)

PG&E utilizes a System Inspection Program to execute its WMP-related asset inspections. The System Inspection Program is comprised of specific inspection program types¹⁰ that assess the condition of utility assets, identify potential deficiencies, and establish timelines for corrective action, including maintenance or repair.

¹⁰ Applicable asset inspection programs with initiatives include: detailed ground and aerial inspections for distribution (AI-07), and detailed ground, aerial, and climbing inspections for transmission (AI-02, AI-04, AI-05).

4.1 QC Program Overview

PG&E's QC program provides the first audit layer following inspections completed by the System Inspection Program. After a completed asset inspection, the QC program audits a random sample of completed inspections to verify inspection accuracy, documentation completeness, and compliance with PG&E's standards and procedures. The QC program is governed by the system inspection QC procedure RISK-6501P-04, as shown in Appendix A.¹¹

QC audits can be performed through a field review, which involves physically inspecting the asset, or through a desktop review, which consists of reviewing aerial photographs at a computer. Each QC audit corresponds to a unique equipment ID,¹² referred to as an audit location, and each completed QC audit counts as one unit toward PG&E's WMP target attainment. During each audit, the auditor documents observations in an electronic form that captures asset details, condition information, and any discrepancies. A discrepancy occurs when a QC auditor identifies a condition that the System Inspection Program did not identify. A discrepancy can be either a "non-critical attribute" or a "critical attribute" miss. If it meets PG&E's criteria for a critical attribute miss, that audit location will result in a failed audit.¹³

The QC Program evaluates performance using a pass rate metric calculated as the number of audit locations with zero critical attribute misses relative to the total number of audits completed.

In its 2024 WMP, PG&E states that it uses a risk-informed prioritization approach to categorize conditions identified through its QC process and assigns the conditions internal notification priority timelines in accordance with General Order (GO) 95's three priority levels.¹⁴ Corrective action timelines may vary within and across the GO 95 priority levels depending on asset location and potential impact to safety or reliability.¹⁵ PG&E maintains slightly different procedures for assigning priorities to audit failures between transmission and distribution audit locations.

As documented in a PG&E internal memo entitled "Transmission Line Inspection Critical Attribute Update," a transmission audit is considered a failure if a critical attribute miss is identified, including a priority "A" or three-month "E" conditions and/or assets with a condition score of four (heavy damage) or five (heavy damage with safety concerns), that are found without any notification or written correction (Figure 1).

¹¹ PG&E Response to DR 017. [DR#14]

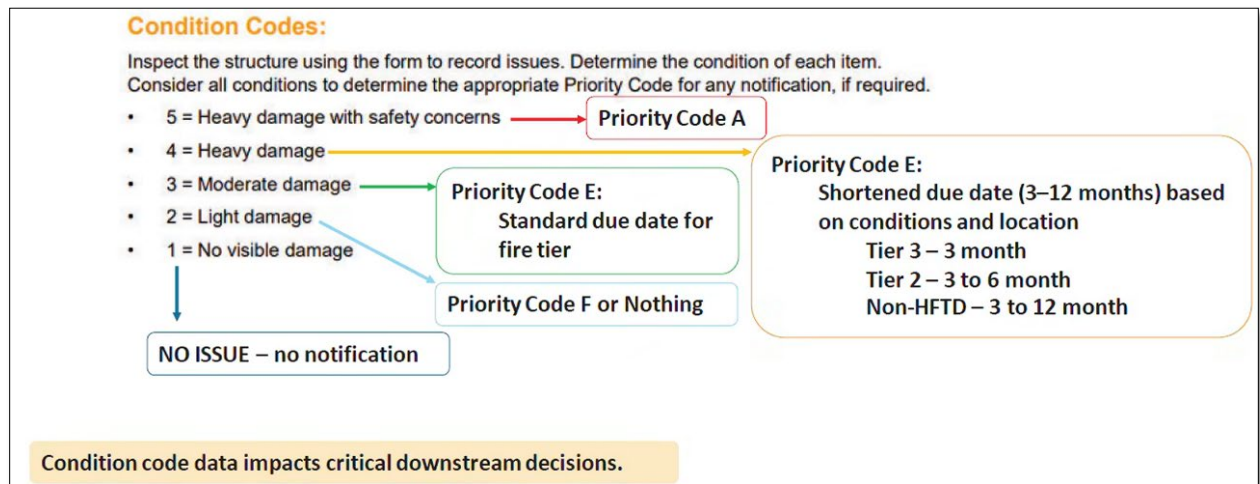
¹² The equipment ID corresponds to the distribution or transmission structure being inspected.

¹³ PG&E Response to DR 017. [DR#14]

¹⁴ CPUC General Order 95, pages I-10 and I-11. Available at: <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M550/K438/550438485.pdf>. [Last accessed June 26, 2026.]

¹⁵ 2023-2025 WMP, page 533-535.

Figure 1: Transmission Condition Codes and Prioritization Assignments



A distribution audit is considered failed if a critical attribute miss is identified, which for PG&E is an “A,” “X,” or “B” condition. All other discrepancies are considered non-critical misses and do not affect the pass rate calculation (Figure 2). Discrepancies that meet the criteria are assigned a notification priority, and the remaining issues are documented for continuous improvement opportunities.¹⁶ For this audit, although PG&E produced auditor distribution inspection checklists, it was unable to produce a procedure documenting the QC audit failure criteria used to evaluate completed distribution inspections. While the inspection checklist identified discrepancies to be documented during the audit, it did not specify that an “A,” “X,” or “B” condition signified a failed audit. That relationship was communicated in PG&E’s data request response rather than documented in a formal procedure or program guidance. For information on PG&E internal notification priorities and associated corrective timelines, see Appendix C.

¹⁶ PG&E Response to DR 017. [DR Q#7]

Figure 2: Distribution Prioritization Assignments

Proposed PG&E Prioritization				
	PG&E Priority	Tier 3	Tier 2/HFRA	Non-HFTD
Level 1: immediate risk of high potential impact to safety and reliability	A	Within 24 hours	Within 24 hours	Within 24 hours
Level 2: at least moderate potential impact	X	Up to 5 days	Up to 5 days	Up to 5 days
	B	Up to 6 months	Up to 6 months	Up to 6 months
	E	Up to 6 months	Up to 12 months	Up to 36 months
Level 3: low potential impact	F	60 months	60 months	60 months

Field personnel will continue to have the ability to set deadlines shorter than the default deadlines for B and E tags based on specific location / consequence potential.

4.1.1 Transmission QC Quantitative Target Achievement

Per the 2024 WMP, PG&E planned to perform QC audits of transmission system inspection locations in PG&E's High Fire Threat District (HFTD) areas, with a target of 16,300 audit locations and a pass rate of 92%.¹⁷

PG&E reported completing QC audits at 23,012 transmission audit locations; and of those 12 were identified as failed, resulting in a 99.95% pass rate. Energy Safety reviewed PG&E's 2024 QC dataset and a year-end electrical operational quality management dashboard, confirming the reported audit totals and pass rate calculation.¹⁸

Energy Safety also completed an analysis of the duration of the transmission inspection QC cycle,¹⁹ which indicated an average duration of approximately 18 days from inspection completion to QC completion.²⁰

Upon reviewing PG&E's response, Energy Safety confirmed that PG&E met its 2024 transmission QC quantitative target by completing 23,012 audit locations, with 12 failed audits, resulting in a 99.95% pass rate, as shown in Table 2.²¹

¹⁷ 2023-2025 WMP, page 389.

¹⁸ PG&E Response to DR 062. [DR Q# 7]

¹⁹ PG&E's WMP does not prescribe a required timeframe for QC completion. However, Energy Safety conducted a calculation that reflects the difference, in calendar days, between the inspection date and the QC date recorded for each audit location, averaged across all completed transmission QC audits.

²⁰ PG&E Response to DR 017. [DR Q#2&9]

²¹ PG&E Response to DR 017. [DR Q#12&13]

Table 2. Transmission QC Pass Rate Summary²²

Transmission Inspection Program Type	Audit Type	Audit Locations Failed	Audit Locations Passed	Audit Locations Completed	Pass Rate ²³
Aerial Inspection of Overhead Equipment	Desktop	2	1,454	1,456	99.86%
Climbing Inspection of Overhead Equipment	Desktop	0	225	225	100.00%
Ground Inspection of Overhead Equipment	Desktop	8	20,153	20,161	99.96%
Ground Inspection of Overhead Equipment	Field	2	1,168	1,170	99.83%
Total		12	23,000	23,012	99.95%

4.1.2 Transmission QC Qualitative Observation and Recommendation

Of the 23,012 transmission QC audits completed, 21,842 (95%) were conducted through desktop review, with the remaining 1,170 audits performed in the field.²⁴ PG&E reported that desktop audits were implemented to address operational constraints (i.e., customer access issues, weather-related restrictions), thereby enabling audits of assets previously inaccessible for review. Desktop audits primarily rely on aerial imagery and existing documentation (i.e., checklists and inspection reports) to assess asset conditions. While desktop reviews may improve operational efficiency, their effectiveness depends on the quality, completeness, and framing of available imagery and documentation. Certain asset conditions, such as buried anchors or vegetation obstructions, may be observed only in the field. However, Energy

²² PG&E Response to DR 062. [DR Q# 7]

²³ The pass rate is calculated by the total audit locations passed divided by the total audit locations completed.

²⁴ PG&E Response to DR 062. [DR Q# 7]

Safety did not identify documented criteria describing the circumstances under which desktop versus field audit methodologies should be used.

Recommendation: Energy Safety recommends that PG&E evaluate its QC audit methodology to ensure an appropriate balance between desktop and field-based audits and establish documented criteria governing the selection of each audit methodology to support effective asset condition verification and WMP risk reduction objectives.

4.1.3 Distribution QC Quantitative Target Achievement

Per the 2024 WMP, PG&E planned to perform QC audits of distribution system inspection locations in HFTD areas, with a target of 170,000 audit locations and a pass rate of 88%.²⁵

PG&E reported completing QC audits at 175,376 distribution audit locations; of those, 292 were identified as failed, resulting in a 99.83% pass rate. Energy Safety reviewed PG&E's 2024 QC dataset and a year-end electrical operational quality management dashboard, confirming the reported audit totals and pass rate calculation.²⁶

Energy Safety also completed an analysis of the duration of the distribution inspection QC cycle,²⁷ which indicated an average duration of approximately 31 days from inspection completion to QC completion.²⁸

Upon reviewing PG&E's response, Energy Safety confirmed that PG&E met its 2024 distribution QC quantitative target by completing 175,376 audit locations, with 292 failed audits, resulting in a 99.83% pass rate, as shown in Table 3 below.²⁹

²⁵ 2023-2025 WMP, page 389.

²⁶ PG&E Response to DR 017. [DR Q# 12]

²⁷ PG&E's WMP does not prescribe a required timeframe for QC completion. However, Energy Safety conducted a calculation that reflects the difference, in calendar days, between the inspection date and the QC date recorded for each audit location, averaged across all completed transmission QC audits.

²⁸ PG&E Response to DR 017. [DR Q#2&9]

²⁹ PG&E Response to DR 017. [DR Q#12&13]

Table 3. Distribution QC Pass Rate Summary³⁰

Distribution Inspection Program Type	Audit Type	Audit Locations Failed	Audit Locations Passed	Audit Locations Completed	Pass Rate ³¹
Aerial Inspection of Overhead Equipment	Desktop	196	169,426	169,622	99.88%
Aerial Inspection of Overhead Equipment	Field	0	6	6	100.00%
Ground Inspection of Overhead Equipment	Desktop	0	830	830	100.00%
Ground Inspection of Overhead Equipment	Field	96	4,822	4,918	98.05%
Total		292	175,084	175,376	99.83%

4.1.4 Distribution QC Qualitative Observation and Recommendation

Of the 175,376 distribution audits completed, 170,452 (97%) were conducted through desktop review, with the remaining 4,924 audits performed in the field. Just as with desktop audits of transmission systems, desktop audits of distribution systems may improve operational efficiency by addressing field access constraints but may also miss observations that can only be made in the field.

³⁰ PG&E Response to DR 062. [DR Q# 7]

³¹ The pass rate is calculated by the total audit locations passed divided by the total audit locations completed.

Recommendation: Energy Safety recommends that PG&E evaluate its QC audit methodology to ensure an appropriate balance between desktop and field-based audits and establish documented criteria governing the selection of each audit methodology to support effective asset condition verification and WMP risk reduction objectives.

4.1.5 Verifiable Statement Achievement

Verifiable Statement #1

Per the 2024 WMP, PG&E stated that a “system inspection QC is currently being developed. We anticipate completing this standard by Q1 2023.”³²

In its data request response, PG&E reported that while the Electric System Patrol, Inspection, and Maintenance Program Standard (TD-8123S) was published in January 2020, it required the development of a QC process. PG&E subsequently published the System Inspection QC procedure (RISK-6501P-04), which was effective as of April 2023 and later migrated from the Technical Information Library to the Guidance Document Library in November 2024.

