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**Office of Senate Majority
Leader Dean Florez**

RECEIVED
Peter A. Darbee

OCT 15 2010

Fax

To: <u>Peter Darbee</u>	From: <u>Senator Florez</u>
Fax: <u>415-267-7252</u>	Date: <u>10-15-10</u>
Phone: _____	Pages: <u>7</u>
Re: _____	CC: _____

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California State Senate

SENATOR DEAN FLOREZ

MAJORITY LEADER

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October 15, 2010

Mr. Peter A. Darbee
Chairman of the Board, Chief Executive Officer and President
PG&E Corporation
One Market, Speak Tower, Suite 2400
San Francisco, CA 94105-1126
Fax: 415-267-7252

RE: Request for Information and Documents Relating to Natural Gas Transmission and Distribution

Dear Mr. Darbee:

Three weeks ago, in an attempt to investigate the events leading up to the San Bruno gas line explosion, I wrote you a detailed letter requesting hundreds of pages of internal PG&E documents and access to PG&E personnel.

Your company's response was less than forthcoming. The bulk of information requested was denied—a veil of secrecy based upon a single excuse: that the National Transportation Safety Board (NTSB) had asked PG&E to keep the information confidential while the federal government conducted its investigation.

This reason, it turns out, is apparently false.

My office has been in contact with the general counsel of the NTSB, and he states that no such confidentiality agreement exists. In fact, NTSB general counsel Gary Halbert reviewed my Sept. 24, 2010 letter to you and came to a far different conclusion about the information I am seeking:

“We have carefully reviewed the letter...I have discussed the materials you seek in each enumerated request with the Investigator-in-Charge of the San Bruno investigation and with the modal office Director for whom he works. We are all in agreement that there is nothing you have requested that would conflict with or cause harm to the ongoing NTSB investigation were it released by PG&E to the California State Senate.”



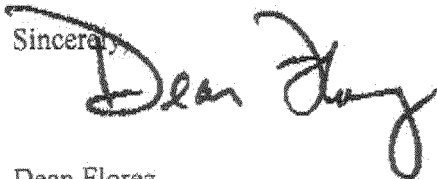
By denying access to the requested information and documents, you stand in the official position of impeding myself and other state senators to hold an effective public hearing next Tuesday (October 19) to delve into the events that preceded the explosion.

Without these documents, we cannot answer the most fundamental of questions: Did PG&E's neglect and deferred maintenance, a pattern of nonfeasance over the years, cause or contribute to the San Bruno tragedy?

Now that your company's rationale for withholding these documents has been shown to be false, I trust that the information will be placed on a fast track and arrive at my office before the hearing.

Given the loss of lives and destruction of property in the explosion—and the potential for future such tragedies—PG&E needs to stop hiding behind the federal investigation as its reason for keeping Californians in the dark.

You owe answers not only to regulators in Washington but to the state government in Sacramento, as well.

Sincerely,


Dean Florez
Senate Majority Leader, 16th District

CC: Mr. Chris Johns, President Pacific Gas and Electric Company
Mr. Kent Kauss, Manager State Government Relations
Michael Peevey, President, California Public Utilities Commission
Paul Clanon, Executive Director California Public Utilities Commission
General Public

Attachments:

- September 24, 2010 letter requesting information and documents relating to natural gas transmission and distribution.
- E-mail response from Gary L. Halbert, General Counsel, NTSB

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California State Senate

SENATOR DEAN FLOREZ MAJORITY LEADER

REPRESENTING KERN, KINGS, FRESNO, AND TULARE COUNTIES



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 SPECIAL COMMITTEES
 Civil Action on the
 Constitution

September 24, 2010

Mr. Peter A. Darbee
 Chairman of the Board, Chief Executive Officer and President
 PG&E Corporation
 One Market, Speak Tower, Suite 2400
 San Francisco, CA 94105-1126
 Fax: 415-267-7252

RE: Request for Information and Documents Relating to Natural Gas Transmission and Distribution

As you well know, my office has spent considerable time and effort over the past year looking into the practices of Pacific Gas & Electric. Whether the issue was rate hikes or the launching of SmartMeters, my staff and I have encountered your company's less-than-candid approach with government investigators and journalists.

This habit of concealment, I believe, is deeply ingrained in your company's culture. More than two weeks after the tragedy of the San Bruno gas line explosion, we are left with an inescapable question: Did PG&E's neglect and deferred maintenance, a pattern of nonfeasance, cause the tragedy?

Creating a \$100 million fund for the victims of the blast is all well and good, but PG&E cannot buy its way out of the truth--answers that it owes to the larger public. Indeed, the safety of tens of thousands of Californians, whose homes and business may share the same ground with other decrepit and dangerous gas lines, depends on these answers.

In the interest of public disclosure, my office is requesting access to certain documents and PG&E personnel. I am requesting that your company make these documents and the names of personnel available to my office within seven working days. I have asked the California Public Utilities Commission, which has ordered PG&E to fully cooperate with state and federal investigators, to ensure that your company sticks to this deadline.


