

1 SAN BRUNO, CALIFORNIA, APRIL 5, 2011

2 5:00 P.M.

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4 ADMINISTRATIVE LAW JUDGE BUSHEY: The
5 Commission will come to order.

6 This is the time and place set for
7 the public participation hearing in
8 Rulemaking 11-02-019.

9 Good evening. I am Administrative
10 Law Judge Maribeth Bushey, the assigned
11 administrative law judge to this proceeding.

12 To get started this evening the
13 assigned Commissioner will make a brief
14 statement.

15 Commissioner.

16 COMMISSIONER FLORIO: Thank you.

17 My name is Mike Florio. I am the
18 assigned Commissioner in this proceeding. I
19 have recently joined the Commission about two
20 months ago. And I want to assure everyone
21 that as the assigned Commissioner I am
22 personally and professionally committed to
23 making sure that the horrible tragedy that
24 occurred here on September 9th of last year
25 never happens again.

26 I knew and worked with Jacki Greig,
27 one of the victims of the explosion and fire,
28 for probably about 20 years. And while I'm

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1 sure it's nothing compared to what her family
2 has experienced, all the people that worked
3 with Jacki over all those years feel her loss
4 every day because she was, as many of you
5 know, one of our leading experts on natural
6 gas regulation. So her loss is particularly
7 felt as we launch this proceeding.

8 We came here to San Bruno. There is
9 no other place to start the kind of effort
10 that we're undertaking here to thoroughly
11 review how pipeline safety is regulated in
12 California and try to establish a new
13 standard not only for California but for the
14 whole country on how natural gas pipelines
15 are regulated.

16 We have a companion proceeding
17 that's looking into PG&E's past conduct.
18 This proceeding is focused on how pipeline
19 safety should be assured going forward.

20 I also would like to note that we
21 received a letter I believe just this morning
22 from Congresswoman Jackie Speier that had

23 some very specific suggestions for actions
24 that we should take in the coming months to
25 increase pipeline safety, and we will be
26 taking that letter and circulating it for
27 formal comment by all of the parties, a very
28 substantive set of recommendations that we

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1 will take to heart as we go forward in this
2 proceeding.

3 And with that, I'll turn it over to
4 my fellow Commissioners for any comment.

5 COMMISSIONER FERRON: Thank you very
6 much.

7 My name is Mark Ferron, and I'm the
8 newest Commissioner to the California Public
9 Utilities Commission. I have been here for
10 about two weeks.

11 I just want to say three very brief
12 things.

13 First of all, I would like to offer
14 my personal condolences to those who lost
15 loved ones and to the people of San Bruno who
16 had their homes destroyed and the community
17 upended.

18 Secondly, today I am a listener. I
19 am here to listen fully to your concerns.

20 And finally, we owe it to the people
21 of San Bruno and the people of California to
22 investigate this terrible event fully and
23 completely and to identify all of the factors
24 that went into this tragedy. I believe that
25 we here on the Commission as well as the
26 management and staff of the companies that
27 operate the pipelines have the obligation to
28 do everything in our power to address any

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1 shortcomings immediately and to ensure that
2 this will never happen again.

3 Thank you.

4 COMMISSIONER SIMON: Good evening. My
5 name is Timothy Alan Simon, and I have served
6 on this Commission now for over four years.

7 Clearly, the events surrounding the
8 tragic explosion on September 9th have been a
9 very difficult challenge for this Commission.
10 As Commissioner Florio stated, not only did
11 we lose a member of our CPUC family, that
12 being Jacqueline Greig and her beautiful
13 daughter Janessa who attended the high school
14 that I am an alumni of, Saint Ignasius, but
15 we are still grappling with so many issues
16 regarding safety and recordkeeping and other

17 factors that are germane to this case.

18 I was raised, as the crow flies,
19 probably about two to three miles from here,
20 the very southern border of San Francisco.
21 So the San Bruno community has always been
22 close and near and dear to me.

23 This is due process this evening.
24 We, as Commissioner Ferron said, want to hear
25 your thoughts, your concerns, your
26 complaints, your vision. That's why we are
27 here. And that is critical.

28 I just wanted to state a couple of

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1 ancillary matters. I am the assigned
2 Commissioner on the gas transmission and
3 storage general rate case of PG&E, and we
4 will have a safety phase of that case. And I
5 will be working in coordination with
6 Commissioner Florio and his office in this
7 regard.

8 I also serve as the Chair of the Gas
9 Committee for the National Association of
10 Regulatory Utility Commissioners. And we
11 have had two national panels on the gas
12 transmission and distribution safety. And I
13 also attended the NTSB hearings or at least

14 one day in that regard. I also served on the
15 National Petroleum Council.

16 I am pointing this out because even
17 in this capacity and advising Secretary Chu
18 on the resources here in the United States
19 and Canada, safety is a top priority in our
20 ability to deal with the important
21 transportation of this commodity.

22 So I want to commend Commissioner
23 Florio and my fellow Commissioners Sandoval
24 and Ferron with their leadership and tenacity
25 in this arena. And we look forward to doing
26 exactly what we were appointed to do, serve
27 you in this capacity.

28 Thank you.

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1 COMMISSIONER SANDOVAL: Thank you all
2 very much for being here.

3 My name is Commissioner Catherine
4 Sandoval. I joined the Commission in January
5 and am honored to have the opportunity to
6 serve the public in this capacity.

7 First of all, I wanted to thank you
8 for your participation and to reiterate that
9 we are here to hear you, and we are here to
10 serve you. And we really look forward to

11 your comments about what we can do to improve
12 gas pipeline safety and to ensure that the
13 public is better served.

14 Of course, first and foremost, I
15 want to say that my heart goes out, my heart
16 bled that night for the people of San Bruno,
17 and I offer not only my prayers and my
18 deepest condolences, but I want to offer my
19 work. Anything that I can do or my staff can
20 do to prevent this from happening again we
21 are committed to doing.

22 I had the opportunity, along with my
23 chief of staff Ditas Katague and Colette
24 Kersten from my staff who is an energy
25 expert, and Richard Clark who is with our Gas
26 Pipeline Division, to visit the site on
27 Friday. I thought it was important before I
28 came to this hearing to be able to go see it

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1 in person.

2 I was not on the Commission at the
3 time of the explosion, and like many people
4 in the Bay Area I watched it unfold on
5 television, to my horror. But to be able to
6 go there and to see the empty sites where
7 houses once stood, where families one lived,

8 where children once played. Now the rain has
9 given us grass and flowers, so God has given
10 us flowers on this empty site almost in
11 remembrance of the people that were lost, the
12 people that were injured, the houses that
13 were lost, the neighborhood that was
14 devastated and whose heart will always be
15 devastated.

16 So it is our job first and foremost
17 to contribute to those who are looking into
18 why did this happen and to make sure that it
19 never happens to any neighborhood, to any
20 family again, and to work with our partners,
21 our federal partners at the National
22 Transportation Safety Board who actually
23 today made some announcements yesterday,
24 important announcements, about federal
25 efforts to improve gas pipeline safety.

26 When we look at the law, the law
27 requires that public utilities put safety
28 first. It is the first thing that they are

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1 required to do. And the law also requires
2 this Commission to make safety our highest
3 priority.

4 So we are here tonight to help to

5 fulfill that mission and to investigate the
6 variety of steps that we are doing to look at
7 aspects of how we can make our neighborhoods
8 and our families safer.

9 Thank you very much.

10 ALJ BUSHEY: Thank you, Commissioners.

11 Before we get started on our
12 speakers tonight, I have a couple of
13 housekeeping matters to take care of.

14 First of all, we have Chinese,
15 Spanish and Vietnamese translators available
16 in the back corner of the room. If you would
17 like to have translation services in any of
18 those languages, the translators are
19 available in the back right-hand corner of
20 the room.

21 Also our Public Advisors Office is
22 here, and out in the vestibule there is a
23 table out there. They can help anyone who is
24 interested in providing written materials to
25 the Commission or being kept apprised of what
26 the Commission's activities are in this
27 proceeding.

28 Also you will notice our court

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1 reporters in front of the Commission.

2 Everything that is said this evening is being
3 transcribed and taken down and will be
4 circulated amongst the Commissioners and made
5 part of the official record of this
6 proceeding. So it will be part of the record
7 for the entire proceeding, and the Commission
8 will refer to it as we go forward.

9 Finally, cell phones and other
10 communication devices should be set to silent
11 now so that we are not interrupted. Whatever
12 you can do to accommodate that would be
13 fabulous.

14 We are going to have three general
15 groups of speakers. Our first group are
16 going to be people who have been directly
17 affected by events of September 9th. The
18 next group will be elected officials. And
19 finally will be other general members of the
20 public.

21 So we will begin with our directly
22 affected group. I will call you up one by
23 one.

24 Chris Torres.

25 STATEMENT OF MR. TORRES

26 MR. TORRES: My name is Chris Torres.

27 My mother lived at 1660 Claremont.

28 And she was cremated alive. And my two

1 sisters were burned over 50 percent of their
2 body. And my brother-in-law was burned from
3 head to toe. And they all went to the burn
4 units in San Francisco. Now they are
5 starting to come out of there. Two have come
6 out now. One of my sisters is just learning
7 how to stand up now.

8 And I want to say why are they
9 putting applications to get recovery money
10 when they already had the \$220 million
11 already? Now they want another \$228 million
12 to do the same job they already were supposed
13 to do two years or three years ago. They had
14 the money, but they did not work on 18 of the
15 positions -- if they get the money to do
16 something, they should do it there, not defer
17 the money to somewhere else.

18 I would like to know where that
19 money went, because I do know that the
20 shareholders and the people were getting
21 their portions. So I would like to know why
22 they are allowed to get recovery and they
23 have demand responses to budget costs. They
24 want to make sure that their Application goes
25 through. So right now they have A 11-03-001,
26 is the Application number. And they want it

27 for the next three years. And they are
28 breaking it down into like 76 million, 73

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1 million, 77 million by 2014.

2 So to the Commission I would like to
3 know why would they get more money to do what
4 they were already supposed to do? That needs
5 to be answered. I mean, I know they are
6 going to do the best they can right now to
7 pacify us because that is what big companies
8 do when they make errors. They say
9 everything you want to hear, but they don't
10 do what they are supposed to.

11 So as a person who lost my family,
12 home, our pets, everything, all our war
13 medals, my father's war -- he had war medals.
14 Everything is gone. The safe was burned.
15 There was nothing left to the house. It
16 disintegrated. My brother and sisters were
17 burned outside of the house. It was over 6
18 to 800 degrees outside. So all the hair and
19 flesh on their bodies burned off.

20 So I want something to be done.

21 Thank you.

22 And I am just wondering, should they
23 be denied gas rate increases, that is my big

24 thing, until they fix it? They have the
25 money. This is PG&E Company. They need to
26 go back to PG&E Corporation that keeps on
27 taking millions of dollars from them all the
28 time, hundreds of millions. So that's why

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1 they keep going back into the (inaudible) all
2 the time. And now they are out there buying
3 all new equipment and selling all their old
4 stuff and still making money.

5 They shouldn't be allowed to do all
6 this stuff until they pay the piper, until
7 they start doing what they are supposed to.
8 Because it may have only been eight people
9 killed, but where are the other people that
10 I've seen with bandages around their faces
11 and hands? All those other people have never
12 been talked to.

13 No one ever talks about the gas
14 leaks before the explosion. These people
15 were not qualified to inspect this stuff and
16 do it. They needed more qualified people.
17 They knew it back in 1956 that these pipes
18 weren't put together properly. There was a
19 notice saying that inspector asked why isn't
20 the inside being welded. Because the guy

21 said it doesn't need to be done. It was okay
22 just to do the outside. If you ever saw
23 their welding, these people were
24 subcontractors, and they didn't know how to
25 weld. The things you were supposed to have
26 (inaudible). I was welder for years. This
27 stuff was called a wash. These are people
28 that don't now how to weld. They come out of

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1 Oregon, Colorado, whatever, and getting a
2 good job to work for years at a subcontracted
3 rate to save money and materials and not do
4 the proper welding.