The System Inspection QC Procedure establishes requirements for developing and maintaining QC programs to evaluate electric transmission, substation,³³ and distribution assets. The procedure outlines QC program objectives, sampling methodologies, assessment triggers, roles and responsibilities, corrective action processes, follow-up activities, and verification standards. QC assessments can be conducted through field or desktop reviews and can occur alongside or after the work is completed to verify accuracy, completeness, and alignment with PG&E's standards.

The procedure identifies three QC selection methodologies: random selection, targeted selection, and probable cause. Random selection identifies assets to review using a simple random process. Targeted and probable cause assessments are conducted under specific circumstances, such as vendor or inspector performance issues, areas of poor performance, and leadership requests. PG&E reported that in 2024, none of these specific circumstances were identified requiring the use of either targeted or probable cause assessments; therefore, QC assessments were conducted through random selection.³⁴

During a review of PG&E's QC procedures, Energy Safety noted that the procedure does not specify when QC audits should be conducted. Through a follow-up data request, PG&E stated that QC audits for aerial inspections are limited to desktop review and confirmed that this limitation is not currently documented in any standard or procedure. PG&E further indicated that 2024 marked the first year that large-scale aerial inspections were available for the QC

³² 2023-2025 WMP, page 525.

³³ Substation assets were not reviewed in the scope of this audit; however, it may be reviewed in a future audit.

³⁴ PG&E Response to DR 017. [DR Q#14]; PG&E Response to DR 062. [DR Q#5]

and QA programs. Energy Safety observed that formal procedural documentation had not yet been updated to reflect these operational practices as of August 15, 2025.³⁵

Upon reviewing PG&E's response, Energy Safety determined that this verifiable statement, for developing a QC standard, was supported.

Recommendation: Energy Safety recommends that PG&E formally document QC audit methodologies for inspection types to ensure alignment between implemented practices and establish procedures, and to support consistent application across QC audits.

Verifiable Statement #2

Per the 2024 WMP, PG&E stated that "QC personnel create an annual sampling plan based on the year's work plan. Sample sizes are determined by the sampling plan that is reviewed annually and incorporates a representative and statistically valid sample."³⁶

In PG&E's data request response, PG&E provided its 2024 QC work plan, which documents weekly QC targets and actuals for both transmission and distribution inspection programs. With respect to the sampling plan methodology, PG&E uses a randomized approach to select the sample population.^{37, 38}

Energy Safety observed that PG&E developed and implemented a QC sampling plan for 2024, and that QC samples were selected using a randomized approach. The QC sampling plan incorporated inspection types associated with the asset inspection programs.

Upon reviewing PG&E's response, Energy Safety determined that the verifiable statement was supported to the extent that (1) a QC sampling plan was developed and implemented, and (2) samples were selected using a randomized approach. However, Energy Safety did not independently verify whether the sampling methodology met the criteria for a statistically valid sample as referenced in the 2024 WMP.

Verifiable Statement #3

Per the 2024 WMP, PG&E stated that "all auditors are currently required to meet the following minimum requirements: high school diploma or general education development; utility industry experience; seven years job-related experience; qualified electrical worker certification; and electric utility apprentice program training completion."³⁹

³⁵ PG&E Response to DR 017-A. [DR Q#5]

³⁶ 2023-2025 WMP, page 525.

³⁷ Initial minimum sample sizes for QC programs are calculated using the large sample normal approximation for estimating a population proportion for binary data to provide an estimated post-sampling population pass rate conforming to a 95% confidence level and a maximum 5% margin of error.

³⁸ PG&E Response to DR 017. [DR Q#15-16]

³⁹ 2023-2025 WMP, page 526.

In PG&E's data request response, PG&E reported a total of 94 QC auditors in 2024, including 18 internal auditors and 76 contracted auditors. PG&E provided supporting documentation, including the auditor's unique identifier, the qualified electrical work certification date, and the electric utility apprentice program⁴⁰ training completion date for all personnel.⁴¹

Upon reviewing PG&E's response, Energy Safety determined that this verifiable statement, that auditors meet the above requirements, was supported.

Verifiable Statement #4

Per the 2024 WMP, PG&E stated that "QC discrepancies are documented in the electronic QC review assessment forms."⁴²

Energy Safety reviewed PG&E's QC audit results and supporting datasets to understand how discrepancies were identified, documented, and incorporated into QC performance metrics. Within the QC program, discrepancies are instances in which the QC auditor determines that the original inspection did not fully or accurately identify asset conditions in accordance with PG&E standards. These discrepancies may include missed conditions, incomplete documentation, or insufficient inspection detail, and may result in the assignment of notification priorities or recommendations for reinspection.

In its data request response, PG&E reported completing QC audits of 23,012 transmission audit locations in 2024, of which 7,165 audit locations had 10,667 discrepancies identified.⁴³ Table 4 summarizes the notification priority type⁴⁴ associated with the identified discrepancies.

PG&E's QC auditor recommended that 844 of the 7,165 locations with discrepancies needed to be reinspected or have system inspection data verified to confirm asset condition. Of the 844 locations recommended for reinspection or system inspection data verification, PG&E recorded only three as a miss for PG&E's pass rate calculation.⁴⁵

Energy Safety observed discrepancies across a range of notification priority types, including E-shortened and E-standard notifications. However, not all identified E-type notifications were classified as critical miss attributes; specifically, for E-shortened type notifications, only six out of 32 were classified as critical miss attributes. Additionally, E-standard and F-type notifications, along with non-prioritized notifications and the remaining E-shortened

⁴⁰ The original apprenticeship certificate of completion was unavailable for two out of 94 individuals at the time of Energy Safety's data request.

⁴¹ PG&E Response to DR 017. [DR Q#17-18]

⁴² 2023-2025 WMP, page 526.

⁴³ PG&E Response to DR 017. [DR Q#19-21]

⁴⁴ An audit location can have more than one notification priority identified. Therefore, the total count of 10,667 notification priorities in this case is greater than the number of 7,165 audit locations.

⁴⁵ PG&E Response to DR 062-A. [DR Q#12]

notifications, were largely not classified as critical miss attributes and, as a result, were not included in PG&E's pass rate calculation.

Table 4. Total Count of QC Transmission Discrepancies⁴⁶

Discrepancy Type	Total Count
Heavy damage with safety concerns (A-type notification)	3
Heavy damage (E (Shortened)-type notification)	32
Moderate damage (E (Standard)-type notification)	338
Light damage (F-type notification)	281
Non-prioritized	10,013
Total	10,667⁴⁷

In its data request response, PG&E reported completing QC audits of 175,376 distribution audit locations in 2024, of which 10,776 audit locations had 12,560 discrepancies identified.⁴⁸ Table 5 summarizes the notification priority types⁴⁹ associated with the identified discrepancies.

Table 5. Total Count of QC Distribution Discrepancies⁵⁰

Discrepancy Type	Total Count
A	13

⁴⁶ PG&E Response to DR 062. [DR Q#11]

⁴⁷ "Non-prioritized" is a term used by Energy Safety to denote the notifications that did not apply to any other notification priority type.

⁴⁸ PG&E Response to DR 011. [DR Q#19-21]

⁴⁹ An audit location can have more than one notification priority identified. Therefore, the total count of 12,560 notification priorities listed in Table 5 is greater than the number of 10,776 audit locations.

⁵⁰ PG&E Response to DR 062-A. [DR Q#1]

Discrepancy Type	Total Count
X	78
B	202
E	8,525
F	521
Non-prioritized	3,221
Total	12,560 ⁵¹

Upon review of a sample population of distribution QC final reports for completed audit locations, Energy Safety identified instances where QC auditors documented limitations that were represented as barriers to completing the QC audit, such as “insufficient photos,” “unable to complete full QC audit,” “inspected wrong structure,” “Can Not Inspect (CNI) checklists incomplete,” “CNI Communications (Comms) only on pole,” and “CNI photos of cows in a field.”⁵² Energy Safety further observed that most of these audits were assigned a subject matter expert (SME) review and reinspection priority, indicating that the QC audit could not adequately confirm the asset conditions.

In total, PG&E reported 1,261 reinspection priorities in 2024 for distribution QC. These reinspection priorities reflect audit locations where additional field verification or follow-up action was identified as necessary, and they were not included as a miss in PG&E’s pass rate calculation. Further review of the data indicates that 725 of the 1,261 reinspection priorities were associated with a documented discrepancy, while the remaining locations were assigned a reinspection priority with zero discrepancies being recorded. This indicates that a portion of reinspection priorities were recorded without an associated documented discrepancy, which may limit transparency into the conditions that prompted the reinspection priority.⁵³

Energy Safety also identified a smaller subset of completed QC audits containing CNI-related language that had not undergone SME review and, therefore, were not categorized as reinspection priorities. PG&E’s QC process includes SME review to ensure consistent classification of findings and appropriate identification of follow-up actions. However, in this

⁵¹ “Non-prioritized” is a term used by Energy Safety to denote the notifications that did not apply to any other notification priority type.

⁵² PG&E Response to DR 062-A; PG&E Response to DR 017. [Q #13,19; 2]

⁵³ PG&E Response to DR 062-A. [Q# 1]

subset, the QC completed audits did not demonstrate that a SME review or prioritization had occurred; therefore, it is unclear whether any appropriate follow-up actions were taken.

In addition, PG&E informed Energy Safety that audits with “Can Not QC (CNQC), Can Not Get In (CGI), and CNI” indicators were excluded from the WMP target attainment.⁵⁴ However, Energy Safety’s review identified completed QC audits containing CNI-related conditions that were included in the population used for WMP target attainment. This observation suggests that a portion of completed QC audits, without a thorough assessment, were counted toward WMP attainment.

Collectively, these observations indicate gaps in PG&E’s ability to evaluate the quality of its System Inspection Program. Certain QC audit outcomes were either excluded from or not consistently reflected in QC performance metrics. Therefore, reported performance metrics may not fully reflect inspection quality or conditions requiring additional review. When conditions are not fully reviewed, documented, or escalated, there is an increased risk that conditions requiring corrective action are not addressed promptly.

In addition, Energy Safety also reviewed the total count of distribution notification priorities in relation to the reported 99.83% pass rate for the 2024 distribution QC program. PG&E’s pass rate is calculated by dividing the total number of asset inspections where a QC auditor determined that the original inspector made a “critical miss” by the total number of asset inspections reviewed by QC auditors. PG&E considers a critical miss to occur if the original inspector did not identify an “A,” “X,” or “B” condition.⁵⁵ Therefore, if A, X, or B conditions are correctly recorded by the original inspector as an A, X, or B notification, the inspection passes QC review, and if the original inspector missed an A, X, or B condition, then the inspection fails QC review.

However, as can be seen in the table above, only 293 of the 12,560 discrepancies identified during QC review were related to A, X, or B conditions. PG&E identified 8,525 E priority notifications that were captured by QC auditors, and these were not included in the QC pass rate calculation.

E priority notifications are those that present a moderate impact on safety, and if they are present in HFTD Tier 3 they must be remediated within six months. This is the same schedule established by PG&E for B priority notifications in HFTD Tier 3 areas, which are included in pass rate calculations, while E priority notifications are not. E priority notifications can represent identified asset deficiencies such as “service connectors exposed,” “connectors

⁵⁴ PG&E Response to DR 017-A. [Q#3]

⁵⁵ As described above in Section 4.1, Figure 2, an “A” condition is one that has an immediate impact on safety and must be remediated within 24 hours. For “X” and “B” conditions, the safety impact is moderate and they must be remediated within five days for X conditions and six months for B conditions.

with deteriorated tape exposing the energized connectors and conductor,” “cotter key is backing out,” and “exposed hot leg connector,” all requiring corrective action.⁵⁶

Although these conditions do not meet PG&E's criteria for critical attribute miss, they represent documented deficiencies identified through the QC program. While PG&E's methodology focuses the reported pass rate on findings classified as critical misses, the exclusion of other documented deficiencies means the reported pass rate does not reflect the full range of deficiencies identified through the QC program. Based on the review of PG&E's response, Energy Safety determined that this verifiable statement, for QC discrepancies being documented in the electronic QC review assessment forms, was supported.

Recommendation: Energy Safety recommends that PG&E establish and document formal controls to ensure that audits that are not completed for various reasons (e.g., labeled cannot inspect (CNI), cannot QC (CNQC), cannot get in (CGI)) do not have the effect of improving PG&E's reported WMP target attainment metric. In addition, to continue improving transparency to its decisionmakers, Energy Safety recommends that PG&E evaluate whether additional notification priorities should be incorporated into audit pass-rate calculations to better reflect asset condition risk.

Verifiable Statement #5

Per the 2024 WMP, PG&E stated that “the QC team provides content for the New Inspector Training Program that shows an overview of the top trends and findings from the previous program year.”⁵⁷

In its data request response, PG&E provided a summary of QC critical attribute misses for 2023 and 2024, ranked by frequency of occurrences. Additionally, PG&E provided its 2024 QC presentation materials for both transmission and distribution. The training materials included: an overview of the QC program and its role in systems inspections; definitions of critical attributes and failure criteria; summaries of prior-year QC findings and trend data; examples of common inspection errors and discrepancy scenarios; and preventive guidance aimed at reducing recurring deficiencies.

