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**From:** David Taylor  
**Sent:** Thursday, October 20, 2011 8:00 PM  
**To:** Marc Charland; Evan Vokes; Cindy Guan; Bill Yang  
**Cc:** Harvey Motowylo; James Ferguson; Guil Schotte; Darren McLean  
**Subject:** RE: 3PI Checklist

Marc,  
Thank you for your feedback!  
I am in Houston today and couldn't send emails from the blackberry due to my mailbox being full.

I agree with you.

Bill,  
As you are the chief inspector for TransCanada I would like to request that you consider revising the 3PI checklist and adding this requirement. This is the quickest and simplest way to communicate our requirements to Moody Int'l. Cindy, can you please assist Bill.

As for the length of time to have this increased inspection – I would recommend that the wording in the checklist use something along the lines of “witness of NDE on cat D welds – unless waived by the Company Chief Inspector”.

Thank you

Dave

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**From:** Marc Charland  
**Sent:** Thursday, October 20, 2011 7:46 PM  
**To:** Evan Vokes; Cindy Guan; Bill Yang  
**Cc:** David Taylor; Harvey Motowylo; James Ferguson; Guil Schotte  
**Subject:** Re: 3PI Checklist

I appreciate the feedback but I do not agree this approach will work. Free form text to manage an issue like this is pretty risky. There are way too many buyers involved making it very difficult to manage. I do not want to put a buyer in a position where a project is impacted if they miss something engineering needs. I suggest we find a different solution and manage this either through vendor pre-qual, technical agreements, spec or 3PI checklist.

Marc Charland  
Manager, CAN Supply Chain Operations, Materials  
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Please consider the environment before printing this mail note.

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**From:** Evan Vokes  
**Sent:** Thursday, October 20, 2011 04:41 PM  
**To:** Marc Charland; Cindy Guan  
**Cc:** David Taylor; Harvey Motowylo; James Ferguson; Guil Schotte  
**Subject:** RE: 3PI Checklist

Hi Marc  
The best solution is to short term this witness requirement in every vessel procurement contract in “free form” as described below till we can put some requirements in PV1.

I cannot think of any other way to deal with this short term.

I have seen several approaches to this inspection in the last couple of day and lots of reasons why some of the methods wouldn't work and our 3PI needs to understand why and stop these practices.

Ultimately, the only way we can solve this is we need to get some verbage into the PV1 specification as how to conduct and witness a Cat D inspection as an engineering requirement. I want to see ABSAs inspection list before we commit to anything that is manufactured in AB. Its tough to make a blanket statement as in AB ABSA performs some tasks that Moody must perform alone in other jurisdictions.

Motivating our 3PI to follow the code should not require any additional documentation, rather some motivational speaking and checking performance measures for the near future should communicate our expectations till we get to the basic level of performance. I really don't want to pay a moody inspector to stand there all day for every nozzle on every vessel but we must get a measure of performance from our vessel manufacturer before we can reduce to a surveillance basis.

Hope this helps.

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**From:** Marc Charland  
**Sent:** Thursday, October 20, 2011 1:32 PM  
**To:** Cindy Guan  
**Cc:** David Taylor; Harvey Motowylo; James Ferguson; Guil Schotte; Evan Vokes  
**Subject:** Re: 3PI Checklist

How do we ensure this is captured in every PO? Human error happens all the time. Expecting a buyer to add this through free form text does not work.

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**From:** Cindy Guan  
**Sent:** Thursday, October 20, 2011 01:28 PM  
**To:** Marc Charland  
**Cc:** David Taylor; Harvey Motowylo; James Ferguson; Guil Schotte; Evan Vokes  
**Subject:** RE: 3PI Checklist

Marc,

I don't have anything change for the 3PI checklist.

Based on Evan's e-mail below, we will not ask UT Cat D nozzles for witness forever. Then UT Cat D nozzle witness can be requested by PO.

3PI checklists are good to go as before.

Evan, please tell SCM how long/how many vessels you want to have UT Cat D nozzle be witnessed.

Thanks,

Cindy



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**From:** Marc Charland  
**Sent:** Thursday, October 20, 2011 1:18 PM  
**To:** Evan Vokes; Cindy Guan  
**Cc:** David Taylor; Harvey Motowylo; James Ferguson; Guil Schotte  
**Subject:** Re: 3PI Checklist

Is the check list good to go or not?

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**From:** Evan Vokes  
**Sent:** Thursday, October 20, 2011 12:29 PM  
**To:** Marc Charland; Cindy Guan  
**Cc:** David Taylor; Harvey Motowylo; James Ferguson; Guil Schotte  
**Subject:** RE: 3PI Checklist

Hi Marc

I had a lot of soul searching yesterday on what was written in the code, the physics behind it which was all followed up with a discussion with the Materials and Design group at ABASA as well as the head of their inspection department. The closer we look; the SCL is a band aid that we have allowed Moody to use for the wrong purpose. The SCL in my mind is to confirm that the inspection met code but the way it was used was not in compliance with our expectations or Moody's own programs. The look at our internal practices shows that we need enforcement of existing code and specifications more than anything we are doing on the current check list. Cat D nozzles are already on the checklist with only real unknown is frequency and depth of witnessing activities being the real questions. The problem I have is to sure that inspection is carried out in accordance with the code and one of the revealing points is that our current inspection is incapable of seeing some of the expected defects. . The question of code compliance shows we need some engineering judgment to define the minimum level of acceptable inspection is carried out in the PV1 specification to ensure code compliance. I drew out some beam profiles on Tuesday and Wednesday and it really showed how inadequate the inspection was.

Looking at the wording of the code and the current inspection reports raises more questions about how if we conduct our oversight.

- a) Should we approve NDE procedures (trust me, I don't want to go here on materials) or should Moody ensure NDE procedures meet code
- b) Should we have 3PI witness of every cat D forever (cant see this happening in perpetuity but we need to do it for a while)
- c) Do we directly supply oversight and make Moody conform to there own specification. (they seemed anxious to conform on Tuesday)
- d) When will we audit Moody and our materials vendor and to what depth shall we audit as the demonstration of the UT technique raised more questions that further substantiated the suspected deviation from code that any other activity.

With the pressing inspection schedule, I think we will have to go make some mistakes when we are ready to send out the response to Moody but at least we will have started.

We have learned a lot with the B31.3 fabrication program by just going ahead and making mistakes with a less than perfect program as opposed to no plan at all.

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**From:** Marc Charland  
**Sent:** Thursday, October 20, 2011 10:35 AM  
**To:** Cindy Guan; Evan Vokes  
**Cc:** David Taylor; Harvey Motowylo; James Ferguson; Guil Schotte  
**Subject:** FW: 3PI Checklist

Cindy and Evan,  
When do you anticipate having the 3PI checklist for pressure vessels reviewed and updated?

**Marc Charland**  
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**From:** James Ferguson  
**Sent:** Wednesday, October 19, 2011 5:13 PM  
**To:** Marc Charland  
**Subject:** Re: 3PI Checklist

I'm not too sure where the 3PI checklist is. Cindy and Evan have been working on a plan for going forward with the inspection, especially the Category D nozzles.

I will check with Cindy tomorrow and get back to you.

Thanks,

James

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**From:** Marc Charland  
**Sent:** Wednesday, October 19, 2011 04:26 PM  
**To:** James Ferguson  
**Cc:** Guil Schotte  
**Subject:** 3PI Checklist

James,  
Can you confirm when the 3PI checklist for pressure vessels will be corrected?

Can you confirm if this is at the top of the queue to rectify the hold points specific to the cat-d nozzles.

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