5 Thank you very much.

6 ALJ BUSHEY: Thank you.

7 Pradeep Gupta.

8 STATEMENT OF MR. GUPTA

9 MR. GUPTA: Good evening, Commissioners
10 and Madam Bushey. Thank you for giving me
11 some time.

12 I was not directly impacted like the
13 first speaker was, but we live in South
14 San Francisco and we saw the horrendous event
15 that took place both from our house and then
16 when we drove close by.]

17 And I have about 30 years of experience

18 as a utility engineer on the electrical side,
19 and now I'm retired. But one of the things I
20 wanted to highlight based on what the first
21 speaker just told you about is that there is
22 no value to life per se. It is when we do
23 cost-benefit analysis of many of these
24 investments and many of these things, there's
25 no cost to life.

26 So when I looked at the record and
27 the evolution of the events as they took
28 place, I was appalled at the shortcuts, the

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1 expedient ways of getting things done and,
2 excuse me, but I think both sides are to be
3 blamed a little bit, the Commission for not
4 regulating them and making sure that events
5 like that did not have to happen to bring you
6 out here today, and the second thing, that
7 PG&E should also include in their
8 responsibility as a civic member of the
9 society the welfare and the security of the
10 people they serve besides serving all the
11 shareholders. That's why they have the
12 franchise. They are responsible for that.
13 I had a few comments to make
14 specifically on the regulations you are

15 looking at. And the time is short, so I'll
16 go over the list, and if anybody is
17 interested, I'll be very happy to talk in
18 detail later on.

19 First, I'd like to say that the
20 response of PG&E after they got the initial
21 information that something is wrong in the
22 control room, even their control room people
23 said there was a sharp drop in the pipeline
24 pressure, and they ignored it. It took more
25 than an hour and a half before anything was
26 done when the pipe was fully being pressured
27 by the gas, and burning gas, and the houses
28 were burning, people were burning. This is

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1 appalling.

2 So first thing I'd like to emphasize
3 is that there should be an operating
4 procedure on how to react to such events at
5 PG&E in a more formal way. And these
6 exercises, this procedure should be tested
7 every year as a mock exercise, like we do
8 with our amateur radio emergency networks, so
9 that they would know. They would have the
10 people ready to respond in case such a thing
11 happens.

12 Second thing, why PG&E wants to now
13 tell everybody where the pipelines are. I
14 was appalled that the fire people did not
15 know where the pipelines were before this
16 thing happened. I was -- I read in the paper
17 the San Bruno fire people did not know where
18 the pipeline existed. This was appalling.

19 But on the other hand, I would like
20 to also mention that the threat of terrorists
21 knowing this information may be significant
22 enough so PUC and PG&E have to work in some
23 creative way so the responsible parties, like
24 fire people, police people and other security
25 people, should know about the details, but it
26 should not fall into the wrong hands and
27 create more trouble.

28 Third, I'd like to point out that

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1 there were some people who smelled gas hours
2 before this event took place in the area, and
3 those reports were ignored. They were seen
4 to be -- seen as another report of a gas leak
5 somewhere without proper study of what the
6 cause was.

7 So there should be a procedure in
8 proper traffic management of incoming

9 complaints of the gas. It could be a
10 small -- somebody's water heater leaking, or
11 it could be a gas pipeline which is about to
12 burst in two hours.

13 And I don't know how to do that.
14 You have the experts and you have the
15 expertise and PG&E has the expertise. There
16 should be a way of figuring out when the
17 message is coming and how to react to it.

18 Next I'd like to point out that,
19 given the technology we have of pipelines,
20 how could PG&E get away with hundreds of
21 miles or at least 18 miles of pipeline which
22 they did not know how it was welded. I was
23 amazed that the federal government had to
24 come and tell us that PG&E did not know their
25 own pipelines. They are the ones who looked
26 at those burst-out pipeline samples in order
27 to figure out that it was welded on one side,
28 not on both sides.

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1 Now what was -- what was it we were
2 doing or PG&E were doing or the Commission
3 was doing, and there are miles and miles of
4 such pipelines in the ground today. And I
5 hope something is done before these things

6 happen again. Those pipelines should be
7 banned and should be replaced, and not at the
8 cost of the customer either.

9 And, finally, I'm so glad that
10 Commissioner Simon is a member of the
11 national board of the natural gas pipeline
12 people. There should be some standard best
13 practices that are done in the U.S.

14 We are not the only company in the
15 whole United States. We are not the only gas
16 pipeline. Everybody faces these kind of
17 problems. What are they doing? Are we
18 competitive? Are we as good as they are, or
19 we are falling behind?

20 Please, I would like to have that
21 kind of thing done in your evaluation.

22 Well, thank you so much for your
23 time. I appreciate it.

24 (Applause)

25 ALJ BUSHEY: Thank you.

26 Our next speaker is Elaine Tannous.

27 STATEMENT OF MS. TANNOUS

28 MS. TANNOUS: Hi. I apologize, I

1 wasn't directly affected by the fire;
2 however, I recently moved to Millbrae after

3 living with my father in San Bruno very near
4 to where the fire happened.

5 I also have many family members who
6 live in San Bruno. And, thankfully, none of
7 my loved ones were affected by the fires.

8 And I would just like to ask to see
9 PG&E make the appropriate and necessary
10 actions to ensure that this never has to
11 happen again.

12 Thank you.

13 (Applause)

14 ALJ BUSHEY: Thank you.

15 Richard Riechel.

16 STATEMENT OF MR. RIECHEL

17 MR. RIECHEL: Somehow I got on the
18 wrong list, too. I am a citizen in
19 San Bruno. I'm not directly affected.

20 But just real quickly a couple of
21 requests of the CPUC, that you require PG&E
22 and all California utility companies to be
23 much more responsive in a timely manner to
24 inquiries from state, city and citizens when
25 asked about locations, conditions, testing of
26 and testing results, and planned future work
27 on pipelines running near, into, out of or
28 through our locations.

1 Number two, require PG&E and all
2 California utility companies to provide
3 written documentation when requested by city
4 or state officials of the locations, size,
5 et cetera, of pipelines running in our area.

6 Third, require that PG&E and all
7 California utility companies to work much
8 more closely with, and provide written
9 documentation to, all first responders
10 concerning all pipelines running through or
11 near our location.

12 And, finally, require PG&E and all
13 California utility companies to immediately
14 provide full contact information for the
15 utility company employee that is the city
16 and/or state contact for pipeline questions.

17 This is very important as needing to
18 find and then talk to different utility
19 company employees each time is unproductive
20 and leads to obtaining questionable and
21 possibly inaccurate information.

22 Thank you for being here and thank
23 you for listening.

24 ALJ BUSHEY: Thank you.

25 (Applause)

26 ALJ BUSHEY: Our next speaker is Perry
27 Petersen.

1 MR. PETERSEN: Thank you.

2 Again, I don't know how I got so
3 high on the list. I'm a local San Bruno
4 resident. I saw the explosion.

5 And on the Planning Commission, I'm
6 one of the Commissioners that we work with
7 staff to find ways to make it possible for
8 people to build and rebuild their homes
9 sooner.

10 But my professional background is as
11 a construction manager, construction
12 engineer. And in looking at this subject, I
13 have worked on a lot of pipelines.

14 And in pipelines you probably know
15 there are interstate pipelines and within-
16 state pipelines. It almost seems like there
17 are two sets of rules, but basic safety is
18 basic safety. I would urge you to take
19 advantage of the interstate group of rules
20 which seem to have a higher standard.

21 Secondly, it seems to me to be
22 reasonable if there are lines that have this
23 amount of pressure and size that any resident
24 within 300 feet of the line should be

25 notified that this is there. I seriously
26 doubt whether some people would have located
27 there if they knew such a huge line was
28 there.

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1 In the future, we can probably
2 expect to see more accidents like this as the
3 infrastructure all over the United States as
4 well as California becomes older. And there
5 seem to be many parts of the pipe that it's
6 not possible to predict whether it's going to
7 leak or explode or how fragile it is. So I
8 would urge you to have someone on your staff
9 look at the future.

10 In the PUC's documentation, it says
11 you look at planning, design, construction,
12 operation, maintenance, but failure
13 prediction, I think, should receive some high
14 priority, especially in the light of this
15 event.

16 And what this event shows, one of
17 the things it showed is that PG&E couldn't
18 find documentation on it. And they still
19 can't find documentation on parts of the
20 lines.

21 This, I think, draws attention to

22 the concept that I believe there are a lot of
23 good people in PG&E trying to do their job
24 every day, but they serve shareholders and
25 customers. And since they serve
26 shareholders, the things they do have a
27 financial impact. Because of that, if the
28 Commission doesn't put down specific written

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1 requirements, it's going to leave PG&E open
2 to interpret them, what there is in terms of
3 requirements and general practice, anyway
4 they want.

5 Just as an example, in your proposed
6 rulemaking, it talks about testing the
7 pipeline and making a record of the method
8 and pressures, and so on; but it doesn't say
9 what method.

10 And it gets down to this kind of
11 detail. If you air-pressure test a large
12 pipe, you're essentially putting a lot of
13 people at risk because if it breaks, that in
14 itself will yield a huge explosion. That's
15 why -- another reason why water testing is so
16 important to use.

17 But another detail -- and I'm --
18 this may sound terribly detailed to some of

19 you, but it's from my personal experience.
20 At PG&E there should be a requirement that
21 they make proper written inspection reports
22 with photographs and documentation about how
23 well -- how pipes are installed, how the
24 welding is done, what testing is done,
25 whether it passed or failed, and how many
26 times it took before it passed.

27 Modern construction management does
28 this kind of detail inspection on a daily

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1 basis. The process I just talked about is
2 not an unusual process. It's commonplace.
3 But in addition to requiring this, I
4 would recommend that you make sure that there
5 is a requirement that they be able to locate
6 this documentation almost at a moment's
7 notice. I mean we have computers. We can do
8 searches. If you have a pipeline and a
9 geographical reach, you want to be able to
10 find that documentation pretty quickly.

11 I think the time has passed for
12 staffs of large utilities to come to work and
13 say, well, here we have another day of work
14 with 100,000 miles of pipeline, and we don't
15 really know much about it. I think that's

16 not fair to say that anymore. And I think
17 the rules have to say it.
18 That's pretty much all I have to
19 say. But basically the reason the PUC is so
20 important to this entire process is because
21 unless you set some minimum, specific,
22 explicit, quantified requirements, I would
23 suggest you're not going to get a whole lot
24 different than what we got last year.

25 Thank you.

26 (Applause)

27 ALJ BUSHEY: Thank you.

28 Bill Magoolahan.

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1 STATEMENT OF MR. MAGOOLAHAN

2 MR. MAGOOLAHAN: Hi. My name is Bill
3 Magoolahan. I'm from 1611 Claremont, at
4 least I was from 1611 Claremont. Our house
5 was burned in the fire.

6 I've been to all of these meetings.

7 As more and more of the facts come out, I
8 guess what's most disappointing and really
9 unforgiveable is that this could have been
10 prevented with a relatively low level of
11 maintenance and a low level of inspections.

12 Not being able to find 150 or more

13 bad welds in nearly 50 years indicates that
14 really there hasn't been a very high level of
15 investment in making sure that ratepayers are
16 safe in our homes.

17 I'm here because I want to be part
18 of the solution. I'm here because I want to
19 make sure the PUC is reminded from our
20 perspective of the severity of the
21 consequences of PG&E's negligence and the
22 PUC's laissez-faire attitude toward oversight
23 and personalize what has happened here, put
24 faces to the burned homes and show how the
25 deaths and the destruction of our homes has
26 impacted us.