During review of the critical attribute summaries, Energy Safety observed a decrease in reported findings between 2023 and 2024. PG&E explained that the year-over-year decrease in findings was due to revisions to the critical attribute criteria. For the transmission QC program, photo-related conditions (i.e., poor photo angle, poor zoom, etc.) initially classified as critical attributes were reassessed and removed by April 2023, with the remaining criteria focused on priority A and three-month E conditions, and certain asset condition codes, moving forward. For the distribution QC program, in 2023, the critical attribute criteria included priority notifications (A, B, E, and F) and a range of additional conditions (e.g., idle facilities, vegetation management). In 2024, the critical attribute criteria were narrowed to

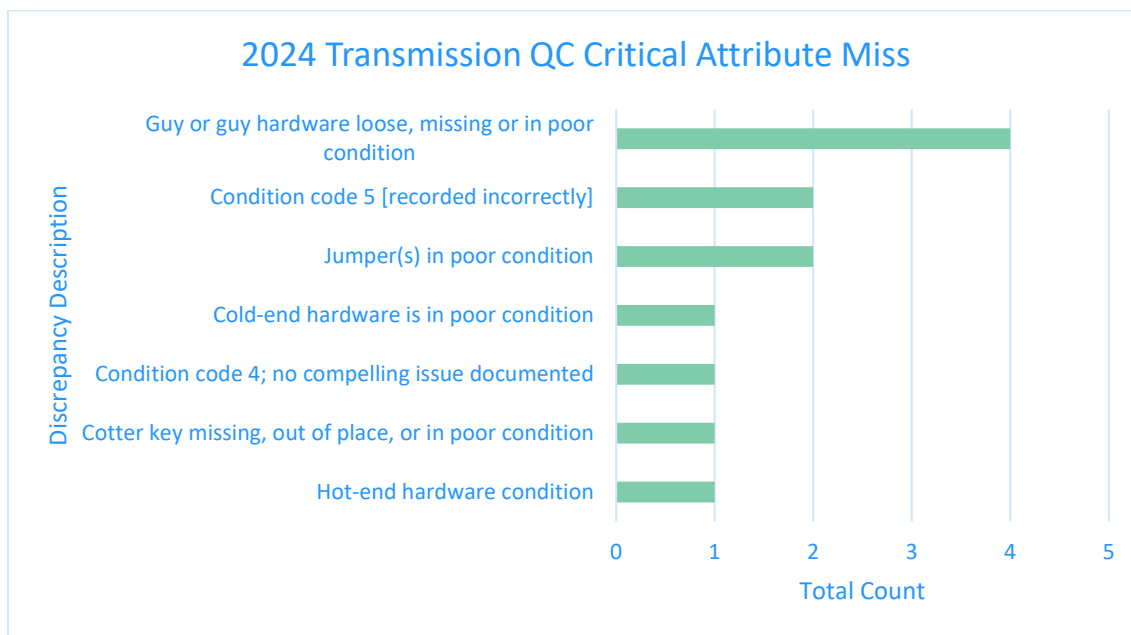
⁵⁶ PG&E Response to DR 017. [DR Q#13]

⁵⁷ 2023-2025 WMP, page 526.

prioritize risk conditions associated with A, X, and B notification priorities, resulting in fewer conditions classified as critical attribute misses.⁵⁸ The figures below illustrate the changes observed from 2023 to 2024 for both transmission and distribution QC.

Figure 3. 2024 Transmission QC Critical Attribute Miss

Figure 3 illustrates all the 2024 transmission QC critical attribute misses by frequency of occurrence.



⁵⁸ PG&E Response to DR 017-C. [DR Q#2]

Figure 4. 2023 Transmission QC Critical Attribute Miss

Figure 4 illustrates the top 10 critical attribute misses for the 2023 transmission QC program by frequency of occurrence.

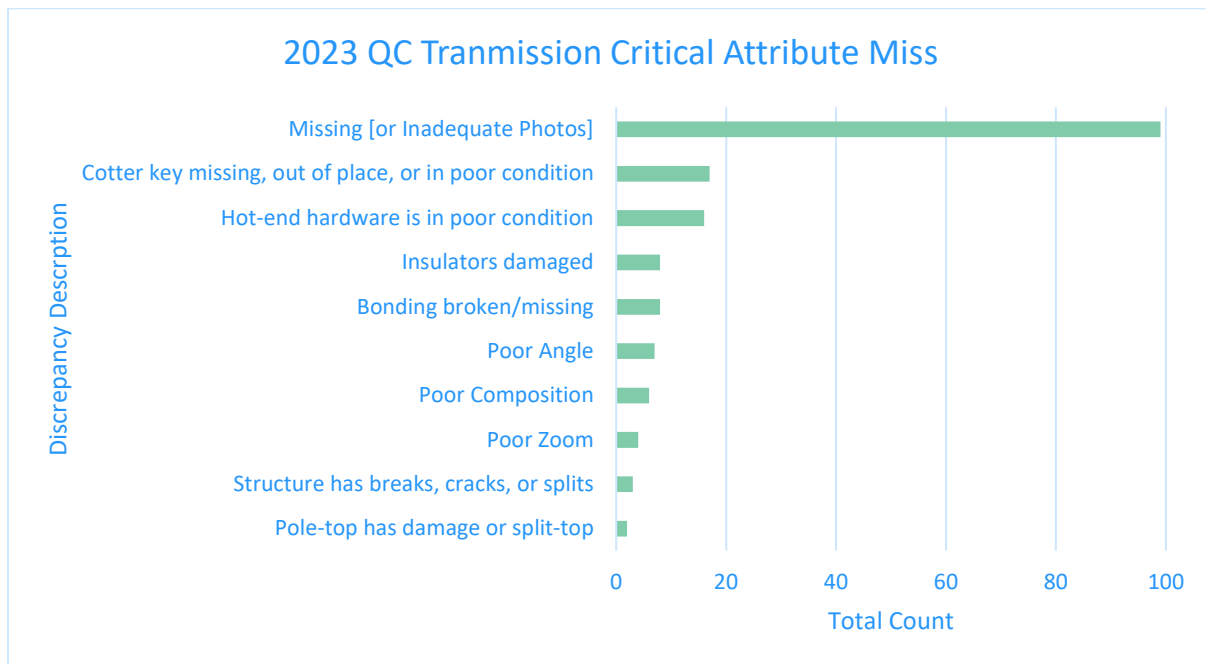
*Figure 5. 2024 Distribution QC Critical Attribute Miss*

Figure 5 illustrates the top 10 critical attribute misses for the 2024 distribution QC program by frequency of occurrence.

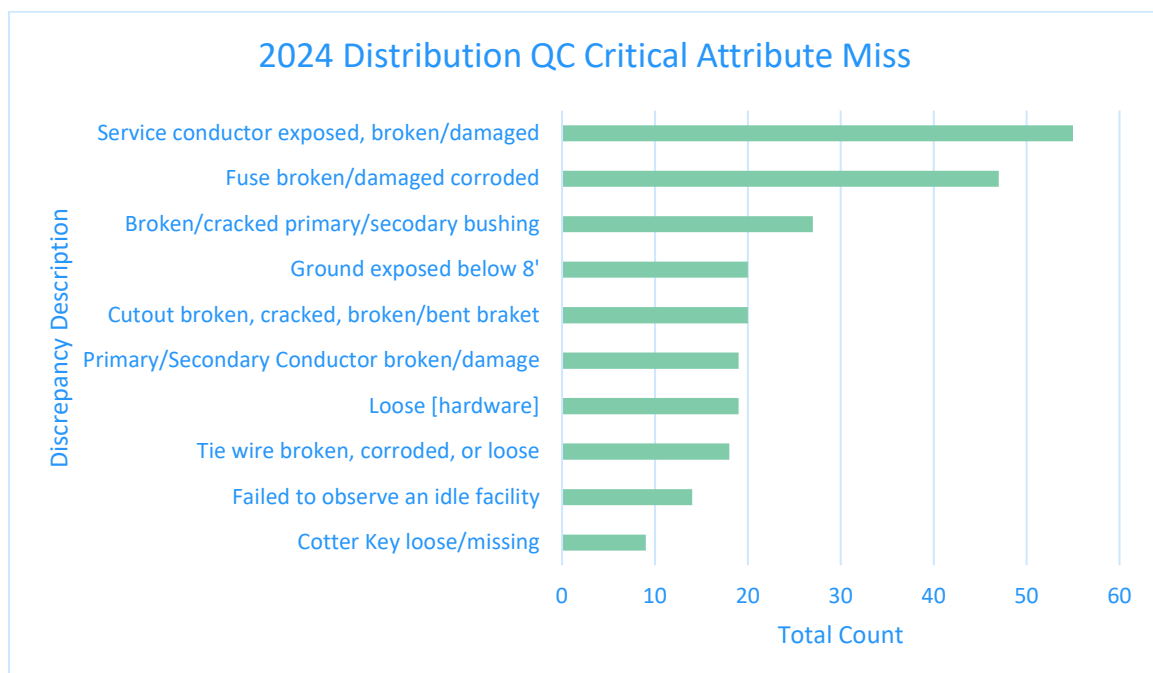
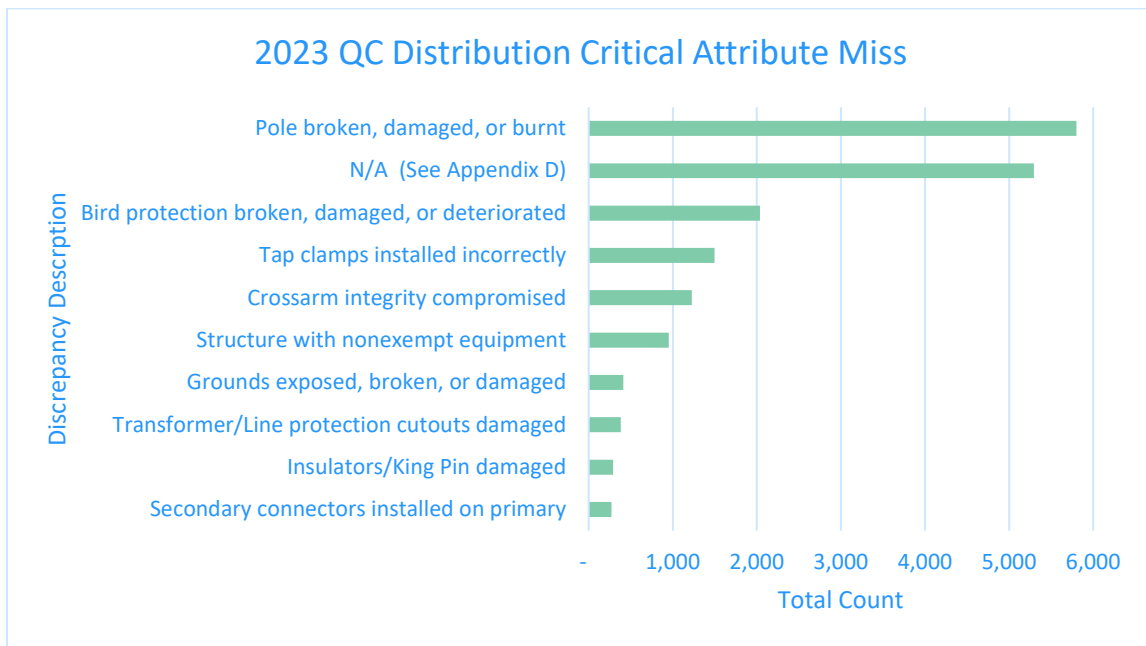


Figure 6. 2023 Distribution QC Critical Attribute Miss

Figure 6 illustrates the top 10 critical attribute misses for the 2023 distribution QC program by frequency of occurrence.



Upon reviewing PG&E's response, Energy Safety determined that this verifiable statement (training materials incorporated prior year's findings) was supported.

Verifiable Statement #6

Per the 2024 WMP, PG&E stated that "the QC team is a regular participant and cross-functional collaborator for Inspect App updates, Standards and Job Aid update working sessions, and provides necessary feedback on gaps and continuous improvement opportunities."⁵⁹

In its data request response, PG&E described the Inspect App as a tool used by inspectors to document inspections in accordance with established standards and job aids. PG&E stated that updates to the Inspect App are made as needed to reflect changes in standards and job aids, and that feedback, identified gaps, and improvement opportunities are documented through completed QC review assessment forms.

PG&E also provided supporting documentation, including recurring stakeholder meetings records, working session materials, and related correspondence, demonstrating that QC personnel participated in discussions reviewing QC results, identified trends, and improvement actions associated with Inspect app updates.

⁵⁹ 2023-2025 WMP, page 526.