What follows is a list of documents and other material I am seeking from PG&E. The documents either originated with PG&E, the CPUC or federal or state agencies. In any event, PG&E possesses copies of these documents:



1. A breakdown of all PG&E gas transmission/distribution lines or segments of these lines statewide. The breakdown should include the location of these lines, the age of the lines, when the lines were last inspected, by what method they were inspected and the "risk-based" assessment for each line.
2. A year by year breakdown of the top 100 "highest risk" lines, dating back to the year 2000. This breakdown should include the location of these "high risk" lines, the age of the lines, when the lines were last inspected, by what method they were inspected, the "risk-based" assessment for each line. Likewise, this breakdown should indicate what lines have yet to be fully inspected and what lines the CPUC has authorized PG&E to fix (the date of these authorizations) and whether PG&E has undertaken and/or completed the repairs to date.
3. Documents, dating back five years, from every check, inspection and/or audit of Line 132. These documents should include the two most recent inspections and/or audits of Line 132 conducted by PG&E and/or the CPUC. A breakdown of these checks, inspections and audits should also include the method of "integrity assessment" employed. Was it smart-pigging (In-Line Inspection)? Was it pressure-testing? Or was it a direct assessment?
4. An explanation of which "method of integrity" assessments is most exacting. For example, is the In-Line Inspection the most precise and exacting way to assess the integrity of a pipeline and the danger it may pose? If not, which method is the most exacting? An explanation of why PG&E has failed to employ pressure testing on 1,107 miles of gas lines. (See Table 5-4, PG&E Integrity Assessment Plan).
5. A breakdown of the \$100 million that PG&E says, in numerous news reports, it has spent to improve its gas conveyance system. This breakdown should include how much money was spent on each gas line, what work was precisely done (repair, new pipe installation) on each line and what upgrade to the line was accomplished by this work.
6. Internal reports, memos or "risk assessment" documents that reflect the first time PG&E identified Line 132 as "high risk." This document should reveal the date of when PG&E first acknowledged internally that Line 132 posed a "high risk" of failure.
7. Internal reports, memos or other documents showing PG&E's response to failures cited by the National Transportation Safety Board in the 2008 gas leak in Rancho Cordova. The final NTSB report listing PG&E's shortcomings in the 2008 blast and any documents indicating that PG&E tried to address or fix these shortcomings.
8. Internal reports, memos or other documents that show PG&E addressing problems related to each of the 17 gas pipeline accidents deemed "significant" by federal regulators since 2004.

9. Records or other documents from 2010 related to PG&E repair crews or other personnel being sent to neighborhoods in San Bruno traversed by Line 132. These documents or records should explain the date of the call, nature of the call or complaint, what personnel (names) responded to the call, any repair work completed or recommended, the disposition of the call.
10. Documents detailing the errors that PG&E committed in recent gas line inspections—errors that required the utility to redo leak inspections for nearly all four million of its residential natural gas customers.
11. All requests, dating back 15 years, that PG&E has made to the CPUC for rate hikes to improve or replace gas transmission/distribution lines. This list should include the identity of each pipeline and its location. If the rate hike was approved, did PG&E begin or finish the upgrades? If the upgrade or repair was never undertaken, what did PG&E do with that money?
12. A list of all enforcement actions, including penalties, citations, cease and desist notices and related notices, that the CPUC has issued against PG&E in the past 15 years.
13. Any and all documents that assess, list or rank gas transmission/distribution lines that need to be repaired, improved or replaced. Any priority lists for pipeline that are old and potentially damaged and need to be repaired or replaced.
14. All PUC audit reports of pipeline safety inspections performed by PG&E under the federal Integrity Management Program. All reports of re-inspections of the audited inspections. All related citations and notices issued in relation to inspection audits.
15. Any safety inspection reports related to Line 6, 10 and 34 traversing the Bakersfield area. Any documents related to the sections of these lines and whether they have been replaced, repaired or upgraded from 1989 to present.
16. An explanation of the recommended easement for natural gas lines and how these easements are being enforced.

I look forward to your prompt reply.



Dean Florez
Senate Majority Leader, 16th Senate District

CC: Mr. Chris Johns, President Pacific Gas and Electric Company
Mr. Kent Kauss, Manager State Government Relations
General Public

From: Halbert Gary <gary.halbert@ntsb.gov>
Subject: RE: California State Senate seeking documents from PG&E
To: "Mark Arax" <mark.arax@sbcglobal.net>
Date: Wednesday, October 13, 2010, 9:36 PM

Mr. Arax,

We have carefully reviewed the letter forwarded with your e-mail of this date. I have discussed the materials you seek in each enumerated request with the Investigator-in-Charge of the San Bruno investigation and with the modal office Director for whom he works. We are all in agreement that there is nothing you have requested that would conflict with or cause harm to the ongoing NTSB investigation were it released by PG&E to the California State Senate.

Accordingly, the NTSB has no objection to your pursuit of these items. The modal office Director will inform the PG&E party coordinator participating in the NTSB investigation of this decision, as well.

I trust this answers your questions. Please feel to contact me directly should you contemplate pursuing additional avenues of inquiry. Should you encounter any situation in which you believe information you have obtained has not been turned over by PG&E to the NTSB, then I would appreciate being notified so we may proceed as necessary to address that issue with PG&E.

Thank you for consulting with the Safety Board regarding the California Senate inquiry into these matters.

Sincerely,

Gary

Gary L. Halbert

General Counsel

National Transportation Safety Board

490 L'Enfant Plaza East, S.W.

Washington, D.C. 20594-2000

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