27 My family has been displaced from
28 our home which caught fire and was

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1 subsequently yellow-tagged with 90 percent of
2 our belongings being thrown away. I have
3 three children, ages two, three and six, who
4 are currently undergoing weekly therapy to
5 recover from this incident.

6 They and my wife, who was eight
7 months pregnant at the time, went running
8 bare foot down the block as the pipe
9 exploded, sending a plume of flames over our

10 house that was visible through our skylight
11 in our kitchen where they were just sitting
12 down to dinner.

13 It shouldn't have to take the deaths
14 of eight people, including a lovely
15 13-year-old girl that lived across the street
16 from us, an 18-year-old boy and Mrs. Torres,
17 a lively 80-year-old friend of ours.

18 And it shouldn't take the
19 destruction of so many houses for our gas
20 company and the organization that oversees
21 them to be become fully invested in pipeline
22 safety, but here we are.

23 So I want to share some ideas on how
24 neighborhoods, first responders, PG&E, the
25 PUC and our legislators can work together to
26 prevent more tragedies.

27 To me the first thing is the home
28 owners. The home owners are the ones who are

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1 most invested in this because we have the
2 most to lose. We have our lives to lose, our
3 property and our skin. So it's critical for
4 us to play a role in this because, at the end
5 of the day, we're the ones who really pay
6 when things go wrong.

7 Home owners need to know if there's
8 a pipeline close to their house, understand
9 the danger and have somewhere to go to check
10 that inspections and maintenance are being
11 done.

12 There needs to be law that if a
13 house is sold within 2,000 feet of a high
14 capacity gas line, the new owner needs to be
15 told about it. And this needs to come in the
16 packet of information about how the pipeline
17 needs to be inspected, maintained and any
18 planned changes.

19 Counting on PG&E to put inserts into
20 bills or send fliers to inform residents
21 about a nearby pipeline is not adequate for
22 something so important.

23 If residents had known the pipeline
24 was there, we certainly would have been more
25 alarmed whenever there was any construction
26 going on in Glenview and whenever someone
27 reported smelling gas.

28 Another point is these fines. The

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1 top two people at PG&E make enough in one
2 year to pay the entire fine the PUC is
3 threatening PG&E with over the mismanagement

4 of pipeline documentation.

5 The fines need to be significantly
6 more substantial. The cost to PG&E needs to
7 fit the results of their negligence. And in
8 this case, the cost of having woefully
9 inadequate records was eight lives and
10 55 houses.

11 The correlation between PG&E's
12 haphazard approach to keeping track of their
13 pipelines and the destruction of our
14 neighbors is poignantly clear. The sudden
15 change from a million-dollar-a-day fine to a
16 \$3 million fine from the PUC reeks of
17 collusion, especially after having a
18 fundraiser where energy companies were used
19 to raise money for the PUC, which was
20 ludicrous.

21 Fines need to be paid out of money
22 that is not from ratepayers. So it needs to
23 be pulled out of shareholder equity. It
24 needs to be reimbursed to ratepayers by sale
25 of stock, or shareholders will have to go
26 without dividends and executives will have to
27 go without bonuses for a few years.

28 Instead of the money from fines

1 going to the general fund, the money from
2 fines should be reinvested in the pipeline
3 system. The PUC should fine PG&E heavily and
4 use the money for putting in remote control
5 and automatic shut-off valves. That way we
6 have those items installed and don't have to
7 pay PG&E's guaranteed 11.2 percent profit on
8 equity investment.

9 Another point is to own the problem.
10 How come no one from PG&E or the PUC is
11 stepping up and saying they were responsible
12 for Line 132? Because essentially no one
13 was.

14 I'd like to see a team of PG&E
15 workers and a PUC inspector be assigned to
16 each stretch of pipeline, to own that line,
17 to be knowledgeable about its history, its
18 maintenance, its inspection schedule and be
19 responsible to keeping information about each
20 stretch of line updated in PG&E's database.]

21 We've already heard a little bit
22 about first responders. Probably says enough
23 to know, to watch in front of NTSB as our
24 San Bruno Fire Chief admitting he didn't know
25 the gas line ran through our city. It's
26 unbelievable.

27 The PUC needs to require PG&E to
28 educate first responders in every

1 neighborhood about the pipeline and train
2 them how to turn them off in an emergency.

3 And PG&E said somebody got stuck in
4 traffic that didn't even know how to turn off
5 the gas was ludicrous. Fire trucks cannot
6 get stuck in traffic.

7 About legislation, it became
8 painfully clear a few months ago as we sat
9 here to watch Jerry Hill, Fiona Ma and others
10 ask the PUC questions. It's obvious the PUC
11 doesn't have to answer to our elected
12 officials. Legislation needs to be passed
13 that requires the PUC to make regular reports
14 to our legislators about the status of
15 pipelines that requires PG&E to quickly and
16 thoroughly report every incident that might
17 compromise the safety of the pipelines.
18 Without legislation in place, this whole
19 exercise here is likely pointless.

20 The point is profits. The reason
21 why PG&E stock is still near its all-time
22 high levels is because they stand to make
23 huge profits from installing automatic
24 shut-off valves or replacing aging pipelines,
25 giving them a guaranteed 11.2 profit on

26 capital investment basically rewards them for
27 their wayward bad decisions.

28 Lines 31-32 should have been

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1 replaced in the '90s when nearly the entire
2 line was replaced. And paying them now
3 a profit to replace aging lines and
4 installing shut-off valves that should have
5 been installed over the past 20 years is
6 simply rewarding them for negligence.

7 Also, in regards to compensation,
8 having executives from PG&E making millions
9 of dollars in stock awards needs to stop.
10 Compensation needs to be capped. Allowing
11 executives to bonus themselves seven times
12 their salaries or more in a year when they
13 blew up a neighborhood and killed eight
14 people is ludicrous.

15 The PUC needs have tighter reins on
16 executive salaries and have specific
17 requirements that executives have to meet to
18 qualify for a bonus. Maybe not blow up
19 stuff.

20 (Applause)

21 MR. MAGOOLAHAN: We need to change the
22 culture of PG&E from a culture of profits to

23 a culture of safety.
24 Weak oversight that led to this
25 disaster makes the PUC complicit in
26 the destruction of our neighborhood and the
27 deaths of our neighbors. Lack of enforcement
28 via significant fines gives residents the

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1 impression that the PUC is merely an
2 extension of PG&E rather than its task
3 master. The PUC needs to send a message
4 with a huge fine to PG&E and the message
5 should be clear: Gas companies must
6 invest in preventing disasters and keeping
7 ratepayers safe in our homes rather than
8 spending money on wayward propositions like
9 Prop. 16, supporting political campaigns and
10 bonusing executives.

11 It's important because it's not
12 a matter of if this type of disaster is going to
13 happen again. It already has in
14 Philadelphia, in Allentown, in Minneapolis.
15 This is an infrastructure epidemic. Without
16 serious penalties and without the state and
17 federal government enacting laws that can
18 protect us from our energy companies, the San
19 Bruno disaster is destined to be repeated

20 across the country.

21 Let's learn from the past and
22 increase our level of commitment to pipeline
23 safety on all levels. Let's all be committed
24 to making the San Bruno disaster a thing of
25 the past rather than a premonition of things
26 to come.

27 Thank you.

28 (Applause)

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1 ALJ BUSHEY: Our next speaker is Ariel
2 McCarty.

3 STATEMENT OF MS. MC CARTY

4 MS. MC CARTY: Hi. My name is Ariel
5 McCarty and I live in South San Francisco.

6 My family and friends are very
7 angry. This hearing is not enough. It has
8 been almost seven months since the disaster
9 occurred in September and nothing has been
10 done. Even the Japanese government has
11 operated more swiftly during its nuclear
12 crisis and we want action. The community
13 wants action but it wants responsible action.
14 It is must be led by this community, leaders,
15 this Commission, and the president of PG&E.

16 The people want an immediate and

17 effective solution. If we do not get
18 a solution soon, there will be a tea party
19 uprising and it will be just like the one
20 that threw out the Democratic party in
21 Congress.

22 Thank you.

23 ALJ BUSHEY: Thank you.

24 (Applause)

25 ALJ BUSHEY: Are there any other
26 persons directly affected that wish to
27 address the Commission?

28 That's the end of the sign-up list.

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1 Anyone else that would like to come forward?

2 All right, thank you. Then we will
3 move on to our elected representatives.

4 The first one on the list is Austin
5 Yang, the deputy city attorney for
6 San Francisco.

7 STATEMENT OF MR. YANG

8 MR. YANG: Good evening, Commissioners,
9 ALJ Bushey. My name is Austin Yang. I'm
10 a deputy city attorney in the Office of City
11 Attorney Dennis Herrera and I make this
12 statement on behalf of the City and County of
13 San Francisco.

14 As Commissioner Sandoval has noted,
15 this Commission has a statutorily mandated
16 duty to ensure that utilities maintain such
17 adequate, efficient, just, and reasonable
18 service, instrumentalities, equipment and
19 facilities necessary to promote the safety,
20 health, comfort and convenience of its
21 patrons, employees and the public.

22 The city is no different. We rely
23 upon the Commission to ensure that public
24 safety is a top priority.

25 It is vitally important for
26 the Commission not to lose sight of this
27 foundational responsibility and take action
28 to ensure public safety. In recent weeks, it

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1 has become clear that PG&E has not met
2 the requirements of Section 451 in
3 the operation of its natural gas system at
4 the March 28 Order to Show Cause. PG&E
5 admitted that it does not have sufficient
6 records for 152 miles of transmission lines
7 in high consequence areas that most resemble
8 the line that ruptured in San Bruno.

9 Getting assurance that these 152
10 lines are being operated safely should be

11 the highest priority for the Commission.

12 In addition, PG&E's recent filings
13 demonstrate that it is relying upon the use
14 of historical maximum allowable operating
15 pressure for another 455 miles of its
16 pipeline system. PG&E's continued use of
17 historical maximum allowable operating
18 pressure turns a blind eye to the actual
19 needs of the pipeline system.

20 In addition, PG&E's spiking its
21 pipelines in order to avoid performing
22 pressure tests which exacerbates this
23 problem.

24 There is a mandate upon the
25 Commission to provide the public with proof
26 that PG&E's gas system is being operated in
27 a safe and reliable manner. In satisfying
28 this mandate through record searches and

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1 conferring with federal stakeholders,
2 the Commission must act with a sense of
3 urgency.

4 As Commissioner Florio noted in
5 a recent Assigned Commissioner Ruling, we are
6 dealing with dire issues concerning our
7 public safety and human life.

8 Thank you for the opportunity
9 tonight.

10 (Applause)

11 ALJ BUSHEY: Mike Salazar, vice-mayor
12 of the City of San Bruno.

13 STATEMENT OF MR. SALAZAR

14 MR. SALAZAR: Good evening. My name is
15 Michael Salazar. I am the vice-mayor of the
16 City of San Bruno.

17 On behalf of the city council and
18 the entire San Bruno community, I want to
19 thank you for this community for our citizens
20 and for the city to express our concerns to
21 you. Really, my intent tonight is to come up
22 here and really echo some of what you've
23 already heard from our citizens. And it
24 really is our concern in making sure that
25 the disaster that occurred here does not
26 occur again. And we hope that you take what
27 you're hearing tonight and really take it to
28 heart.