Upon reviewing PG&E's response, Energy Safety determined that this verifiable statement, ongoing QC participation in Inspect App updates, and related working sessions, was supported.

Verifiable Statement #7

Per the 2024 WMP, PG&E stated that it "addressed findings by revising policies, standards, procedures, checklists, and/or tools; additional training; weekly stakeholder meeting to communicate the previous weeks findings; reviewing the System Inspection QC Dashboard with functional area representatives; and discussing findings and trends in daily operation review meetings."⁶⁰

In PG&E's data request response, PG&E provided documentation demonstrating recurring stakeholder meetings and working sessions where QC findings and trends were reviewed. Materials included: email discussions of proposed Inspect App checklist updates, such as alignment on transmission framing categorizations between inspectors and QC auditors; the development of aerial guidance to issue the appropriate notification to vegetation findings; recurring distribution stakeholder meetings to communicate findings; and reviewing the critical attribute misses with the QC transmission and system inspection teams.⁶¹

Upon reviewing PG&E's response, Energy Safety determined that this verifiable statement, holding ongoing cross-functional discussion and updating standards or procedures as necessary, was supported.

Verifiable Statement #8

Per the 2024 WMP, PG&E stated that "on a quarterly basis (close-out) QC will submit a corrective action plan containing findings summary, trending metrics and overall program results."⁶²

In its data request response, PG&E provided corrective action plans (CAP) for 2024 covering both transmission and distribution programs. The CAP included summaries of audit volumes, pass rates, critical attribute misses, trending metrics, and documented corrective actions. For example, transmission QC noted a discrepancy on the Los Banos line where the recorded guy tension values by QC differed from the engineering drawings. The CAP noted follow-up actions, including engineering review, creating two additional CAPs to update drawings, and evaluating how impacted inspections would be addressed. Another example, distribution QC documented instances where two audits were performed on the same asset location under different inspection types (aerial and ground). The CAP notes that because the WMP pass-rate calculation is designed to include one audit per location, PG&E filtered out the duplicate records from reporting and updated dashboard metrics in subsequent reporting.

⁶⁰ 2023-2025 WMP, pages 526-527.

⁶¹ PG&E Response to DR 017. [DR Q#24-25]

⁶² 2023-2025 WMP, page 527.

Based on the review of PG&E's response, Energy Safety determined that this verifiable statement, QC will submit a CAP quarterly summary of the overall program result, was supported.

5. Detailed Assessment of QA

Section 8.1.6.1 (QA of Asset Inspections)

5.1 QA Program Overview

PG&E's QA program reviews the accuracy and completeness of QC assessments for completed asset inspections. After an asset is inspected by the System Inspection Program and subsequently audited through the QC Program, the QA Program audits a random sample of the QC-completed audit locations. According to PG&E, this layered review structure allows the QA Program to verify inspection accuracy, documentation completeness, and alignment with PG&E's standards and procedures. The QA program is governed by the QA system inspection procedure RISK-6501P-08, as shown in Appendix B.⁶³

QA audits can be performed through a field review, which involves physically inspecting the asset, or through a desktop review, which consists of reviewing aerial photographs at a computer. Each QA audit corresponds to a unique equipment ID,⁶⁴ referred to as an audit location, and each completed QA audit counts as one unit towards PG&E WMP target attainment. During each audit, the QA auditor documents observations in an electronic form that captures asset details, condition information, and any discrepancies. As defined by the QA Program, a discrepancy occurs when a QA auditor identifies a condition that was not identified by a QC auditor. A discrepancy can be either a non-critical attribute miss or a critical attribute miss. If it meets PG&E's criteria for a critical attribute miss, that audit location will result in a failed audit.⁶⁵ Discrepancies that are not a "critical attribute miss" do not result in a failed audit and are therefore counted as a "passed" QA audit when determining the pass rate.

The QA Program evaluates performance using a pass rate metric calculated as the number of audit locations with zero critical attribute misses relative to the total number of audits

⁶³ PG&E Response to DR 017. [DR Q#9]

⁶⁴ The equipment ID corresponds to the distribution or transmission structure being inspected.

⁶⁵ PG&E Response to DR 017. [DR Q#9]

completed. The predetermined metric used by PG&E's Quality Control staff⁶⁶ is the pass rate, which is determined by a set of criteria that classify a QA audit as pass or fail.

PG&E utilizes the same prioritization approach for distribution and transmission tags for QA as it does for QC (Section 4.1).

5.1.1 Transmission QA Quantitative Target Achievement

Per the 2024 WMP, PG&E planned to perform QA audits on completed QC audits of transmission inspection locations in the HFTD and PG&E's High Fire Risk Area (HFRA), with a target of 500 audit locations, and the achievement of a 94% pass rate.⁶⁷

PG&E reported completing QA audits at 2,970 transmission audit locations. Of those, one was identified as failed, resulting in a 99.97% pass rate. Energy Safety reviewed PG&E's 2024 QA dataset and a year-end electrical operational quality management dashboard, confirming the reported audit totals and pass rate calculation.⁶⁸

Of the 2,970 transmission QA audits completed, 2,311 (78%) were conducted through desktop review, with the remaining audits performed in the field.⁶⁹ PG&E reported that desktop audits were implemented to address operational constraints (i.e., customer access issues, weather-related restrictions), thereby enabling audits of assets previously inaccessible for review. Desktop audits primarily rely on aerial imagery and existing documentation (i.e., checklists, QC audits) to assess asset conditions. While desktop reviews may improve operational efficiency, their effectiveness depends on the quality, completeness, and framing of available imagery and documentation. Certain asset conditions, such as buried anchors or vegetation obstructions, may be observed only in the field. However, Energy Safety did not identify documented criteria describing the circumstances under which desktop versus field audit methodologies should be used.

Recommendation: Energy Safety recommends that PG&E evaluate its QA audit methodology to ensure an appropriate balance between desktop and field-based audits and establish documented criteria governing the selection of each audit methodology to support effective asset condition verification and WMP risk reduction objectives.

Energy Safety also completed an analysis of the QA completion cycle,⁷⁰ which indicated an average duration of approximately 17 days from the QC completion date to the QA

⁶⁶ Energy Safety recognizes the term Quality Control, used by PG&E, to specify all staff involved in QA/QC operations.

⁶⁷ 2023-2025 WMP, page 386.

⁶⁸ PG&E Response to DR 017. [DR Q#1&2]

⁶⁹ PG&E Response to DR 062. [DR Q# 6]

⁷⁰ PG&E's WMP does not prescribe a required timeframe for QA completion. However, Energy Safety conducted a calculation that reflects the difference, in calendar days, between the QC date and the QA date recorded for each audit location, averaged across all completed transmission QA audits.

completion date.⁷¹ During this review, Energy Safety identified five QA audit locations that were not included in the QC-completed audit locations dataset and, therefore, were excluded as the data was not available to complete the calculation. Furthermore, these audit locations suggest that QA audits were not consistent with the initiative's objective of performing QA audits only on completed QC locations, as described in PG&E's WMP.

Recommendation: Energy Safety recommends that PG&E strengthen internal controls to ensure QA sample populations consistently align with QC completed datasets in accordance with the WMP.

Upon reviewing PG&E's response, Energy Safety confirmed that PG&E met its 2024 transmission QA quantitative target by completing 2,970 audit locations (600% its WMP target), with one failed audit, resulting in a 99.97% pass rate, as shown in Table 6.

Table 6. Transmission QA Pass Rate Summary⁷²

Transmission Inspection Program Type	Audit Type	Audit Locations Failed	Audit Locations Passed	Audit Locations Completed	Pass Rate ⁷³
Aerial Inspection of Overhead Equipment	No QA auditing	N/A	N/A	N/A	N/A
Climbing Inspection of Overhead Equipment	No QA auditing	N/A	N/A	N/A	N/A
Ground Inspection of Overhead Equipment	Desktop	0	2,311	2,311	100%
Ground Inspection of Overhead Equipment	Field	1	658	659	99.85%
Total		1	2,969	2,970	99.97%

⁷¹ PG&E Response to DR 017. [DR Q#2&9]

⁷² PG&E Response to DR 062. [DR Q# 6]

⁷³ The pass rate is calculated by the total audit locations passed divided by the total audit locations completed.

5.1.2 Transmission QA Qualitative Observation

While PG&E exceeded its quantitative QA target for transmission inspections, Energy Safety observed that QA audits of transmission inspections in 2024 were limited to ground overhead inspections. In contrast, the total QC population of transmission inspection locations included aerial and climbing inspections, in addition to ground inspections (as shown in Section 4.1.1 above, Table 2). This indicates that PG&E did not apply QA audits to all transmission inspection types.

Above, Table 6 illustrates how certain transmission inspection methods that were subject to QC were not subjected to QA auditing by PG&E in 2024. PG&E attributed this to the QA transmission checklist for these inspection types not being completed in 2024, with implementation deferred to 2025.

5.1.3 Distribution QA Quantitative Target Achievement

Per the 2024 WMP, PG&E planned to perform QA audits on completed QC audits of distribution inspections located in HFTD/HFRA, with a target of 1,500 audit locations, and achievement of a 90% pass rate.⁷⁴

PG&E reported completing QA audits at 7,098 distribution audit locations. Of those, 22 were identified as failed, resulting in a 99.69% pass rate. Energy Safety reviewed PG&E's 2024 QA dataset and a year-end electrical operational quality management dashboard, confirming the reported audit totals and pass rate calculation.⁷⁵

Upon reviewing PG&E's response, Energy Safety confirmed that PG&E met its 2024 distribution QA quantitative target by completing 7,098 audit locations (nearly 500% WMP target), with 22 failed audits, resulting in a 99.69% pass rate, as shown in Table 7.

Table 7. Distribution QA Pass Rate Summary⁷⁶

Distribution Inspection Program Type	Audit Type	Audit Locations Failed	Audit Locations Passed	Audit Locations Completed	Pass Rate ⁷⁷
Aerial Inspection of Overhead Equipment	Desktop	5	4,367	4,372	99.89%

⁷⁴ 2023-2025 WMP, page 386.

⁷⁵ PG&E Response to DR 017. [DR Q#1 & 2]

⁷⁶ PG&E Response to DR 062. [DR Q# 6]

⁷⁷ The pass rate is calculated by the total audit locations passed divided by the total audit locations completed.

Distribution Inspection Program Type	Audit Type	Audit Locations Failed	Audit Locations Passed	Audit Locations Completed	Pass Rate ⁷⁷
Aerial Inspection of Overhead Equipment	Field	14	917	931	98.50%
Ground Inspection of Overhead Equipment	Desktop	0	1,015	1,015	100.00%
Ground Inspection of Overhead Equipment	Field	3	777	780	99.63%
Total		22	7,076	7,098	99.69%

5.1.4 Distribution QA Qualitative Observations and Recommendations

Of the 7,098 distribution QA audits completed, 5,387 (76%) were conducted through desktop review, with the remaining audits performed in the field.⁷⁸ Just as with desktop audits of transmission systems, desktop audits of distribution systems may improve operational efficiency by addressing field access constraints but may also miss observations that can only be made in the field.

Recommendation: Energy Safety recommends that PG&E evaluate its QA audit methodology to ensure an appropriate balance between desktop and field-based audits and establish documented criteria governing the selection of each audit methodology to support effective asset condition verification and WMP risk reduction objectives.

Energy Safety identified a difference between PG&E's quarterly data report (QDR) submission and the supporting data provided in response to Energy Safety's data request for all audit locations and corresponding pass rates. Specifically, PG&E's QDR⁷⁹ reported 12 failed QA audit locations for distribution, while the supporting datasets provided to Energy Safety

⁷⁸ PG&E Response to DR 062. [DR Q# 6]

⁷⁹ 2024 Q4 QDR

indicated 22 failed QA audit locations for 2024. Energy Safety confirmed that the QA pass rate calculation itself is correct and was therefore not affected by this discrepancy. However, the reported number of failed audit locations was understated in the QDR, resulting in an inconsistency between the reported metrics.

Recommendation: Energy Safety recommends that PG&E strengthen internal controls over performance reporting to ensure accuracy and consistency across all reported metrics.

Energy Safety also completed an analysis of the QA completion cycle,⁸⁰ indicating an average duration of approximately 17 days from QC completion to QA completion.⁸¹

5.1.5 Verifiable Statement Achievement

Verifiable Statement #1

Per the 2024 WMP, PG&E planned to “implement a QA program for system inspections.”⁸²

PG&E stated that it “tracks progress with WMP initiative through regular operating reviews (daily, weekly, monthly) as well as quarterly reviews to monitor the implementation of the QA program.”⁸³ PG&E also provided its 2024 program work plan, including internal QA targets, target pass rates, and performance metrics for transmission and distribution. Additionally, PG&E submitted its QA system inspection procedure (RISK-6501P-08) and supporting documentation outlining program governance, roles and responsibilities, and audit methodologies. Energy Safety reviewed the submitted procedure, work plans, and oversight documentation and confirmed the QA program framework was formally documented and operational during 2024.

Upon reviewing PG&E’s response, Energy Safety determined that this verifiable statement, that a QA program was formally documented and operational in 2024, was supported.

Verifiable Statement #2

Per the 2024 WMP, PG&E stated, “a quality verification (QV) function will be performed in 2023 that provides analysis and program value.”⁸⁴

PG&E reported that the QV program name was changed to the QA program in 2023. Following the 2023 inspections, several modifications were made to the QA program in 2024. Modifications included:

⁸⁰ PG&E’s WMP does not prescribe a required timeframe for QA completion. However, Energy Safety conducted a calculation that reflects the difference, in calendar days, between the QC date and the QA date recorded for each audit location, averaged across all completed distribution QA audits.

⁸¹ PG&E Response to DR 017. [DR Q#2&9]

⁸² 2023-2025 WMP, page 523.

⁸³ PG&E Response to DR 017. [DR Q#3]

⁸⁴ 2023-2025 WMP, page 523.

- 1) Adding desktop reviews as an audit methodology,
 - PG&E identified operational constraints that limited the ability to conduct field audits including customer access issues, physical access limitations, and weather-related restrictions.
 - As a result, desktop audits were piloted in 2023 and found to mitigate these constraints, enabling PG&E to audit assets that had previously been inaccessible for review.
- 2) Updating the WMP language to combine desktop and field targets, and
 - An Energy Safety-approved change order to allow additional flexibility in audit populations and methods.
 - The change order consolidated desktop and field audit targets into a single commitment, aligning QA/QC audit execution with increased use of aerial inspection strategies, which observed a higher find rate than ground inspections.
- 3) Deploying updated inspection methodologies and audit tools.
 - Audit tools previously developed and maintained outside the quality management organization caused inefficiencies and dependencies. As a continuous improvement effort, PG&E updated audit tools managed by the quality management organization, which were tested and deployed for transmission QA in 2024 and expanded for use across all programs by 2025.⁸⁵

Upon reviewing PG&E's response, Energy Safety determined that this verifiable statement, performing a QA (formerly QV) function in 2023, and implementing modifications designed to enhance program effectiveness, was supported.

Verifiable Statement #3

Per the 2024 WMP, PG&E stated, "[QA] uses a statistically valid sample of QC completed locations."⁸⁶

In its response to a data request regarding this topic, PG&E stated it "utilizes statistical sampling for all QA programs to ensure the sample is representative of the population... A random number is assigned to each eligible location in the population using a random number generator, and the necessary sample is assigned based on the order of randomization."⁸⁷

Energy Safety observed that PG&E's QA samples were derived from the QC completed inspection populations and selected using a random approach. Energy Safety further observed that the QA sample sizes were generally comparable to commonly applied sampling thresholds. However, Energy Safety did not independently validate the statistical

⁸⁵ PG&E Response to DR 017. [DR Q#4]; PG&E Response to DR 062. [DR Q#14]

⁸⁶ 2023-2025 WMP, page 524.

⁸⁷ PG&E Response to DR 017. [DR Q#5]

methodology used by PG&E to establish sample sizes or determine whether the sampling approach satisfies the criteria for statistical validity as referenced in the WMP.

For transmission, the QC sample population included aerial, climbing, and ground overhead inspections; however, the QA sample population only included ground overhead inspections. Because PG&E's WMP statement did not specify that all transmission inspection types would be sampled, the failure to sample two different transmission inspection types does not affect PG&E's WMP commitment.

Upon reviewing PG&E's response, Energy Safety determined that this verifiable statement, to the extent that the QA program sampled QC completed locations and used a randomized approach, was supported. However, Energy Safety did not independently verify whether the sampling methodology met the criteria for a statistically valid sample as referenced in the 2024 WMP.

Verifiable Statement #4

Per the 2024 WMP, PG&E stated, "all [QA] discrepancies are documented in the electronic QC [sic] review assessment forms. Dashboards are used to show trends and any discrepancies using pre-determined metrics."⁸⁸

In PG&E's data request response, PG&E reported completing QA (formerly QV) audits of 2,970 transmission audit locations in 2024, of which 228 audit locations had discrepancies identified.⁸⁹ Table 8 summarizes the notification priority type⁹⁰ associated with the identified discrepancies.

Across the transmission QA population, PG&E reported a total of 11 reinspection⁹¹ priorities in 2024, which means that PG&E's QA auditor recommended 11 of the 228 QAed locations needed to be reinspected. All 11 locations identified for reinspection were not included as a miss for PG&E's pass rate calculation.

Energy Safety observed that discrepancies identified through transmission QA audits included a range of notification types, however, one out of 228 discrepancies identified in Table 8 was included in PG&E's pass rate calculation.

⁸⁸ 2023-2025 WMP, page 524.

⁸⁹ PG&E Response to DR 017. [DR Q#6-8]

⁹⁰ An audit location can have more than one notification priority identified. Therefore, the total count of 248 notification priorities listed in Table 8 is greater than the 228 audit locations.

⁹¹ PG&E issued internal guidance during 2024 standardizing terminology for QC audit outcomes, replacing prior references to reinspection and similar follow-up actions with "system inspection data verification". This terminology update was observed in the QC documentation; however, QA audit outputs reviewed by Energy Safety continued to reference "reinspection" and no information was provided indicating that a similar terminology update was applied to the QA program.

Table 8. Total Count of QA Transmission Discrepancies⁹²

Discrepancy Type	Total Count
Heavy damage with safety concerns (A-type notification)	1
Heavy damage (E (Expedited)-type notification)	1
Moderate damage (E (Standard)-type notification)	32
Light damage (F-type notification)	23
Non-prioritized	191
Total	248 ⁹³

In PG&E's data request response, PG&E reported completing QA audits of 7,098 distribution audit locations in 2024, of which 533 audit locations had discrepancies identified.⁹⁴ Table 9 summarizes the notification priority types⁹⁵ associated with the identified discrepancies.

Table 9. Total Count of QA Distribution Discrepancies⁹⁶

Discrepancy Type	Total Count
A	4
X	14
B	5

⁹² PG&E Response to DR 062. [DR Q#8]

⁹³ "Non-prioritized" is a term used by Energy Safety to denote the notifications that did not apply to any other notification priority type.

⁹⁴ PG&E Response to DR 017. [DR Q#6-8]

⁹⁵ An audit location can have more than one notification priority identified. Therefore, the total count of 593 notification priorities in Table 9 is greater than the 533 audit locations.

⁹⁶ PG&E Response to DR 062-A. [DR Q#1]

Discrepancy Type	Total Count
E	311
F	167
Non-prioritized ⁹⁷	92
Total	593 ⁹⁸

PG&E identified one reinspection priority in 2024 for distribution QA, which was associated with a documented discrepancy. Similar to transmission QA, this reinspection outcome was not included as a miss in PG&E's pass rate calculation.

Energy Safety also reviewed the total count of distribution notification priorities in relation to the reported 99.69% pass rate for the 2024 distribution QA program, while noting that PG&E identified 311 E-notification priorities. Including these E-notifications in the pass rate calculation would have had different results, therefore, lowering the pass rate.

Under PG&E's 2024 QA process, an audit was considered a failure if a critical attribute miss is identified, which for PG&E is an "A," "X," or "B" condition. However, Energy Safety notes that E priority notifications are those that present a moderate impact on safety, and if they are present in HFTD Tier 3 they must be remediated within six months. This is the same schedule established by PG&E for B priority notifications in HFTD Tier 3 areas, which are included in pass rate calculations, while E priority notifications are not. Energy Safety notes that E priority notifications represent identified asset deficiencies such as "service connectors exposed," "transformer bushing cover missing," "contaminated insulators," "chance clamps feeding more than two transformers," and "cotter pin is backing out," requiring corrective action.⁹⁹ Although these conditions do not meet PG&E's criteria for critical attribute miss, they represent documented deficiencies identified through the QA program. While PG&E's methodology focuses the reported pass rate on findings classified as critical misses, the exclusion of other documented deficiencies means the reported pass rate does not reflect the full range of deficiencies identified through the QA program.

⁹⁷ "Non-prioritized" is a term used by Energy Safety to denote the notifications that did not apply to any other notification priority type.

⁹⁸ "Non-prioritized" is a term used by Energy Safety to denote the notifications that did not apply to any other notification priority type.

⁹⁹ PG&E Response to DR 017. [DR Q#2 & 6]

Recommendation: Energy Safety recommends that PG&E evaluate whether additional notification priorities should be incorporated into the audit pass rate calculation to improve transparency to its decisionmakers and to better reflect asset condition risk.

In addition, in its review of transmission QA documentation, Energy Safety identified instances in which the final QA audit form includes a field labeled “QC inspection start” populated with a date corresponding to the QA inspection activity.¹⁰⁰ PG&E confirmed in its data response that this field was mislabeled and should instead reflect “QA inspection start.”¹⁰¹ While this labeling issue did not affect the audit outcome or performance calculations, Energy Safety notes that correcting the field label would improve clarity and reduce potential confusion.

Recommendation: Energy Safety recommends that PG&E correct the identified QA form labeling issue to ensure accurate audit documentation.

Upon reviewing PG&E’s response, Energy Safety determined that PG&E supported the verifiable statement by documenting QA discrepancies through electronic QC review asset forms and using dashboards to summarize trends.

Verifiable Statement #5

Per the 2024 WMP, PG&E planned “to update existing QV procedures for systems inspections.”¹⁰²

In PG&E’s data request response, PG&E provided its QA (formerly QV) system inspection procedure RISK-6501P-08, published in December 2024, which superseded the prior version issued in July 2023. The updated procedure outlines QA system inspection requirements for both distribution and transmission programs, including personnel qualification requirements, audit scope (including HFTD and/or buffer areas), sampling parameters, selection methodology, audit execution steps, and review and approval workflows.¹⁰³

Upon reviewing PG&E’s response, Energy Safety determined that this verifiable statement, updating existing QA (formerly QV) procedures, was supported.

Verifiable Statement #6

Per the 2024 WMP, PG&E stated that “all auditors are required to meet the following minimum requirements: high school diploma or general education development test; utility industry experience; seven years job-related experience; qualified electrical worker certification; and electric utility apprentice program training completion.”¹⁰⁴

¹⁰⁰ PG&E Response to DR 017. [DR Q#2]

¹⁰¹ PG&E Response to DR 017-A [DR Q#2]

¹⁰² 2023-2025 WMP, page 523.

¹⁰³ PG&E Response to DR 017. [DR Q#9]

¹⁰⁴ 2023-2025 WMP, page 524.

In PG&E's data request response, PG&E reported that in 2024, the QA program consisted of 12 contracted QA auditors and no internal QA auditors. PG&E provided the supporting documentation, including the auditor's unique identifier, qualified electrical work certification date, and electric utility apprentice program training completion date for all personnel.¹⁰⁵

Upon reviewing PG&E's response, Energy Safety determined that this verifiable statement, that auditors meet the above requirements, was supported.

6. Summary of Audit Observations

With respect to the second element of the audit scope (to make observations or recommendations for improvements to PG&E's asset inspection quality assurance and quality control programs), Energy Safety includes as Table 10 below its observations and recommendations. Detailed analysis of PG&E data to support these observations and recommendations are contained in Sections 4 and 5, above.

Table 10: List of Audit Observations

No.	PG&E Observation	PG&E Observation Detail	SCE ¹⁰⁶ and SDG&E ¹⁰⁷ Program Practices
1	Incomplete QA audit coverage across transmission inspection types	QA audit coverage across transmission inspection types was incomplete, as audits were limited to ground inspection of overhead equipment. Aerial and climbing inspections of overhead equipment were included in the QC population; QA audits did not extend across all inspection types within the transmission inspection population. PG&E attributed this to QA checklist development for these inspection types not being completed in 2024, with implementation deferred to 2025.	SCE performs QC of its Transmission 360 and High Fire inspections programs. SCE's QA activities evaluate processes, as opposed to the evaluation of the finished product completed by QC reviews. SDG&E audits all transmission inspection types, including detailed, patrol, and infrared inspections.

¹⁰⁵ PG&E Response to DR 017. [DR Q#10-11]

¹⁰⁶ SCE Response to DR 105.

¹⁰⁷ SDG&E Response to DR 106

No.	PG&E Observation	PG&E Observation Detail	SCE ¹⁰⁶ and SDG&E ¹⁰⁷ Program Practices
2	High pass rates with excluded inspection findings	PG&E exceeded its 2024 QA and QC WMP targets with pass rates exceeding 99%. However, in Distribution QC, approximately 98% (12,267) of the discrepancies created during the QC process were excluded from the pass rate calculation. Therefore, reported pass rates may not fully reflect the volume of identified asset deficiencies requiring corrective action.	SCE defines a conforming structure as one without high (priority 1) or moderate (priority 2) findings identified during a QC review or inspection. Priority 2 findings, if discovered, would result in a failed structure, as compared to PG&E's practice in 2024 of excluding certain priority 2 findings for the pass rate calculation. SDG&E did not assign pass/fail outcomes for QA/QC audits before 2026, citing timing gaps that could allow conditions to worsen between initial inspections and QA/QC audits. Starting in 2026, the pass rate calculation for distribution inspections includes findings related to fire or safety-related conditions for all GO 95 priority levels. This contrasts with PG&E's past practice of excluding certain GO 95-related conditions from the pass rate calculation.