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1 I know this is the first of many of
2 these types of forums that you'll be holding.
3 And some of those forums, some of the other
4 hearings will include people that have more

5 technical expertise and provide you very
6 specific recommendations based on engineering
7 data but we hope that what you hear tonight,
8 that the human value doesn't get lost and you
9 do remember what you've heard here tonight.
10 Some of the statistics, I'm sure
11 you're familiar with them. You've heard them
12 many times. 17 homes uninhabitable.
13 53 damaged. 38 homes completely destroyed.
14 66 persons burned, injured, sent to the
15 hospital, some with permanent medical
16 problems because of this. And of course, the
17 most tragic statistic: Eight lives lost.
18 We've heard the names of some of those people
19 and I think that we -- I feel like I really
20 have to name all the people that were lost:
21 Jacqueline Greig, Janessa Greig, Jessica
22 Morales, Lavonne Bullis, Greg Bullis, William
23 Bullis, Elizabeth Torres, and James Franco.
24 These were our neighbors, our friends, our
25 family members. They lost their lives
26 because of this.
27 In terms of the recovery process,
28 we are seeing some progress that there are

1 people that are going to be rebuilding their

2 homes up there and we are seeing some
3 progression. We're very optimistic about
4 that. But there is also the physical
5 healing. The psychological healing that's
6 still taking place and continue to take place
7 for a long time. And a very key component of
8 that healing process is going to be our
9 ability as government officials to make them
10 feel safe in their neighborhood again. And
11 really, that becomes the key to what we are
12 looking for you tonight, what we're asking
13 tonight.

14 And we do have some specific
15 recommendations that we'd like to make. We
16 understand that that is the purpose of this,
17 is for us to give you some impact, some
18 direction, some things that we believe will
19 be impactful in your decision making going
20 forward. Among those, we feel that there is
21 a need for improved and more rigorous
22 inspection and testing of the high pressure
23 gas lines. Specifically, we're concerned
24 about the lines that were put in prior to
25 1970 and are currently in areas that are
26 located in areas considered high consequence,
27 meaning that there are large populations
28 located around them.

1 We're also interested in seeing
2 some action taken regarding the remote or
3 remote little operated or automatic shut-off
4 valves on these pipes.

5 We're interested in seeing improved
6 instrumentation. One of the other speakers
7 mentioned that there was a pressure spike
8 detected. We're not really sure if that was
9 considered a real reading and perhaps not
10 taken seriously. So we want to make sure
11 that when these things do occur, that
12 the right alarms are going off and they're
13 going to be addressed appropriately.

14 We'd like to see better
15 communication for our residents, especially
16 the ones that are near these high consequence
17 pipelines. We would like to see them be made
18 aware of the situation and make sure that
19 they understand consequences.

20 And the last item is that we would
21 like to see more focused emergency response
22 training. We'd like to make sure that our
23 first responders are fully aware of
24 the hazards that they would be dealing with.
25 And even though something of that magnitude
26 may not occur very often, we would like to

27 make sure that if it should ever happen
28 again, in the period that until we get some

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1 of these larger infrastructure issues fixed,
2 that they are going to be able to respond and
3 not have to get and wait for responses.

4 So in conclusion, I just want to
5 say that this was a horrible tragedy. It's
6 certainly nothing any of us here in the city
7 expected. Certainly nothing anyone on the
8 Commission would have expected to happen.
9 But it is a wake-up call. I think it may be
10 very obvious to all of us that we don't truly
11 understand what lies underneath the ground
12 and what the hazards are. And I hope that
13 when we come out of this, that we're all
14 better educated and better equipped to make
15 the decisions that will make everyone in our
16 community safer.

17 Thank you.

18 (Applause)

19 ALJ BUSHEY: Our next speaker is Jerry
20 Hill, Assemblymember for the 19th District.

21 (Applause)

22 STATEMENT OF ASSEMBLYMEMBER HILL

23 ASSEMBLYMEMBER HILL: Commissioners,

24 thank you for holding this hearing in San
25 Bruno and giving the constituents that
26 I proudly represent an opportunity to share
27 their thoughts and their feelings with you
28 this evening.

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1 In the months following the
2 explosion, we all heard about the intricacies
3 of gas pipelines in California. Although
4 the cause of the explosion is still being
5 investigated, hearings at the federal and
6 state level have revealed serious flaws in
7 the way California regulates its utilities.

8 The purpose of this hearing is to
9 gather information as the Commission develops
10 new pipeline safety regulations. Some of my
11 suggestions are included in the legislation
12 that I've introduced in the state legislature
13 which depends transparency and accountability
14 from our utilities and our regulators.

15 Some of the possible preventive
16 actions that are being discussed in this
17 rulemaking and in that legislation include
18 replacing of aging pipes, more frequent
19 inspection, installation of pipe burrowing
20 cameras and automatic or remote control gas

21 shut-off valves.

22 Now, there will be always tension
23 between the price of safety and the cost to
24 ratepayers. While we all agree changes are
25 need, we have to ask ourselves who will pay
26 for it.

27 The irony here is that ratepayers
28 have been paying for repairs. So those

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1 repairs have not always been done. In the
2 weeks after San Bruno, we learned that in
3 2007, PG&E was approved to spend \$4.9 million
4 to replace a segment in Line 132 but the work
5 was never done. In 2009, the utility was
6 asking for an additional approval of
7 \$5 million for the same project, and they
8 received it without any accounting of what
9 happened with the first \$4.9 million.

10 The Commission must do a better job
11 at tracking how ratepayer money is spent.

12 This also raises a question. PG&E
13 earnings for 2010 were well above \$1 billion.
14 The company shareholders benefit from an
15 11.35 percent return. In comparison to the
16 rest of California's economy, PG&E is doing
17 very well indeed.

18 Part of the problem is that many of
19 the top executives at PG&E are from Wall
20 Street and operate with a Wall Street
21 mentality where profit is king.

22 PG&E has the highest rates and
23 the worst safety record of any other utility
24 in California. The utility rates are up to
25 30 percent higher than the national average.
26 I ask the PUC take a closer look at how PG&E
27 uses existing rates before considering any
28 rate increase to pay for these reforms.

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1 Careful analysis and review for any request
2 for ratepayer responsibility is mandatory in
3 light of PG&E's history and past performance.
4 The PUC should question whether the utilities
5 return is fairly assessed, especially in
6 light of a May 2010 PUC audit that clearly
7 states that PG&E was cutting corners to save
8 money.

9 Commissioners, I stand here today
10 because I want to believe that the PUC is
11 headed in a new direction and is willing to
12 have an open and transparent process
13 exemplified by this evening's hearing. But
14 I have concerns that despite these public

15 olive branches, the PUC is still negotiating
16 deals with utilities in private, away from
17 public scrutiny. The PUC ordered PG&E to
18 show cause why it should not be fined up to
19 \$1 million for every day that the utility
20 failed to produce pipeline records from
21 March 15, the deadline; and yet, PUC staff
22 struck a deal behind closed doors in which
23 the utility would pay as little as
24 \$3 million, admitting no fault, all in
25 advance of the scheduled public hearing of
26 March 24.

27 Lastly, I wanted to make one
28 technical comment to the proposed revisions

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1 to reporting requirements in General Order
2 112-E, Section 122.2. This imposes certain
3 reporting requirements but would allow an
4 operator to exceed a pipeline's maximum
5 allowable operating pressure without
6 reporting. This exception undermines
7 the PUC's ability to evaluate the integrity
8 of the pipes in California.

9 As you work to improve the safety
10 of gas transmission, I trust and I think we
11 all demand that the PUC will abide by its

12 stated mission. And this mission is to serve
13 the public interest by protecting consumers
14 and ensure the provision of safe, reliable
15 utility service and infrastructure at
16 a reasonable rate.

17 Thank you very for opportunity.

18 (Applause)

19 ALJ BUSHEY: Our next speaker is
20 Richard Steffen, the district director for
21 Congresswoman Jackie Speier.

22 STATEMENT OF MR. STEFFEN

23 MR. STEFFEN: Good evening. As
24 Commissioner Florio noted, Congresswoman
25 Speier submitted a letter to the PUC last
26 week with 14 specific proposals.

27 I'll go over them very briefly but
28 what I'd like to first say is what she said

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1 to me when she signed the letter. She said
2 its inexcusable that PG&E still doesn't know
3 what's in the ground. That has to stop.

4 And so her proposals for the most
5 part deal with that.

6 First off, require that operators
7 disclose the location of transmission
8 pipelines to any and all first responders.

9 Two, require that operators
10 disclose to customers the fact that they
11 reside or work within 2000 feet within
12 a natural gas transmission line.

13 Three, and this is -- I think this
14 is an important one -- require the CPUC to
15 establish that a statewide database of
16 pipelines removed from service.

17 Every pipeline has DNA: Who made
18 it? What condition is it in? Are the welds
19 okay? Is there corrosion?

20 We would benefit if we, just like
21 fingerprints, we took out, whatever reason --
22 let's just say before September 9, we took
23 out Section 180 before it ruptured and we
24 saw, huh, no interior weld. That would tell
25 us something.]

26 And we are suggesting that this be
27 a statewide database for the two operators in
28 California.

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1 Require the installation of
2 automatic or remote control shut-off valves
3 every 5 miles in lines that are in high
4 consequence areas or that run along an
5 earthquake fault.

6 She would like the PUC to conduct
7 an integrity management audit every two
8 years, and that audit exceptions that are
9 deemed critical shall be responded to within
10 24 hours, while all others must be answered
11 within 30 days.

12 At the NTSB hearing we were told
13 that PG&E took over a year sometimes to
14 answer the PUC as to why it hadn't done
15 something. I don't understand why they are
16 allowed to take a year, but that needs to
17 stop.

18 As other speakers have said, no
19 intentional spiking of MAOP. If an operator
20 doesn't have documentation that a pipeline
21 segment has been pressure tested, then reduce
22 the pressure 20 percent, hydro test and
23 replace. That's already something the PUC is
24 doing.

25 Establish a rule for the duration of
26 the pressure test. I don't think there is
27 any specific rules on that. I don't know
28 what would be best, but there probably should

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1 be a standard on that.

2 Define what the most conservative

3 value is. That's not defined.

4 We believe that an operator should
5 report to the PUC any increase over an MAOP
6 within 24 hours and not 30 days or exempting
7 reporting all together if it's a small -- if
8 it exceeds it by less then 10 percent. We
9 think that all spikes should be reported.
10 And this is very key.

11 Require every operator to provide a
12 replacement plan for any pipeline installed
13 prior to 1961 in a high consequence area.
14 Each plan shall contain the time frame for
15 replacement beginning with the highest risk
16 pipeline and descending to the lowest risk
17 pipeline.

18 I want to emphasize the following:
19 Please give an estimated cost of replacement.
20 We are talking about putting in shut-off
21 valves and replacing lines. What's it going
22 to cost? We heard from the industry at the
23 NTSB hearing in March that it would cost
24 something like \$9 billion to replace all the
25 legacy pipelines. So those are pipelines
26 that were grandfathered in and haven't been
27 pressure tested.

28 So we need to get a sense of what

1 this is going to cost.

2 Also, the Congresswoman wants all
3 pipe sold by Consolidated Western to be
4 inspected and tested or replaced. She thinks
5 there should be a new rule for how the age of
6 a pipeline shall be considered a risk factor
7 and how the inability to utilize internal
8 inspection equipment increases the risk as a
9 pipe ages.

10 When we met with PG&E after the
11 rupture, they said that the age of a pipeline
12 is not a major risk factor. We don't believe
13 that to be true.

14 And finally, we would like the PUC
15 to have more inspectors.

16 Thank you.

17 (Applause)

18 ALJ BUSHEY: Our next speaker is Harold
19 Schapelhouman, the Fire Chief from Menlo
20 Park.

21 STATEMENT OF MR. SCHAPELHOUMAN

22 MR. SCHAPELHOUMAN: Madam Judge,
23 members of the Commission, my name is Harold
24 Schapelhouman. I am the Fire Chief of Menlo
25 Park Fire Protection District, and I am here
26 representing the board of directors for the
27 Fire District and the fire districts

28 responsible for protection to the Town of

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1 Atherton, the City of Menlo Park, City of
2 East Palo Alto and portions of San Mateo
3 County and unincorporated within the
4 district.

5 I have provided you this evening
6 with a letter. I don't know that you have
7 received it, but I will read from it so that
8 we can stay on point and I can go through my
9 comments relatively quickly.

10 I read the a agenda for this
11 evening. I felt it was important to respond
12 to the items that were on this list based
13 upon not only the fire district's interest
14 but the interests of emergency responders.