No.	PG&E Observation	PG&E Observation Detail	SCE ¹⁰⁶ and SDG&E ¹⁰⁷ Program Practices
3	Predominant use of desktop audits	Approximately 95% of QC audits and approximately 76% of QA audits were conducted via desktop review in 2024, with the remaining audits performed through field verification. PG&E utilized both desktop and field audit methodologies; however, Energy Safety did not identify documented criteria describing when each methodology should be used. The documentation reviewed did not explain the basis for selecting desktop versus field audits for completed inspections.	SCE performed all QC inspections for the 2025 WMP programs in the field. SDG&E uses both desktop and field audit methodologies to review inspection findings in 2025, with approximately two-thirds of distribution inspection programs audited in the field.
4	Inclusion of non-auditable or limited scope reviews	Non-auditable or limited-scope designations, such as inaccessible sites, were included within the completed audit population used to support WMP target attainment. This implies that asset verifications may not have been performed in full, reducing assurance that all risks were identified and appropriately.	SCE subjects all completed inspections to QC review. For inaccessible structures, QC inspectors document the conditions by selecting the “hard to access” designation and providing supporting photo evidence. SDG&E excludes audit outcomes associated with access issues or incomplete audits from the pass rate calculation.

No.	PG&E Observation	PG&E Observation Detail	SCE ¹⁰⁶ and SDG&E ¹⁰⁷ Program Practices
5	Data inconsistencies affecting metric transparency	Three categories of data inconsistencies observed: 1) discrepancies between data PG&E reported publicly through the QDR process and the data PG&E provided in response to this audit; 2) inspection form labeling inconsistencies; 3) QA audits conducted on locations outside the completed QC audit population.	SCE's QA program evaluates program processes, as opposed to evaluating completed inspection results through QC review. SDG&E QA/QC sample populations are determined based on inspection findings rather than a uniform population of completed QC audits, with some programs using aligned and others using segmented sampling based on inspection outcomes.
6	QA/QC criteria revisions affecting pass rates	Between 2023 and 2024, PG&E revised the QA/QC criteria for determining whether an inspection failed to detect certain conditions, and this may have contributed to an improvement in the pass rate from 2023 to 2024. PG&E attributes the decrease in identified findings to the revisions to critical attribute criteria, including the removal of transmission photo-related conditions and narrowing the distribution criteria to higher risk notification priorities.	SCE's programs are reviewed and updated annually; however, no changes to QC criteria have been made since 2024. SDG&E did not calculate pass/fail rates for QA/QC programs in 2024. Beginning in 2026, pass/fail rate criteria were implemented for detailed inspection of its overhead distribution equipment.

No.	PG&E Observation	PG&E Observation Detail	SCE ¹⁰⁶ and SDG&E ¹⁰⁷ Program Practices
7	Contractor-reliant audit workforce	In 2024, QA functions were fully contracted out and approximately 80% of QC functions were contracted out.	SCE employees completed all QC inspections. SDG&E's QA/QC audits were performed by a combination of internal personnel and contracted resources. For transmission and certain distribution inspections, internal staff fully performed the audits, while others, such as risk-informed drone inspections, were fully contracted or completed by machine learning models.
8	Unclear distribution audit failure criteria	While distribution QA failure criteria (i.e., observation of an A, X, or B condition) were applied in performance reporting, PG&E did not produce clearly documented procedures or job aids defining the distribution failure criteria.	SCE's documented procedures noted that any misidentified items or issues that affect safety/reliability will result in a failed asset/structure for the purpose of assessing overall performance. SDG&E's QA/QC program does not have documented job aids for audit failure criteria; SDG&E failure criteria for distribution inspection audits are defined in its WMP and communicated through training and reporting.

7. Conclusion

Overall, PG&E demonstrated Quality Assurance and Quality Control program frameworks consistent with its WMP commitments and successfully executed its 2024 QA/QC initiatives.

The primary objective of this audit was to determine whether PG&E adhered to the targets, objectives, and verifiable statements of two sections of its WMP: Section 8.1.6.1 (Quality Assurance (QA) for asset inspections) and Section 8.1.6.2 (Quality Control (QC) for asset inspections) for calendar year 2024. A secondary objective was to holistically examine the QA and QC programs to determine if there were any observations or recommendations that could be made to improve the programs, especially in light of the practices of other electrical corporations.

Energy Safety determined that PG&E met the 2024 QA and QC quantitative targets and relevant commitments under its WMP Sections 8.1.6.1 (QA for asset inspections) and 8.1.6.2 (QC for asset inspections). PG&E's QA/QC audit numbers and pass rates exceeded its WMP commitments for both transmission and distribution inspection programs, and PG&E documented QA/QC audit procedures that it used in 2024.

As part of its qualitative evaluation of PG&E's QA and QC programs, Energy Safety made certain observations and recommendations. They highlight opportunities to enhance reporting transparency, documentation clarity, and audit methodology balance. These observations come, in part, from comparing similar QA and QC practices by SCE and SDG&E. Relevant comparisons between PG&E's QA/QC program and those of SCE and/or SDG&E, if applicable, are summarized here along with any recommendations made by Energy Safety in light of them.

1. There was incomplete QA audit coverage across transmission inspection types by PG&E, with QA audits limited to ground inspections and not performed for aerial and climbing transmission inspections. In the case of SDG&E, all transmission inspection types are included in its QA/QC audit program.
2. While there were high reported pass rates by PG&E, in some cases a substantial volume of inspection findings (e.g., maintenance issues that would have required correction within six months in some high-risk areas of PG&E's territory) were excluded from the pass rate calculations, which may limit the extent to which reported results reflect identified asset conditions.
3. There were far more desktop audits conducted by PG&E relative to field-based audits. In the case of SCE, all QC inspections performed for 2025 WMP programs were in the field. In the case of SDG&E approximately two-thirds of distribution inspection programs were audited in the field in 2025. Energy Safety recommends that PG&E evaluate its QA/QC audit methodology to ensure an appropriate balance between desktop and field-based audits are performed to support effective asset condition verification and WMP risk reduction objectives.
4. PG&E counted non-auditable or limited scope reviews within audit populations to support WMP target attainment, despite incomplete assessment of these locations. In the case of SDG&E, it excludes audit outcomes associated with access issues or incomplete audits from the pass rate calculation. Energy Safety recommends that PG&E establish and document formal controls to ensure that audits that are not

completed do not have the effect of improving PG&E’s reported WMP target attainment metric.

- 5. There were data inconsistencies between PG&E’s reported metrics and supporting datasets that affected metric transparency.
- 6. Between 2023 and 2024, PG&E revised the QA/QC criteria for determining whether an inspection failed to detect certain conditions, and this may have contributed to an improvement in pass rates from 2023 to 2024. In the case of SCE, its programs are reviewed and updated annually; however, no changes to QC criteria have been made since 2024.
- 7. PG&E relied heavily on contracted personnel to perform QA/QC activities, which requires strong standards alignment and feedback controls. In the case of SCE, its employees completed all QC inspections.
- 8. Distribution audit failure criteria were not clearly documented by PG&E, which may limit transparency and consistency in how audit outcomes are determined.

Overall, while PG&E successfully executed its 2024 QA/QC initiatives, there remain areas for continued improvement. PG&E’s QA/QC programs reflect ongoing program maturation and a commitment to continuous improvement. Energy Safety will continue to monitor PG&E’s wildfire mitigation initiatives to support sustained progress in reducing utility-related wildfire risk in California.

8. References

Table 11. References

Citation	Reference
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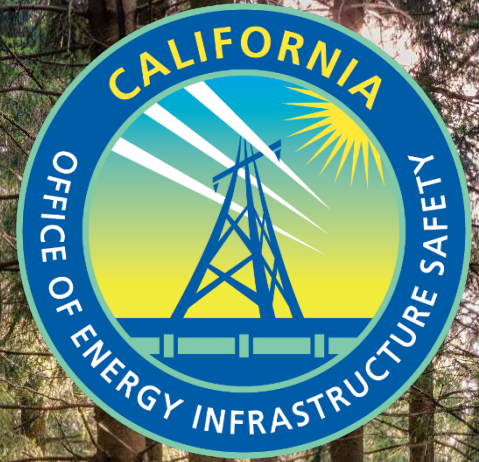
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TD-8123S	Pacific Gas and Electric Company, "Electric System Patrol, Inspection, and Maintenance Program Standard," Published January 31, 2020.
WMP Guidelines	Office of Energy Infrastructure Safety, " <u>2023-2025 WMP Technical Guidelines</u> ," Published December 6, 2022, URL: (https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=53286&document=2023-2025-WMPs&shareable=true)

DATA DRIVEN FORWARD-THINKING INNOVATIVE SAFETY FOCUSED



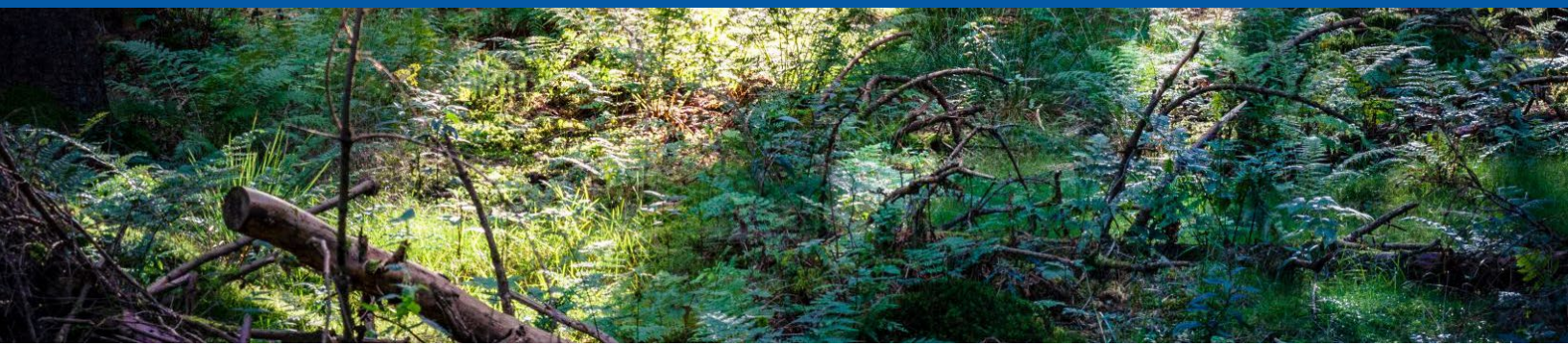
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APPENDIX

Energy Safety's Analyses



9. Appendix Summary

Appendix A: System Inspections QC Procedure



Utility Procedure: RISK-6501P-04
Publication Date: 04/06/2023 Rev:0

[Systems Inspections Quality Control]

SUMMARY

[This utility procedure establishes PG&E conditions for developing and maintaining Electric Quality Control (QC) Programs to assess electric transmission, substation, and distribution assets and work conducted by PG&E System Inspections (SI). QC programs verify the accuracy and completeness of inspections and recordkeeping methods. This procedure summarizes PG&E QC Assessment Programs.
Level of Use: Informational Use]

TARGET AUDIENCE

The following SI personnel are the key target audience for this procedure.

- QC Specialist
- QC Business Analyst
- QC Program Manager
- Quality Manager
- Compliance Supervisors and Inspectors
- Compliance Execution Leadership

SAFETY

This procedure describes administrative tasks that do not expose personnel to any significant hazards.

BEFORE YOU START

N/A

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**[Systems Inspections Quality Control]****PROCEDURE STEPS****1 General Requirements**

- 1.1 QC Procedures drive continual improvement in alignment with PG&E Electric Standards and procedures and PG&E's vision of becoming the safest and most reliable electric company in the United States.
- 1.2 QC personnel CHECK that inspections comply with the guidance in the Electric Distribution Preventive Maintenance Manual (TD-2305M), Electric Transmission Preventive Maintenance Manual (TD-1001M), and Utility Procedure TD-8123P-103, "Electric Transmission Line Guidance for Setting Priority Codes."
- 1.3 QC personnel CREATE an annual sampling plan based on the previous years' work for each key inspections program area.
 1. The annual plan is reviewed each year to determine the frequency of QC activities.
- 1.4 QC specialists CONDUCT assessments to support process owners involved with process control development and process improvement.
 1. Assessments may be performed alongside an employee executing a task (real time side-by-side) after the work has been performed (post-work) via a field or desktop review.