15 I was in San Bruno the evening of
16 the explosion and the conflagration that
17 occurred. I worked with the command staff
18 for two days as one of the plan section
19 officers trying to get ahead of the event.

20 I also responded our personnel to
21 the event from both our Fire District as well
22 as the urban search and rescue task force.

23 One of the objectives you listed,
24 develop and adopt safety related changes to

25 the CPUC's regulation of natural gas
26 transmission pipelines, including
27 requirements for construction, especially
28 shut-off valves, maintenance, inspections,

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1 operation, record retention, ratemaking and
2 the application of penalties.

3 I won't respond to all those. I
4 will respond to the ones that I think
5 emergency responders would have some hopeful
6 benefit to you in commenting on.

7 The Fire District is in support of
8 automatic shut-off valves where practical. I
9 don't know enough about the network to know
10 where that would be practical, but it does
11 make sense to us.

12 In terms of response protocols for
13 both provider and emergency responders that
14 work in conjunction to support a unified
15 response to an incident as well as reasonable
16 and acceptable response times for provider
17 and management team to respond to critical
18 incidents, those things all make sense to us
19 and we would like to see and hope help with
20 some improvements in that.

21 We for years in the emergency

22 response field have told the community if
23 they wanted to have shut-off valves for the
24 gas meters or even emergency shut-off valves
25 based upon seismic activity, shut the gas off
26 to their homes, we would support that. The
27 downside of that is your gas goes off and it
28 stays off until someone can turn it back on.

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1 The upside is your gas goes off.

2 In this particular case, as you
3 know, with the fire that raged for an
4 incredibly long period of time, that was a
5 problem.

6 In regards to construction work on
7 major distribution lines, emergency
8 notification protocols must be established to
9 increase first responder situational
10 awareness based upon risk thresholds that
11 trigger notification.

12 What do I mean by that? I know one
13 of the residents mentioned that Chief Hague
14 did not know where the gas line was or that
15 he had a gas line in his town. That's not
16 unusual. As the fire chief for the Fire
17 District, I didn't know where the gas lines
18 were. I had an idea where they were. We

19 knew we had them. But up until recently when
20 PG&E provided with us the maps we did not
21 have the detail or data.

22 We still do not have all the data I
23 would like to have. I think one of the
24 things people need to realize, as first
25 responders and particularly in this
26 particular case as you deal with the gas
27 lines, we understand the security issues, but
28 I will say this, that we need to do a better

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1 job of understanding where those things are
2 so we can perform to a higher level.

3 The evening of the event the
4 incident was reported as an aircraft crash.
5 It came through our dispatch system that way.
6 There was no compromise to the response in my
7 opinion in terms of the amount of resources.
8 However, when you are a chief officer in the
9 field, you are setting tactical objectives.
10 If you know you have a gas line, your
11 objectives will be different because you know
12 you can't put the fire out right away. So
13 your strategy will be different than having
14 an aircraft crash.

15 Item F, consider the appropriate

16 balance between the CPUC's obligation to
17 conduct its proceedings in a manner open to
18 the public with legitimate public safety
19 concerns that arise from unlimited
20 availability of certain utility information.

21 Again, from the Fire District we
22 concur with the Commission's desire to
23 maintain a reasonable level of transparency,
24 yet realize that certain risks to public
25 safety occur from unlimited public access.
26 The balance point for this as it applies to
27 the public safety personnel should be based
28 upon information and again situational

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1 awareness that improves response performance
2 and the safety for both the public and first
3 responders. If we know where it is, we can
4 do a better job because we know where it is.

5 One of the things -- I will give you
6 an example. I am a veteran of the response
7 to the World Trade Center. One of the things
8 that we found out afterwards was that we
9 weren't told all the information associated
10 with the health conditions, specifically
11 environmental conditions around the Trade
12 Center. To this day many of us have

13 respiratory problems because of that.

14 I think what we really need to
15 realize is the first responder community is a
16 partner. We are not going to give the
17 secrets away. We need to know where these
18 things are so we can do a better job and we
19 can keep our people safer when they respond
20 because it is all about how we approach the
21 event and what we are going to do in terms of
22 strategic and tactical objectives.

23 Item H, expand emergency and
24 disaster planning coordination efforts with
25 local officials.

26 I agree. We would love to see it.
27 We will embrace it. Maybe what you don't
28 know is the Fire District has enjoyed a

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1 20-year relationship with PG&E as it applies
2 to our Bayland's Structural Collapse Training
3 Center located behind the Ravenwoods
4 substation in Menlo Park near the Dumbarton
5 Bridge.

6 As one of the state's eight urban
7 search and rescue task forces and one of the
8 nation's 28 national response teams under
9 FEMA and under the Department of Homeland

10 Security, the Fire District, which is the
11 sponsoring agency for California Task Force
12 3, is positioned to support any and all
13 efforts to collaboratively improve disaster
14 planning and coordination within San Mateo
15 County, the Bay Area and California.

16 The Fire District, working in
17 conjunction with a partnership with the
18 Industrial Emergency Council or IEC in San
19 Carlos has trained thousands of emergency
20 personnel throughout the region, state, the
21 nation, the world.

22 Recently when we heard about the
23 Japanese firefighters that got stuck here
24 when the earthquake and tsunami hit their
25 country, those firefighters were training
26 with our personnel out at that site.

27 The interesting thing,
28 unfortunately, about that as well is that at

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1 one time the Fire District conducted joint
2 training with PG&E until the company went
3 into bankruptcy. We are actually on their
4 site on their property. They own the dirt.
5 We are prepared to renew that commitment to
6 both PG&E and this Commission and the

7 community so that we can improve
8 collaborative and efficient joint response
9 going forward.

10 So there is an existing training
11 facility that is being used by the fire
12 service, by emergency responders that come
13 from all over the world, and we train
14 together there in a collaborative fashion.

15 In summary, as one of the first
16 responders that arrived within the first
17 hours after the San Bruno gas line explosion
18 and conflagration, I humbly respect and
19 appreciate the task and efforts of this
20 Commission and all of us to learn from this
21 very unfortunate and tragic event.

22 I believe our collective and
23 primary goal should be to improve safety and
24 performance of this important and vital
25 distribution system so that we restore public
26 confidence and improve collaborative
27 coordination of the emergency responders with
28 PG&E as an important partner and with this

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1 Commission as the lead.

2 It is important that you carefully
3 move forward so that we truly honor those who

4 lost their lives, their loved ones, family
5 members, friends, homes, their livelihoods,
6 and most importantly, their feeling of
7 security and confidence of the gas line
8 infrastructure during and after this event.

9 We were on the top one hundred
10 list. That didn't happen in our town, and we
11 did respond, but I can tell you from going to
12 the city council meetings in East Palo Alto
13 and Menlo Park and Atherton, this spread well
14 beyond San Bruno in terms of the confidence
15 and also the fear in the community from not
16 only our residents but also local officials
17 who were concerned that they needed to do
18 something.

19 I appreciate the opportunity to
20 address the Commission. I believe that we
21 must restore faith in all these important
22 performance aspects as we are truly hoping to
23 move forward to a better and safer tomorrow.

24 One last thing. As a responder of
25 30 years, not only the fire service but under
26 the national response system, I have been
27 involved with responses I mentioned to the
28 World Trade Center, the Oklahoma City

1 bombing, Hurricane Katrina, I helped recover
2 the Space Shuttle Columbia astronauts and a
3 number of other events. Earlier in 2010 we
4 had the aircraft crash in East Palo Alto. We
5 worked very closely with PG&E.

6 The go forward is very important.

7 This is where the dust starts to settle.

8 What we do from here on is going to be a
9 critical thing.

10 I don't know if tonight that we
11 will prevent these incidences from occurring.

12 As a fire chief I never tell you that that
13 could truly happen. I think we can make it
14 show we can do better. We can make things
15 safer. And we certainly don't have to repeat
16 the difficult lessons of the past.

17 So thank you for your time.

18 (Applause)

19 ALJ BUSHEY: Thank you.

20 That concludes the list of elected
21 officials.

22 Before we move on to the next list,
23 can we back up and make sure that there
24 aren't any other persons that were directly
25 affected that are present.

26 Would you like to address the
27 Commission?

28 STATEMENT OF MS. ALEXANDER

1 MS. ALEXANDER: My name is Rochelle
2 Alexander. I live in South San Francisco.
3 My concern is I saw the blast start,
4 and it was quite a long time before it went
5 out.

6 But we moved out here in '54, and
7 what concerns me is I'm sitting by pipes that
8 are over 60 years old. And I have got
9 nothing from the PG&E, my bill or anything,
10 saying what are they doing, what kind of
11 testing are they doing, what do they intend
12 to do.

13 The only thing I got was about this
14 hearing. And I mean, what has it been, seven
15 months? So I am suggesting that people on
16 your list in this area be notified like you
17 notified them of this hearing so that we know
18 what's going on because I'm sitting close to
19 these lines and it kind of worries me. And
20 it would make things a lot easier for me if I
21 knew what PG&E was doing on my behalf.

22 Thank you.

23 (Applause)

24 ALJ BUSHEY: Everyone who is interested
25 in being notified as this proceeding moves on

26 should stop at the public advisor's desk on
27 the way out and they can help you get signed
28 up to receive further notification.

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1 Are there any additional elected
2 officials that wish to present to the
3 Commission?

4 (No response)

5 ALJ BUSHEY: All right, then.

6 Mr. Torres.

7 MR. TORRES: The pipe thickness is only
8 3.75 thickness, which is less than a half
9 inch thick. So why couldn't they have had
10 certified professional welders instead of
11 subcontracted people that came in
12 periodically and helped PG&E?

13 So I think that they need to have
14 certified welders and not just a weld to put
15 these things together. They are not that
16 tech.

17 ALJ BUSHEY: Thank you.

18 The next speaker, Joy-Ann Wendler.

19 STATEMENT OF MS. BUSTAMONTE

20 MS. BUSTAMONTE: I will be very brief.
21 First of all, my name is Pat Bustamonte. I
22 live in Cupertino.

23 I brought some information that I
24 don't think anyone in this room has except
25 me. I will read some of it. I will show you
26 something.

27 And I really have had no problems
28 with Pacific Gas and Electric, and I am going

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1 to be 74 years old. I was born in
2 California. I am a sixth generation.

3 I think that the Utilities
4 Commission is doing a great job. I just
5 wanted to have a chance to say that.

6 All right. Now this is dated
7 September 9th, 2010, 3:29 p.m. Two asteroids
8 passed Earth one after the other on
9 Wednesday, according to the U.S. Space Agency
10 NASA. The larger of the two space rocks
11 Asteroid 2010RX30, I call it Frick, between
12 33 and 65 feet wide, passed within 154,000
13 miles of Earth, and the other one named
14 2011ORF-12, I call it Frack, and measuring 20
15 by 46 feet, passed within 49,000 miles of
16 Earth. And these are asteroids. They are
17 rubble. A rock this size could have gone
18 down and ignited that gas, I don't care how
19 thick the pipe is.

20 ALJ BUSHEY: Thank you for that.

21 That's a different perspective.

22 MS. BUSTAMONTE: It is something to
23 think about. It may not have been -- we have
24 learned a lot of instructive things tonight.
25 It may not have been the fault of the people
26 that put the pipeline in. And they only
27 happen every 10,000 years. 9,700 years ago
28 another one hit --

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1 ALJ BUSHEY: Thank you.

2 Our next speaker is Joy-Ann Wendler.

3 (No response)

4 Bruce Donoghue.

5 STATEMENT OF MR. DONOGHUE

6 MR. DONOGHUE: Thank you for allowing
7 me to speak. And thank you for serving the
8 public in California. And thank you for
9 listening and trying to digest the common
10 public's expressions of grief and
11 understanding of your rules.