2 QC Assessment Triggers

- 2.1 CONDUCT QC activities as part of routine inspection quality assessments.
 1. IF QC personnel OBSERVE ad hoc quality performance issues (in addition to issues observed while performing routine inspections)

THEN QC personnel may INITIATE additional QC activities.
 2. The following Table 1 lists the three methods for selecting assets to assess



[Systems Inspections Quality Control]

Table 1. QC Assessment Selection Methods

Selection Method	Description
Random Selection	Identifies assets to evaluate using a simple random process. The identified assets determine the inspector(s) to assess. Methodology Goal: Assess each inspector once a year.
Targeted	Dictated by special circumstances, such as confirmed "outlier" inspectors for review, based on the following criteria: • Quality Key Performance Indicators (KPIs) tracking data. • Areas of poor performance. • Leadership request. • Standardized assessment cadence.
Probable Cause	A vendor's or inspector's performance does not meet minimum quality standards or is found unsatisfactory through other SI processes or channels. In these cases, conduct additional QC inspections to verify work quality.

3 Sampling

- 3.1 QC personnel **SELECT** the work and asset location to perform QC assessments, using representative sampling.
 1. DRAW a representative sample from a population of interest. Demographics and characteristics of the sample should match those of the population of interest in as many ways as possible.
 2. Sample selection may be random or targeted. SEE [Table 1](#) above for sampling types.
- 3.2 Due to the large volume of detailed inspections conducted, QC personnel must, at a minimum, **REVIEW** a sample from the overall completed inspection population.
 1. ESTABLISH statistically valid sampling plans (using key system risk information available during the inspection period) to select appropriate confidence level and compliance error rates.
- 3.3 Assigned personnel **GENERATE AND MAINTAIN** all sampling files in the SI Quality Control Teams site.
- 3.4 QC personnel **ARE RESPONSIBLE** for overall electric operations QC in key inspections program areas, including:
 1. Distribution overhead
 2. Transmission overhead
 3. Pole test and treat

**[Systems Inspections Quality Control]**

- 3.5 ADD, REMOVE, OR COMBINE programs based on electric operations business objectives.
- 3.6 QC personnel MANAGE internal business processes that detail specific processes for performing QC on each key program area listed in [Items 1–3](#) above.
- 3.7 Each electric QC program verifies the following:
 - 1. Consistency of co-worker work methods and PG&E Standards and Procedures
 - 2. Accuracy and completeness of the original inspection
 - 3. All attributes identified on the QC checklist
- 3.8 TRACK assessment results each quarter in the Corrective Action Program (CAP) to provide trending analyses.
 - 1. INCLUDE nonconformance Critical, High, Medium, and Low risk attributes.
 - 2. SEND missed critical-risk attributes found during an assessment directly to the process owner for resolution.
- 3.9 QC personnel performing work tasks must COMPLETE all training required by the associated governing document.
 - 1. REFER to requirements and procedures associated with a specific guidance document (such as a standard or procedure) for training requirements.

4 Roles and Responsibilities

- 4.1 QC leadership IS RESPONSIBLE for the following tasks:
 - 1. COORDINATE AND DEVELOP metrics and reports to continually support procedures and process improvement.
 - 2. MANAGE business process documents.
- 4.2 QC supervisors and subject matter experts (SMEs) ARE RESPONSIBLE for the following tasks:
 - 1. REVIEW the annual sampling plan.
 - 2. REVIEW assessments prepared by assessors and specialists.
 - 3. NOTIFY functional area (FA) personnel of high-level priority tasks that were missed during an assessment.
 - 4. ENSURE all process owners and leaders are aware of and address high-level priority tasks missed during an assessment.

**[Systems Inspections Quality Control]**

- 4.3 QC specialists PERFORM QC assessments AND COORDINATE investigations.
- 4.4 Leadership for field organizations being assessed ARE RESPONSIBLE for the following tasks:
 - 1. PROVIDE timely responses and resources during assessments.
 - 2. IMPLEMENT corrective actions initiated and required by the assessment results.
 - 3. SUPPLY QC specialists with necessary documents, as requested.
 - 4. ENSURE QC personnel have inspection work plans.
- 4.5 Asset strategy and standard personnel ARE RESPONSIBLE for the following tasks:
 - 1. COMMUNICATE changes to the inspection plan, as well as changes to any procedure or asset-related inspection criteria and methods, to the Quality Control Team.
 - 2. PROVIDE priority rankings for critical attributes.
 - 3. REFER QC personnel to the Compliance Inspection and Maintenance Program.
- 5 QC Program Elements**
- 5.1 Each QC program includes the following elements:
 - 1. Scope
 - 2. Objective
 - 3. Approach
 - 4. Compliance requirements or regulatory commitments
 - 5. Reference documents that must be reviewed before the assessment
 - 6. Statistical methodology that QC personnel employ as QC statistical process controls (SPCs)
 - 7. Methods for selecting assessment samples
 - 8. Key QC control points that must be measured during the assessment
 - 9. Specific tasks that must be performed before and during the assessment
 - 10. Predefined findings deemed critical nonconformances based on risk
 - 11. Equipment required to perform the assessment



[Systems Inspections Quality Control]

12. QC assessment checklist specifically designed for the process or product being assessed
13. Required documentation

6 Corrective Actions and Scheduled QC Follow-Up/Closeout

- 6.1 To address discrepancies from QC assessments, QC personnel CREATE new findings (i.e., S5s and S9s) AND UPDATE existing findings (i.e., Field Safety Reassessments [FSRs]) via SAP corrective notifications.
 1. The Centralized Inspection Review Team (CIRT) REVIEWS all corrective notifications created by QC personnel.
- 6.2 The QC program description specifies the conditions under which a corrective action must be developed for the product being assessed.
 1. Regardless of the reason for a correction, COMMUNICATE the following information to leadership:
 - a. Immediate corrective actions taken/to take
 - b. Safety issues and emergency conditions
 - c. A-Tags/L1 Priority
 - d. Any follow up with the SI supervisor/leader
 - e. Email communicating discrepancies to FA leaders
 2. Reinspection(s):
 - a. Email communicating discrepancies to FA leaders
- 6.3 QC personnel TRACK critical attribute findings in PowerBI.
 1. Findings may include additional information, such as immediate corrective action taken.
- 6.4 QC personnel TRACK CAP notifications of high-priority tasks to verify they are executed within the agreed timelines.
- 6.5 On a quarterly basis (for close-out), QC analysts/specialists SUBMIT a CAP with the following information:
 1. Prioritization by priority ranking (Critical, High, Med, Low).
 2. Overall and critical pass rates for the program(s) and assessments.
 3. Number of overall assessments performed.



[Systems Inspections Quality Control]

4. Requirements for FA leaders/stakeholders to document tasks, strategies, and corrective actions taken to address trending summaries/findings.
5. Final review for quality closure with stakeholders.
- 6.6 INCLUDE a PDF report with all pertinent assessment information from each QC review completed on an Internet-based application.

NOTE

For records with a **Critical** discrepancy (including structures for re-inspection), Internet-based applications automatically send PDFs for those records to the inspector's immediate PG&E supervisor in real time (records are reviewed and completed in QC).

- 6.7 ARCHIVE all records in the QC Teams SharePoint.
 1. The QC business analyst RUNS a weekly records report and PROVIDES a hyperlink to those records to the respective PG&E supervision teams.
 - a. The report must identify records by the inspection method/division or Major Work Category (MWC), Inspector, or Equipment ID.
- 6.8 QC managers, supervisors, and principals INITIATE AND HOLD weekly stakeholder meetings to communicate the previous week's trends.
 1. QC personnel participating in SI Daily Operating Reviews/Weekly Operating Reviews (DORs/WORs) may be included in weekly stakeholder meetings.
 2. Weekly Stakeholder Meeting Goals:
 - a. DISCUSS highlights from the finding trends identified by the QC specialists.
 - b. REVIEW the SI QC dashboard (summarization of the QC findings for the FA).
 3. Leadership in charge of field organizations being assessed ARE RESPONSIBLE for the following tasks:
 - a. USE QC data to drive improvement between team members.
 - b. IMPLEMENT corrective actions required by the results of assessment activities.
 - c. SUPPORT QC, as required.

7 Work Verification

- 7.1 VERIFY work or PERFORM QC through a desktop review, field work verification, and data analysis to identify trends.



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- 7.2 EXECUTE activities based on either sampled or entire inspected populations and/or inspection documents.
- 7.3 Work verification teams ARE RESPONSIBLE for the following tasks:
1. PROVIDE feedback to execution teams with specific criteria for improvements.
 2. COLLECT and DISSEMINATE internal or external quality reviews to third parties.

END of Instructions

DEFINITIONS

Quality assurance (QA): Ensures compliance discrepancies resulting from completed QC and QV assessments are integrated into improvement efforts for updated standards, procedures, and training. QA is performed independent of the SI execution schedule.

Quality control (QC): Ensures completed inspections performed by system inspections (SI) meet compliance standards. Ensures adherence to PG&E standards and procedures.

Quality verification (QV): Ensures work completed by QC personnel meets compliance standards.

IMPLEMENTATION RESPONSIBILITIES

The director in charge of compliance and quality management is responsible for implementing this procedure.

GOVERNING DOCUMENT

[Utility Standard TD-8123S, "Electric System \(T/S/D\) Patrol, Inspection, and Maintenance Program"](#)

COMPLIANCE REQUIREMENT / REGULATORY COMMITMENT

Records and Information Management:

Information or records generated by this procedure must be managed in accordance with the Enterprise Records and Information (ERIM) program Policy, Standards and Enterprise Records Retention Schedule (ERRS). REFER [GOV-7101S, "Enterprise Records and Information Management Standard"](#) and related standards. Management of records includes, but is not limited to:

- Integrity
- Storage
- Retention and Disposition
- Classification and Protection



Utility Procedure: RISK-6501P-04
Publication Date: 04/06/2023 Rev:0

[Systems Inspections Quality Control]

REFERENCE DOCUMENTS

Developmental References:

[Electric Distribution Preventive Maintenance Manual](#) (TD-2305M)

[Electric Transmission Preventive Maintenance Manual](#) (TD-1001M)

[Utility Procedure TD-8123P-103, "Electric Transmission Line Guidance for Setting Priority Codes"](#)

Supplemental References:

[Utility Standard GOV-1038S, "Inspection and Corrective Maintenance Governance"](#)

APPENDICES

N/A

ATTACHMENTS

N/A

DOCUMENT RECISION

N/A

DOCUMENT APPROVER

[REDACTED], Director, System Inspections Quality Control

DOCUMENT OWNER

[REDACTED], Principal, System Inspections Quality Control

DOCUMENT CONTACT

[REDACTED], Principal, System Inspections Quality Control

REVISION NOTES

Where?	What Changed?
N/A	[Document moved from Technical Information Library (TIL) to Guidance Document Library (GDL) and transferred to GDL mandated template.]



Utility Procedure: RISK-6501P-04
Publication Date: 04/06/2023 Rev:0

[Systems Inspections Quality Control]

Appendix B: QA System Inspection Procedure



Utility Procedure: RISK-6501P-08
Publication Date: 12/18/2024 Rev: 0

Quality Assurance System Inspections Procedure

SUMMARY

This document provides an overview of the Quality Assurance System Inspection (QASI) process and requirements. It identifies the key steps and considerations involved in QASI's audit process for Distribution and Transmission Assets.

Level of Use: Informational Use

TARGET AUDIENCE

QASI team members

SAFETY

QASI adheres to PG&E Enterprise Health and Safety requirements to ensure safety of all parties. These requirements are outlined in [SAFE-5000M, "PG&E Safety Excellence Management System Manual \(PSEMS\)"](#).

BEFORE YOU START

Prior to beginning any QASI assessment process:

- Review applicable standards, procedures, and standard work documents.
- Understand roles and responsibilities in performing the planned activity.
- Verify condition of required PPE and equipment.
- Ensure readiness of electronic devices, applicable software, and supporting documentation.

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PROCEDURE STEPS

1 PERSONNEL

1.1 Qualifications



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1. As a minimum, all QASI Specialists are required to meet the following requirements:

- a. High School Diploma or General Educational Development Test (GED)
- b. Utility industry experience
- c. 7 years job related experience
- d. Qualified Electrical Worker (QEW) Certification; and
- e. Electric utility Apprentice Program training completion.

The minimum requirements are subject to change based on the needs of the program and required expertise.

2 SCOPE

The System Inspection Quality Assurance group will examine a statistically valid random sample of completed Quality Control (QC) audits (field and desktop) within High Fire Threat District (HFTD), High Fire Risk Area (HFRA), and or Buffer Areas: Unless stated otherwise, all initiative work described involves work or audits on units or equipment located in, traversing, energizing, or protecting units or equipment in HFTD, HFRA, or Buffer Zone areas.

3 SAMPLING, PARAMETERS USED AND HOW LOCATIONS ARE SELECTED

- a. Source of data and how locations are selected:
 - (1) The QA Analyst pulls a filtered QC data set on both field and desktop audits completed in the prior weeks by QC specialist. A sample from that population of audited locations is generated using the parameters of a confidence interval as established in the *Wildfire Mitigation Plan Define Phase* documents. The sample consists of several locations, which have multiple assets associated with their own respective SAP Equipment ID's.