12 I spent a number of hours trying to
13 decipher your Commission website along with
14 the federal regulations, along with other
15 PG&E ideas. It seemed very confusing. There
16 wasn't a hot topics list. There wasn't

17 references.

18 I was given a reference of R.11
19 something or other. And after hours of
20 looking here, there and everywhere to get the
21 correct document so I could come to the
22 meeting and understand it, I eventually found
23 a news organization site.

24 I couldn't decipher the public
25 outreach of the Public Utilities Commission,
26 and I'm not computer literate, but I made a
27 real effort to sort out between the legalese
28 and the organization of IT and between other

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1 things. It was very difficult for me to
2 understand and be able to confirm facts so
3 that I could come forward and say that at
4 least I digest what you offer and I
5 understand what is happening.

6 The woman who spoke about public
7 information cards in all the mailings, that
8 would be very helpful.

9 I spent a lot of time mainly on the
10 MAOP, if I understand correctly, and that is
11 an interesting term. Evidently, from an
12 engineer's viewpoint, it is calculated when
13 the original design is made. There are a

14 number of factors that establish an envelope
15 of allowable pressures.

16 One idea is that there is a
17 definitive number between the state and the
18 fed saying this line has an MAOP of this
19 certain pressure for this line, if I
20 understand correctly, it was 400 psi or
21 somewhere close to that. Some people say
22 other pressures. But in that range.

23 The pipe had a thickness. It had an
24 engineering calculation. It was recorded.
25 The world should have been organized. And
26 there were no records, evidently, of this
27 line and many other lines.

28 So the notion goes that you have

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1 come forward with your regulations and you
2 are trying to be clear and have a
3 perspective. I only want to get to two or
4 three very interesting details about the
5 MAOP.

6 PG&E has said they have tested many
7 miles of gas line and they have established
8 what is considered the weakest section of the
9 pipe by hydrostatic testing. And this was
10 after a certain period, 1970 I think if I

11 recall correctly. Well, no one has stated
12 anywhere what this test pressure is.

13 Now that might not seem very
14 important, but is it 10 percent greater than
15 the engineering calculations? Is it
16 25 percent greater than the original -- what
17 level of hydrostatic test was done?

18 The federal regulations leave it
19 open, the way I read them. Of course, I am
20 not an expert. And your regulations leave it
21 open. Again, I am I am not an expert. But
22 just to a common man's investigation, there
23 is no public official disclosure that's
24 reliable of what test pressure was used in
25 all of these gas lines.

26 I think you should have a flyer, it
27 should be on your website, it should be in a
28 mailing, these lines, this chart, we have

□
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1 established that in a hydrostatic test right
2 after construction for these period lines,
3 this line was tested to 99 percent of its
4 yield strength, 50 percent of its yield
5 strength, 80 percent of its operating
6 pressure.

7 No one understand what this is, but

8 this is the key idea in safety. In other
9 words, you took and spent a lot of money to
10 verify what the operating pressure was, but
11 is it a proper level?

12 And so I give you the example of
13 Line 132. It had an unverified 400 psi
14 operating pressure, if I understand it, in
15 the records. It was operated at a hundred
16 psi. So then for all these years it was at
17 95 percent, plus or minus, I am not an
18 accurate calculator, that it was operating at
19 95 percent of its burst strength.

20 Now how many lines have been
21 hydrostatically tested, let's say 10 percent
22 greater than their maximum operating
23 pressure, and if you went to 12 percent it
24 would burst? No one knows the factor of
25 safety from the burst strength down to the
26 maximum operating pressure. And that's
27 not -- I could see why no one wanted to pay
28 attention. It's a huge understanding. But

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1 it's the primary fact.

2 You people, forgive me for the
3 criticism, are in default of terms. You want
4 to deal with this, you want to deal with

5 that. But the actual thing is when that is
6 stressed up, will it take the load and what
7 is the factor of safety?

8 You have reduced pressures 20
9 percent. Well, if the burst that happened
10 here was actually a test and the pipe burst,
11 then you would have it fixed. Well, people
12 would say, well, we are back to the 400 psi
13 allowable. But would you test it again and
14 when you test it at 430 psi and would you
15 really know what the factor of safety is?

16 Your 20 percent reduction in
17 pressure reduced this pressure by 20 percent
18 and gave you a 20 percent factor of safety.
19 The original design of the pipe had a 50
20 percent mandatory factor of safety.

21 So you are legislating away the
22 original design tolerance. We are going to
23 be safe, we're going to go ahead, we're going
24 to establish a 20 percent reduction, everyone
25 feel good about it. You guys ought to be
26 talking a 50 percent reduction if you don't
27 have a full hydrostatic test. Your
28 hydrostatic test doesn't necessarily

□

1 establish the maximum burst pressure and you

2 are reducing the margin of safety.

3 So you come forward, everyone comes

4 forward, it is safe to live on this street.

5 You could be within 3 percent of the same

6 thing happening again after all your

7 regulations and all the stuff has been done,

8 no matter what year. I can't tell you, can

9 you tell me, after 1970 what the hydrostatic

10 pressure was, this rule, that rule?

11 There is no way for the public to

12 understand those rules. That's where you

13 people need to pay a little more attention in

14 getting public confidence back to a level

15 where they say, geez, the Public Commission

16 went ahead and established this rock-hard

17 primary idea. We have no (inaudible)

18 alternatives. We could talk about a lot of

19 things. The only thing people care about is

20 that that line has a 50 percent factor of

21 safety and it's not going to blow up.

22 So the idea is I would hope you

23 would review your proposals. I would hope

24 you would establish a public disclosure

25 office that brings this information out in

26 simplified form for the average guy to

27 understand. And I hope you will have

28 50 percent factual engineering established

1 idea for the factor of safety.

2 The factor of safety on this line
3 for years and years and years and years
4 according to the documented records and
5 historical operation pressures was supposed
6 to be adequate. It was 2 percent. Why it
7 didn't burst before, who can tell?

8 Now, if that was the standard of the
9 welders in those days, statistically all
10 these pipes probably have a fairly decent low
11 factor of safety.

12 So your job is to reassure the
13 public by establishing a factor of safety.

14 Thank you very much. I appreciate
15 your time.

16 ALJ BUSHEY: Thank you.

17 (Applause)]

18 ALJ BUSHEY: Phillip Tucker.

19 STATEMENT OF MR. TUCKER

20 MR. TUCKER: Commissioners, my name is
21 Phillip Tucker. I'm project director for
22 California Healthy Communities Network, Tides
23 Center, San Francisco. We work on
24 sustainable community development.

25 And in that pursuit, in Suisun City,
26 we came across high pressure pipelines as

27 well as gas pipelines running adjacent to a
28 project that we were evaluating. And what

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1 that resulted in after we found that no one
2 could give us any information on those
3 pipelines and on their location and proximity
4 to a very, very large project adjacent to
5 Travis Air Force Base, we got involved with
6 the Pipeline Safety Trust and Mr. Carl
7 Weimer, who basically worked with us.

8 One of the things that we found that
9 was amazing was there's no studies or -- that
10 we could find, and that Mr. Weimer was aware
11 of, on the variant of safety of aging
12 hazardous pipelines. It's something for some
13 reason had been dropped, has missed the mark
14 of all the home studies for the federal
15 government.

16 We applied for a grant with the
17 Pipeline Hazardous Materials Safety
18 Administration and received a technical
19 assistance grant in 2009 to conduct such a
20 study.

21 Mr. Anthony Moscarelli, one of our
22 committee people who worked with us, also who
23 lives adjacent to this pipeline and this

24 particular project, took on that project as
25 our coordinator. He's here tonight.

26 What I wanted to tell you is that
27 this study was released last week. It's
28 34 pages, and what it really points out are

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1 some things that I think are very critical.

2 We got Professor Robert Curry to
3 work with us because Bob Curry has had a lot
4 of experience in marshland, watershed and the
5 soils involved, especially when you have
6 these high-pressure lines running immediately
7 adjacent as well as jet fuel lines within --
8 within 40 feet of a 215,000 square foot
9 building going into -- into the marshland and
10 very little known about what the overall
11 ramifications safetywise are. And in our
12 opinion, public safety is one of the most
13 important elements of any healthy community.

14 So, again, we took on the project.
15 I'd like to just read you just a short thing
16 relative to our executive summary.

17 Two groups of hazardous fuel
18 pipelines pass through the community of
19 Suisun City at the San Joaquin River Delta in
20 San Francisco Bay. These include jet fuel

21 transmission pipelines delivering fuel for
22 Travis Air Force Base and the regional
23 high-pressure natural gas transmission lines
24 operated by PG&E.

25 Both pipeline systems are more than
26 50 years old and now pass through the
27 suburban, residential and commercial
28 neighborhoods of Suisun.

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1 This study uses the information
2 available to the public, as well as Freedom
3 of Information Act requests that cooperative
4 pipeline operators supplied information, to
5 evaluate potential safety issues with these
6 pipelines.

7 We conclude that the jet fuel
8 pipelines are in poor condition and need to
9 be decommissioned as soon as possible.

10 We also recommend that Congress
11 reconsider classifications for so-called
12 gathering lines that are in fact used for
13 fuel transmission deliveries in urban areas
14 rather than gathering in the oil fields.

15 We conclude that PG&E must continue
16 its gas transmission system upgrade to allow
17 more comprehensive and thorough routine

18 inspections of pipeline integrity.

19 Aging steel pipelines do not last
20 forever, and those over 50 years old need to
21 be carefully and frequently monitored.

22 We also recommend the further study
23 of questions raised during the study about
24 the operating parameters such as pressure
25 surges, safety issues such as shut-off
26 valves, and emergency response planning be
27 included in further studies.

28 We have applied for another grant to

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1 further take a lot of the information that
2 will be provided hopefully in the near future
3 to come out with some recommendations based
4 on facts and based on a lot of effort and
5 study.

6 I do want to say it was a real
7 tragedy to watch what happened in San Bruno
8 on television. When I came in, I found I had
9 heard on the radio as I was driving home that
10 an airliner had crashed, but then it was
11 corrected. When I saw the pictures of the
12 flames coming out of that, I knew what it
13 was, I knew in my gut, because all of our
14 research had pointed to this catastrophe,

15 which had been witnessed before.

16 And it's -- again, I don't think we
17 can -- we can equate profits when it comes to
18 public safety. And I agree with everything
19 that's been said here tonight relative to the
20 need to put safety first. And I would ask
21 this Commission to do everything in its power
22 to make sure that PG&E and other providers do
23 develop standards of which this particular
24 Commission can agree with and enforce.

25 Thank you very much.

26 ALJ BUSHEY: Thank you.

27 (Applause)

28 ALJ BUSHEY: Our next speaker is Rhea

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1 Aguinaldo.

2 I understand that you're speaking on
3 behalf of several other speakers as well.
4 Thank you.

5 STATEMENT OF MS. AGUINALDO

6 MS. AGUINALDO: Good evening,
7 ALJ Bushey and Commissioners. My name is
8 Rhea Aguinaldo. I'm here in my capacity as
9 both a concerned Daly City resident and, more
10 importantly, as the associate director of the
11 National Asian American Coalition, or the

12 NAAC, whose headquarters are located in
13 San Bruno.

14 We are involved in many issues
15 before the PUC on a statewide basis. Our
16 constituents reside in San Mateo County as
17 well as throughout California. I was
18 designated by my organization to speak on
19 behalf of our constituents on issues brought
20 forth to the PUC today.

21 Representatives of our organization
22 are in the audience, and people holding the
23 signs throughout the audience are also with
24 us.

25 And I'm going to just read some of
26 the signs which state a lot of their
27 concerns.

28 PG&E President Chris Johns, we need

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1 you.

2 Let the shareholders, not the
3 public, pay for this, our safety.

4 Billions in rate increases, zero in
5 safety.

6 Lower our rates. Increase our
7 safety.

8 We want the Commissioners to help

9 solve the problem now with -- what we need is
10 a local emergency corps.

11 Some of our constituents are among
12 those families that lost their homes, and
13 it's difficult for us to minimize their
14 uncertainties since one of the strongest
15 governments in the world and one of the
16 leading utilities in the world could not
17 predict a disaster that was going on
18 recently. And that is the Japanese
19 government and the Tokyo utility company in
20 regards to the nuclear disaster going on.

21 I know that it's -- the disaster is
22 unlike San Bruno, but it does have its
23 similarities, which are the lack of
24 government in preparedness, the lack of
25 utilities and the lack of people being
26 prepared for the disaster.

27 So I'm speaking into that context
28 today, which is the growing fear of people in

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1 San Bruno, people in the Bay Area, especially
2 the PG&E customers, and this quote is often
3 brought up by the PUC: How can we make sure
4 that this will never happen again.

5 I'd like to go over a survey that we

6 administered of 190 PG&E ratepayers primarily
7 in San Mateo County.

8 When asked whether the CPUC should
9 first punish PG&E or fix the problem,
10 85 percent of ratepayers believe the PUC
11 should first fix the problem.

12 90 percent of ratepayers believe
13 that Governor Brown and the PUC should
14 require PG&E to train local, skilled
15 residents to manually turn off the gas lines
16 to avert future explosions.

17 When asked who should bear the cost
18 of fixing the problem, 72 percent of
19 ratepayers believe that PG&E shareholders and
20 top executives should bear the cost of fixing
21 the problem. Only 6 percent believe the
22 ratepayers should pay the cost. And the
23 remaining 22 percent believe that it should
24 be paid for by jointly PG&E and the
25 ratepayers.

26 And lastly, 88 percent of ratepayers
27 believe PG&E should be denied of any rate
28 increases until it fixes all of its gas

□

1 transmission problems.

2 Okay. So we -- the NAAC, like the

3 Commission, want to make sure that this never
4 happens again. And we have two solutions,
5 two quick actions that can be implemented by
6 PG&E and can be guided by the PUC that should
7 be done within the next ten days. It
8 shouldn't take another seven months to make
9 this happen.

10 The first is massive community
11 disaster preparedness education. This should
12 be, as I said, supported by PG&E, guided by
13 the PUC and led by community-based
14 organizations such as the NAAC.

15 The second is the training of a
16 local emergency gas pipeline preparedness
17 corps to resolve any future crises. And also
18 this should be guided by the PUC.

19 There really should be no reason
20 that it should take more than 5 to 10 minutes
21 to shut off the gas lines, unlike the
22 90 minutes that it took in September.

23 So again, working with community-
24 based organizations like the National Asian
25 American Coalition -- I'm also representing
26 four other organizations that are in the room
27 today: The Black Economic Council and the
28 Latino Business Chamber, who also conducted

1 the survey with us, as well as NAHREP, the
2 National Hispanic Association of Real Estate
3 Professionals.

4 And I'd like them to stand around
5 the room.

6 And I'd also like to acknowledge
7 Assemblyman Jerry Hill, who is our
8 assemblyman and who also will be working with
9 us closely on this issue.

10 Thank you.

11 (Applause)

12 ALJ BUSHEY: Thank you.

13 The next speaker is Anthony
14 Moscarelli.

15 STATEMENT OF MR. MOSCARELLI

16 MR. MOSCARELLI: My name is Anthony
17 Moscarelli.

18 I was going to follow after Phil
19 Tucker. I'm the one who wrote the grant for
20 the grant awards received from the Pipeline
21 and Hazardous Materials Safety
22 Administration.

23 I was quite worried about our aging
24 pipelines since I've lived so close to them.
25 I have a mechanical background from Lawrence
26 Berkeley Laboratories. I know a lot about
27 welding materials. I know about different

28 materials and their ages and how they have

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1 changed metallurgy in all these years,

2 welding techniques. I've learned a lot.

3 I also don't trust everything I'm

4 told. We test things. We know how to check

5 things up at the lab. But I'm going to talk

6 about our pipelines.

7 I was the only one in the nation

8 that applied for a grant for aging pipelines,

9 the only one that had the insight to do this.

10 And was I upset and somebody called me up and

11 says, it happened. And it was San Bruno.

12 Back in 2008 in Appomattox,

13 Virginia, luckily in a -- farm lands, a

14 pipeline burst. And I saw that and that

15 shocked me. What would have happened if that

16 would have happened in a populated area?

17 Now I got together with Carl Weimer,

18 and he's very well known. The Pipeline

19 Safety Trust was put together back after the

20 Bellingham disaster, and it was done because

21 a federal judge took part of the award and

22 funded it. And they're a watchdog, and

23 they've done a wonderful, wonderful job. And

24 he's in Texas now testifying on another -- I

25 think he's already testified here on the

26 San Bruno.

27 But we went ahead and did this

28 study, and we were looking at all the aspects

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1 of what could happen. We looked at the

2 emergency from our own, let's say, local

3 officials, who's got a little bit too

4 comfortable with the gas utilities. And it

5 seems to be catching, because they are very,

6 very smooth talking.

7 I actually had a very good

8 experience with PG&E as such as cooperating.

9 My gosh, I got \$50,000 to do this grant study

10 which we spent almost three years on. I did

11 it for -- out of love, and -- I should say,

12 and Professor Curry did it the same way. We

13 really made no money on this at all. Just

14 barely paid our bills.

15 So what has happened is that I've

16 been listening to all these people jumping on

17 board something that I've already been

18 working on before. And before when I

19 applied, I was the -- I got the only grant in

20 California, the only one in the nation taking

21 and going after these aging pipelines, and

22 now we're seeing everybody jumping on the
23 bandwagon. And I'm kind of concerned with
24 this.

25 Now at the last Pipeline Safety
26 Trust meeting, I came up with a three-point
27 plan to do a database for the whole nation.
28 Now I got -- heard that from Jackie Speier's

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1 spokesperson almost copying what I have
2 already -- had submitted. I had excitement
3 from the Pipeline and Hazardous Materials
4 Safety Administration, but guess what? No
5 funding. It seems like 50,000 is about all
6 they can fund.

7 And but yet, I didn't know that all
8 these commissions that are setting up blue
9 panel basically without public involvement,
10 people that actually live by these pipelines
11 involved in it, are making a lot of money,
12 probably millions of dollars between all of
13 them. But yet we need something that's
14 standard, a database. We need to take and be
15 able to test our own pipelines. We need to
16 take -- and every time something is taken out
17 of service, it's inspected, not every one,
18 but done by an independent lab, not any more

19 of this independent integrity management
20 that's kept in-house so nobody knows what
21 happened.

22 These things should be put together
23 in a database, and they will be put together
24 and submitted all around the nation.
25 California should be leading all this. We
26 can be the leaders of this nation in putting
27 together a database for replacement. Work
28 together with labor, work together with

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1 public officials, industry. Put together a
2 system.

3 The system that I looked at would
4 take about three years to develop and could
5 be put through the whole nation. And also,
6 we would find out about these patterns.

7 Why was I worried about the
8 pipeline? It seemed like there's a pattern
9 that's been going on. 1950 vintage pipelines
10 have been bursting across the United States,
11 one at -- one in Virginia, 1950. San Jose,
12 New Mexico, 1950 vintage.

13 And which is the vintage pipeline
14 that just burst here? 1950 vintage. So it
15 is exactly the same kind of pipeline we have

16 in our area.

17 And so when I heard the same things
18 being said to me, these pipelines last
19 forever, well, nothing lasts forever.

20 And we would like for you to put
21 together -- or if you're going to do
22 something, put panels together, get safety
23 people involved, and I hate to say it, let's
24 get some people that are not, I would put it,
25 as already recognized as being involved in
26 these things because people don't trust them
27 any more.

28 And so I think without anymore,

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1 let's get some more studies done and correct
2 our safety problems.

3 COMMISSIONER FLORIO: Do you have a
4 copy of your report that you could provide to
5 our staff?

6 MR. MOSCARELLI: Yes, I have -- it is
7 online. If you want to go -- we started on
8 this back -- it was three years ago. It's
9 healthycommunityresearch.com. And we are now
10 adding in some -- a lot of the data that we
11 have of the -- PG&E, I have to say this, they
12 were cooperative, but what could a study for

13 \$50,000 do to hurt them? Nothing.
14 Absolutely nothing. And they have been
15 cooperative. So I want them to continue. I
16 want to see these pipelines. I want to see
17 the data.

18 And Professor Curry has also been
19 involved with PG&E and has gone over the data
20 before when they were doing their smart pigs.
21 And he actually stopped a sports complex from
22 being built in Tracy because of the condition
23 of that pipeline, which had to be replaced.

24 This is the kind of thing that we
25 need to take and be proactive about checking
26 these things out and making sure we keep our
27 public safe.

28 Thank you very much.

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1 (Applause)

2 COMMISSIONER FLORIO: I would
3 encourage you, as well as the Pipeline Safety
4 Trust, to get involved in our formal
5 proceeding. We need input from folks who
6 have been working in this field and certainly
7 welcome any kind of input that we can get.

8 ALJ BUSHEY: The next speaker, Diana
9 Marie Delfin Polk.

10 STATEMENT OF MS. DELFIN POLK

11 MS. DELFIN POLK: Good evening, ALJ
12 Bushey and Commissioners.

13 My name is Diana Delfin Polk. I am
14 a graduate of UC Berkeley and a Master's in
15 Public Policy candidate at Mills College in
16 Oakland. And I have been living in the Bay
17 Area for about four years now.]

18 I work in San Bruno. My nonprofit
19 is headquartered here in San Bruno, El Camino
20 Real, about five minutes away from this
21 location.

22 I've been doing a lot of research
23 on the gas explosion problem on behalf of my
24 organization and also for some projects that
25 I've been doing in my work at Mills.

26 In my opinion, this does not need
27 to happen again. But as all students of
28 history know, crises that never happen again

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1 are often -- that should never happen again
2 are often repeated. And this is because we
3 do cut corners in our future solutions. And
4 I urge that we don't cut any more corners and
5 that PG&E don't cut any more corners.

6 PG&E, this Commission, Governor

7 Brown, and our community needs to work
8 together against the common enemy which is
9 a future gas transmission problem. And I say
10 to this Commission, the CEO of PG&E: Enough
11 is enough.

12 Thank you.

13 (Applause)

14 ALJ BUSHEY: Thank you. Jalen Lewis.

15 STATEMENT OF MR. LEWIS

16 MR. LEWIS: My name is Jalen Lewis.

17 I'm in sixth-grade and I live in San Jose,

18 California. I'm here today because I'm

19 concerned about my safety.

20 ALJ BUSHEY: Thank you.

21 (Applause)

22 ALJ BUSHEY: Yolanda Lewis.

23 STATEMENT OF MS. LEWIS

24 MS. LEWIS: Hi. My name is Yolanda

25 Lewis. I'm here today -- I live in San Jose,

26 and that was my son Jalen.

27 I came here today speaking on

28 behalf of the Black community. But as

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1 I think about the situation, it's color

2 blind. Disaster is colorblind. Death is

3 colorblind. And I listened to the names of

4 those individuals who died, and those were
5 families. So I stand here before you as
6 a mother, representing millions of mothers
7 California who are concerned about our
8 families.

9 What we want is we want to make
10 sure we have something in place, not to hear
11 that it won't happen again. Because as you
12 heard, there's not very much belief that
13 that's going to happen because the problem's
14 a lot bigger than I think a lot people
15 understand or I think. But I want to be
16 empowered as an individual in my community.
17 And I heard the fire chief say that they
18 heard that it was a airplane. And the people
19 of the community are the ones who provided
20 the information to the first responders.
21 The people in this community need to be
22 educated. We need to be empowered so that we
23 can take steps and actions that in our own
24 hands. We want the Commission, we want
25 the governor, we want PG&E to come as
26 a collaboration to empower us with education,
27 information and knowledge.