4 HOW AUDITS ARE PERFORMED

- a. How is the sample used for QA audits?
 - (1) The sample determines the locations where the Quality Assurance Auditors will conduct their audits. Each location is based on an address with assets associated with the address listed. The sample locations are attached to the QA Audit Form by using latitude and longitude coordinates found in audit PDFs. In addition, there is a master dataset used to match the SAP Equipment IDs with their latitude and longitude.



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- (2) The QA Specialist evaluates each asset and inputs their observations, notes, and findings on the QA Audit Form. If the Specialist identifies a location that has a finding that was not already identified by the QC Specialist, then the QA Specialist will create a new discrepancy.
 - (3) After the audit is complete, the QA Specialist closes out the inspection by submitting the inspection form. Only after the QA Specialist has reviewed and approved the audit is the record available for analysis. QA Specialist will then submit the results to the Subject Matter Expert (SME) for review. Upon review, the SME will either 'reject' the form and send it back to the auditor for corrections, or the SME will 'accept' and submit to database.
- b. What happens when an audit is complete?
- (1) When the audit is completed and approved, the data is released as "complete." At this point, the analyst can include the record in their weekly analysis as described in Section 5.

5 HOW ARE RESULTS CALCULATED AND PUBLISHED?

- a. In the applicable system of record, the following occurs before the results are published:
 - (1) Once QA audits are complete, data is imported to the applicable system of record.
 - (2) The applicable system of record QA dataset fields will be prepared by renaming, reordering, removing, and/or reorganizing data columns.
- b. The following calculations are made and published on the applicable system of record:
 - (1) Number of discrepancies = findings that differ between QC and QA
 - (2) Critical Attribute Pass Rate by QA Week = number of unique SAP Equipment IDs with zero Critical Attribute Finding divided by total number of unique SAP Equipment IDs reviewed

END of Instructions

DEFINITIONS

Critical Attribute: the highest risk deficiency as defined by PG&E's Asset Strategy group.

Discrepancies: findings that differ between QC and QA



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IMPLEMENTATION RESPONSIBILITIES

QASI is responsible for the implementation of this document.

GOVERNING DOCUMENT

RISK-6501S [Electric Operations Quality Management Standard](#)

COMPLIANCE REQUIREMENT / REGULATORY COMMITMENT

Information and Records Management:

PG&E Data, Information, and Records are company assets that must be traceable, verifiable, accurate, and complete and can be retrieved upon request. Functional Areas are responsible for complying with the Information & Records Governance Policy, Standards, and the Information and Records Retention Schedule. Refer to [GOV-7101S, "Enterprise Records and Information Management Standard"](#) for further guidance or contact Information & Records Governance at Information&RecordsGovernance@pge.com.

QUALIFICATIONS AND TRAINING:

Qualified Electrical Worker (QEW)

REFERENCE DOCUMENTS

Developmental References:

NA

Supplemental References:

NA

APPENDICES

NA

ATTACHMENTS

NA

DOCUMENT REVISION

NA



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Quality Assurance System Inspections Procedure

DOCUMENT APPROVER

 Director, Process and Data Quality

DOCUMENT OWNER

 Manager, Quality Assurance System Inspections

DOCUMENT CONTACT

 Senior Compliance & Risk Consultant, Quality Assurance System Inspections

REVISION NOTES

Where?	What Changed?
Entire document	New document

Appendix C: PG&E Notification Prioritization

General Order (GO) 95, as established by the California Public Utilities Commission (CPUC), sets out three different priority levels for conditions that are observed during inspection programs of an electrical corporation's assets. PG&E uses a risk-informed prioritization approach to categorize conditions identified through its programs (i.e., system inspection, QA, and QC) and assigns internal notification priority and correct action timelines in accordance with GO 95. Corrective action timelines may vary depending on asset location and potential impact to safety or reliability.¹⁰⁸

Table 12. PG&E Asset Condition Prioritization

GO 95 Priority Level	PG&E Notification Priority	HFTD Tier 3	HFTD Tier 2 / HFRA	Non-HFTD
Level 1: immediate risk of high potential impact to safety and reliability	A	Fix within 24 hours	Fix within 24 hours	Fix within 24 hours
Level 2: at least moderate potential impact	X	Fix within five days	Fix within five days	Fix within five days
Level 2: at least moderate potential impact	B ¹⁰⁹	Fix within six months	Fix within six months	Fix within six months
Level 2: at least moderate potential impact	E	Fix within six months	Fix within 12 months	Fix within 36 months
Level 3: low potential impact	F	Fix within 60 months	Fix within 60 months	Fix within 60 months

¹⁰⁸ 2023-2025 WMP, page 533- 535.

¹⁰⁹ PG&E field personnel have the ability to set deadlines shorter than the default deadlines for B and E notifications based on specific locations/consequence potential.

Appendix D: 2023 QC Critical Attributes Miss Categorized as N/A

In PG&E's data response, there were some critical attribute misses categorized as "N/A" in 2023, which were used when a discrepancy description did not match an existing description in its database and an auditor had to manually enter the finding description in another field of the inspection form. PG&E provided additional detail and a description of the critical findings for the discrepancy description type "N/A" that was later added in a database update for continuous improvement.

Figure 7. Distribution Findings with Discrepancy Type N/A

Inspection Question - Describing Finding	Total Critical Finding
2023 QC Distribution Desktop Audits Finding Type "N/A"	2,745
Anchor rod broken, damaged, corroded, covered by vegetation/overgrown, soil-eroded, graded, or buried	889
Attach 2 Photos of the entire pole from 2 locations	7
Conductor has splices tied in proximity to insulator preventing free movement of splice with conductor	118
Guy wire broken, damaged, clearance issues, corroded, strain or abrasion	246
Hand or perform tie wire broken, damaged, burnt, corroded, loose, showing signs of wearing, missing, or missing armor rod	259
Jumper burnt or jumper clearance issues	35
Necessary guys missing or loose	407
Primary covered conductor ("tree wire") has exposed, energized sections (such as rotated Kaddas covers, splices, connectors, flying bells) that are not covered or jacket has visible damages or signs of tracking	612
Primary or secondary conductor has diminished clearance mid span or uneven conductor sag	9
Primary, secondary, and/or service conductors broken, damaged, burnt, corroded, loose, frayed or bird caging	163
2023 QC Distribution Field Audits Finding Type "N/A"	2,548
Anchor rod broken, damaged, corroded, covered by vegetation/overgrown, soil-eroded, graded, or buried	276
Conductor has splices tied in proximity to insulator preventing free movement of splice with conductor	113
Guy wire broken, damaged, clearance issues, corroded, strain or abrasion	220
Hand or perform tie wire broken, damaged, burnt, corroded, loose, showing signs of wearing, missing, or missing armor rod	280
Jumper burnt or jumper clearance issues	14
Necessary guys missing or loose	646
Primary covered conductor ("tree wire") has exposed, energized sections (such as rotated Kaddas covers, splices, connectors, flying bells) that are not covered or jacket has visible damages or signs of tracking	28
Primary or secondary conductor has diminished clearance mid span or uneven conductor sag	85
Primary, secondary, and/or service conductors broken, damaged, burnt, corroded, loose, frayed or bird caging	886
2023 QC Distribution Grand Total Critical Findings (Desktop + Field Audits) by type "N/A"	5,293

Appendix E: PG&E’s Response to Audit

On May 29, 2026, Energy Safety provided PG&E with a draft audit report and an opportunity to review and comment on it before publication. PG&E submitted comments on June 16, 2026, regarding the draft report and the observations identified in the audit. PG&E’s comments included clarifications, additional context on program implementation, and information on program changes and enhancements implemented after 2024. Energy Safety reviewed PG&E’s comments, and they did not result in changes to the audit observations or recommendations in this report. PG&E’s response to each of the observations are repeated in the table below.

Table 13. PG&E’s Response to the Observations

No.	PG&E Observation	PG&E Observation Detail	PG&E Response of June 16, 2026
1	Incomplete QA audit coverage across transmission inspection types	QA audit coverage across transmission inspection types was incomplete, as audits were limited to ground inspection of overhead equipment. Aerial and climbing inspections of overhead equipment were included in the QC population; QA audits did not extend across all inspection types within the transmission inspection population. PG&E attributed this to QA checklist development for these inspection types not being completed in 2024, with implementation deferred to 2025.	While PG&E did include these inspection types in the eligible QC population in 2024, it is correct that they were absent from the QA program’s coverage at that time. QA program coverage was, however, expanded in 2025 to provide additional insight into a wider variety of inspection methodologies, including aerial and climbing inspections.

No.	PG&E Observation	PG&E Observation Detail	PG&E Response of June 16, 2026
2	High pass rates with excluded inspection findings	PG&E exceeded its 2024 QA and QC WMP targets with pass rates exceeding 99%. However, in Distribution QC, approximately 98% (12,267) of the discrepancies created during the QC process were excluded from the pass rate calculation. Therefore, reported pass rates may not fully reflect the volume of identified asset deficiencies requiring corrective action.	Although all the observations and findings are reviewed by the Asset teams, the Distribution pass rate data focuses on high-risk findings. PG&E appreciates Energy Safety's feedback regarding other Investor-Owned Utilities practices; as part of our general commitment of continuous improvement, we will meet further with our peer utilities to identify how our practices can improve.
3	Predominant use of desktop audits	Approximately 95% of QC audits and approximately 76% of QA audits were conducted via desktop review in 2024, with the remaining audits performed through field verification. PG&E utilized both desktop and field audit methodologies; however, Energy Safety did not identify documented criteria describing when each methodology should be used. The documentation reviewed did not explain the basis for selecting desktop versus field audits for completed inspections.	We prioritize selecting the most appropriate audit method for each case and leverage a two-tier QA/QC model.

No.	PG&E Observation	PG&E Observation Detail	PG&E Response of June 16, 2026
4	Inclusion of non-auditable or limited scope reviews	Non-auditable or limited-scope designations, such as inaccessible sites, were included within the completed audit population used to support WMP target attainment. This implies that asset verifications may not have been performed in full, reducing assurance that all risks were identified and appropriately addressed.	PG&E included locations determined to be non-auditable or limited-scope reviews in audit populations to maintain transparency in WMP target reporting in the past, but changes to Quality Management processes have eliminated many of these examples from attainment reporting beginning in 2025. Our analysis indicates that PG&E would have achieved its audit volume targets even without including these additional examples.
5	Data Inconsistencies affecting metric transparency	Three categories of data inconsistencies observed: 1) discrepancies between data PG&E reported publicly through the QDR process and the data PG&E provided in response to this audit; 2) inspection form labeling inconsistencies; 3) QA audits conducted on locations outside the completed QC audit population.	We acknowledge the data inconsistencies noted; these were not tied to any system of record but stemmed from alignment gaps across internal reports, which have since been addressed to strengthen consistency and transparency in our metrics. There were admittedly challenges encountered in providing supporting data in multiple formats over the 14 months that this audit occurred and we are appreciative of the opportunities for standardization identified as a result.

No.	PG&E Observation	PG&E Observation Detail	PG&E Response of June 16, 2026
6	QA/QC criteria revisions affecting pass rates	Between 2023 and 2024, PG&E revised the QA/QC criteria for determining whether an inspection failed to detect certain conditions, and this may have contributed to an improvement in the pass rate from 2023 to 2024. PG&E attributes the decrease in identified findings to the revisions to critical attribute criteria, including the removal of transmission photo-related conditions and narrowing the distribution criteria to higher risk notification priorities.	PG&E conducts an annual review of its QA/QC criteria that includes participation from Asset Management, Risk, and Execution functional areas. Changes to the criteria are incorporated only when they are recommended and approved by all relevant stakeholders. The updates made between 2023 and 2024 were intended to strengthen alignment with the most up to date risk considerations, informed through collaborative discussions. These revisions reflect PG&E's ongoing commitment to enhance the rigor of its QA/QC program.
7	Contractor-reliant audit workforce	In 2024, QA functions were fully contracted out and approximately 80% of QC functions were contracted out.	While we understand that the much smaller volume of QA/QC performed by SCE may make it more practical for all audits to be conducted by employees, PG&E takes pride in the skill and professionalism of our contract partners and has full confidence in their ability to deliver a work product equal to that of internal personnel. The contractors performing QA/QC audits on PG&E's behalf are subject to the same training and qualifications requirements as employees performing similar work.

No.	PG&E Observation	PG&E Observation Detail	PG&E Response of June 16, 2026
8	Unclear distribution audit failure criteria	While distribution QA failure criteria (i.e., observation of an A, X, or B condition) were applied in performance reporting, PG&E did not produce clearly documented procedures or job aids defining the distribution failure criteria.	The gap in documentation for 2024 audit criteria is acknowledged, and PG&E has since developed and formally documented distribution audit failure criteria beginning in 2025, improving transparency, and ensuring consistent determination of audit outcomes going forward.