28 I want to know what I should do in

1 that situation. I live in San Jose but if
2 I lived in San Bruno, what I would have done?
3 What would I instruct my son to do?
4 We need to make sure the community
5 is informed, that we are trained. And as
6 Leah stated earlier, we want to a task force
7 in every community that PG&E serves. Because
8 until this problem rectified, we're always
9 going to be in fear. We are going to be
10 panicked.
11 Just as you see, what Faith
12 mentioned in Japan, it's a different
13 situation, but when you have a disaster and
14 a tragedy such as the level that they had
15 here in San Bruno without empowering the
16 people in the community, it's not fair. It's
17 not something that's fair, and we have no
18 control and it makes it that much worse for
19 us.
20 So we implore you, we implore the
21 governor, we ask the management, the senior
22 leadership of PG&E to take a proactive stand
23 and to take the steps to proactively educate
24 and train members of the community so that we
25 can take actions and not wait around for
26 someone else to take our destiny into their
27 own hands.
28 Thank you.

1 (Applause)

2 ALJ BUSHEY: Thank you.

3 May Perez.

4 STATEMENT OF MS. PEREZ

5 MS. PEREZ: Good evening. My name is
6 May Perez, and I live in Millbrae which is
7 two and a half miles away from the San Bruno
8 explosion.

9 I am afraid this could happen again
10 if PG&E does not act now to ensure our
11 safety. When another disaster occurs, we
12 should not wait an hour-and-a-half for PG&E
13 staff to shut off the gas lines. They should
14 create a massive community education program
15 to prevent another San Bruno explosion.

16 The community does not have
17 confidence that either PG&E or the Commission
18 knows what to do or will protect us from
19 future explosions. We do not want another
20 explosion, and we do not want a Japanese
21 nuclear-like disaster.

22 The Commission and the president of
23 PG&E should meet with the community within
24 ten days to develop an effective future plan.
25 Every PG&E ratepayer must be fully prepared

26 to protect themselves if there is a future
27 disaster. This means that PG&E must, with
28 input from the community, help devise an

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1 emergency disaster education program.

2 Thank you.

3 ALJ BUSHEY: Thank you.

4 (Applause)

5 ALJ BUSHEY: Paula Bustos.

6 STATEMENT OF MS. BUSTOS

7 MS. BUSTOS: Good evening, everyone.

8 My name is Paula Bustos. My husband and I
9 live in Burlingame, a short drive from San
10 Bruno explosion.

11 I work in San Bruno for a nonprofit
12 that wants to make sure that nowhere in
13 California will there ever be another gas
14 explosion.

15 This is the first time I have ever
16 spoken at a public hearing. I hope it is
17 the last time. And I'm hoping this problem
18 will be solved immediately. In Tagalog:
19 Ngayon na.

20 Thank you.

21 ALJ BUSHEY: Mia Martinez.

22 STATEMENT OF MS. MARTINEZ

23 MS. MARTINEZ: Good evening. My first
24 name is Mia. My last name is Martinez.

25 So first of all, I'd like to thank
26 the Commission for holding this public
27 hearing.

28 And my office is located in San

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1 Bruno. And it is our hope that this
2 Commission will not stop at this hearing but
3 take real action, preventing another
4 disaster. And there are of course very many
5 opportunities for the PUC to do so, as
6 previously mentioned by other speakers prior.

7 For example, we request
8 the Commission to urge PG&E to promote and
9 invest in a safety measure program that will
10 train local community members or residents to
11 respond quickly during times of crisis.

12 A flier that was distributed at the
13 end of the hall, it of course was mentioned
14 by Meria Canonizado earlier, recommends
15 an emergency gas pipeline corps. Such
16 emergency response programs will not only
17 help -- will not only prevent another
18 disaster here in San Bruno but could also
19 perhaps be a model for other regions and

20 states to follow.

21 So again, thank you very much for
22 listening to our concerns and our
23 recommendations. And please continue to
24 promote community participation and keep us
25 engaged not just as ratepayers without
26 a voice, especially when it concerns our
27 safety.

28 So thank you.

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1 ALJ BUSHEY: Thank you.

2 Victoria Torres. Victoria Torres?

3 (No response)

4 ALJ BUSHEY: All right. Frances

5 Boscacci. Sorry.

6 STATEMENT OF MS. BOSCACCI

7 MS. BOSCACCI: Thank you, Commission.

8 My name is Frances Boscacci.

9 I live in San Mateo. I'm a real estate
10 agent. I'm here to speak as a very concerned
11 citizen about our safety. I work all over
12 the San Mateo Peninsula. I was working in
13 San Bruno the day of the tragedy.

14 I am very concerned. My -- many of
15 my clients are very concerned about their
16 safety.

17 As you are very aware, as a real
18 estate agent, it is my job to tell my
19 potential buyers and homeowners what dangers
20 are near their home, and this is a great
21 concern of mine.

22 I'm here also as the president of
23 San Mateo chapter of the National Hispanic
24 Organization of Real Estate Associates. And
25 I would like to read a statement that the
26 president of the National Hispanic
27 Organization of Real Estate Associates wanted
28 to read but she had to leave.

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1 And obviously, the same concerns
2 that we have and that we represent are
3 similar concerns of the San Mateo County
4 Association of Realtors. We all would like
5 the authorities and the communities to work
6 together so that we can have pertinent
7 information to disclose to our clients and to
8 our communities.

9 So I on behalf of Patricia Lindo
10 the president of the National Hispanic
11 Organization of Real Estate Associates,
12 I will read this statement.

13 I'm here today to speak on behalf of

14 two very important Hispanic community
15 organizations: NHORA, the National
16 Hispanic Organization of Real Estate
17 Associates and the Latino Business
18 Chamber of Greater Los Angeles,
19 the largest California Hispanic chamber
20 of commerce. Our organizations
21 collectively represent more than
22 400,000 constituents in PG&E's
23 territory. We live in San Mateo
24 County. Many members of NHORA are or
25 were here today. Many members of NHORA
26 live and work throughout the PG&E
27 territory, including Santa Clara, San
28 Mateo and San Francisco counties. Many

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1 of our members are or were here --
2 I've already said that.
3 Responsible realtors are a safety
4 net for this Commission and PG&E. Many
5 homeowners and families rely on us for
6 far more than just buying a home. We
7 are a key link in this commission.
8 I'm here to rely -- to respectfully
9 and formally ask PG&E and the
10 Commission to take specific actions to

11 make sure that the San Bruno disaster
12 never happens again. We invite PG&E on
13 behalf of NHORA and the Hispanic
14 chambers throughout California to
15 a dialogue with our community. This
16 should include all five Commissioners
17 and the 100 top executives at PG&E. If
18 we're convinced that PG&E will allocate
19 the resources backed by immeasurable
20 goals to help the homeowners and all
21 ratepayers, then we will be your
22 strongest supporters. If we determine
23 you will neglect your responsibilities
24 and duties, rest assured that we will
25 be your loudest, objective critics and
26 will advocate at the PUC for the rights
27 of our constituents.

28 I would also like to specifically

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1 commend someone who invited us here
2 today, a colleague from San Bruno who
3 is doing far more than anyone else to
4 protect homeowners in distress and PG&E
5 residents who fear another gas
6 explosion. This person is here today.
7 We really thank her. Her name is Faith

8 Bautista, president of the National
9 Asian-American Coalition with its
10 national headquarters in San Bruno.
11 And we beg her to continue including us
12 in the dialogue.

13 Thank you very much.

14 (Applause)

15 ALJ BUSHEY: Marilyn Becklehimer.

16 STATEMENT OF MS. BECKLEHIMER

17 MS. BECKLEHIMER: Good evening. My
18 name is Marilyn Becklehimer. I'm a real
19 estate agent and I'm a past president of
20 the Filipino-American Real Estate
21 Professional and working with the NACC.

22 The Commission said it wants to
23 make sure that the gas explosion never happen
24 again. This can only occur if the
25 community's involved. Within two weeks we
26 expect that the commission, commissioner will
27 come to San Bruno along with the president
28 and CEO of PG&E for a second meeting, for

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1 a second hearing. At this hearing,
2 the Commissioner, the PG&E -- and PG&E should
3 come up with a solution based on what they
4 have heard today.

5 Thank you so much.

6 ALJ BUSHEY: Thank you.

7 (Applause)

8 ALJ BUSHEY: Patricia Lindo.

9 UNIDENTIFIED SPEAKER: She had to
10 leave.

11 ALJ BUSHEY: She had to leave?

12 Benjamin Rojas.

13 STATEMENT OF MR. ROJAS

14 MR. ROJAS: Hi. Thank you for allowing
15 me to speak.

16 My name is Ben Rojas and although
17 though I live in San Francisco, my family
18 lives in San Bruno and surrounding area.

19 I work with a couple of nonprofits:
20 The National Hispanic Organization of Real
21 Estate Associates and the National
22 Asian-American Coalition. I'm here to share
23 what my community feels needs to be addressed
24 by PG&E.

25 We feel that the California Public
26 Utilities Commission needs to enforce PG&E to
27 create a local, trained specialist group of
28 individuals in your area, in our areas to be

□

1 able to shut off gas in less than 1-1/2 hours

2 of time.

3 And 90 minutes is a long time to
4 wait for -- outside of your home to be
5 burning at 600 to 800 degrees.

6 Additionally, we'd like PG&E to
7 enforce emergency evacuation and community
8 organization to be prepared for emergencies
9 such as this.

10 In 2009, the Pipeline and Hazardous
11 Materials Safety Administration noted that of
12 the 2.4 million miles of pipeline in the
13 U.S., only 420 inspectors are employed to
14 keep track of that distance. That's roughly
15 the distance of here to New York and back,
16 for one inspector.

17 A lot individuals have been looking
18 for data on pipes, age of pipes, failure
19 rates, pressure tests, and I just don't think
20 this exists.

21 With one person assigned
22 the distance of here to New York and back,
23 it's just not feasible. So we need more
24 money allocated to reports, to the community
25 organizations who live and reside in this
26 area to be able to inform the community that
27 directly is affected by your policies.

28 As part of the California Public

1 Utilities Commission, your duty is to help
2 and protect the local community who is
3 directly affected by these pipelines.

4 Thank you.

5 ALJ BUSHEY: Thank you.

6 (Applause)

7 ALJ BUSHEY: Our next speaker is Sudi
8 Scull.

9 STATEMENT OF MS. SCULL

10 MS. SCULL: Thank you, Commissioners.

11 Hi. I'm Sudi Scull. I'm
12 the co-chair of SmartMeters SF.

13 The San Bruno explosion was
14 a tragedy of profound proportions. All of us
15 in the room today share in San Bruno's pain
16 and sorrow. Obviously, we want to prevent
17 a disaster like this from happening again.

18 Some say it is an anomaly and many
19 experts blame it on an aging gas pipe
20 infrastructure. Much attention has gone to
21 PG&E's faulty welds in the main pipe, spiking
22 high gas pressure, and improper
23 documentation. We need to look at the cause
24 of this accident from all angles and consider
25 that there might be multiple causes in
26 this explosion.

27 According to the Wall Street
28 Journal, there has been a dramatic increase

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1 in the incidents of gas explosions recently.
2 We may have an aging national pipeline
3 infrastructure. But even so, with so many
4 pipes start exploding suddenly, all at once.
5 Maybe, but maybe not. And I don't think so.
6 Since San Bruno there have been
7 three major explosions written up in the Wall
8 Street Journal: One in Philadelphia,
9 Pennsylvania, one in Allentown, Pennsylvania
10 just outside Philadelphia, and recently on
11 March 18 there was a ball of flames explosion
12 in Minneapolis, Minnesota.

13 I spoke with Center Point Energy in
14 Minneapolis and Pennsylvania Gas and Electric
15 in Philadelphia and Allentown. Not
16 surprisingly, all three sites, and four sites
17 if we include the San Bruno, had wireless
18 smart meters installed on their gas and
19 electric meters. PG&E calls them Smart
20 Meters. The other utilities meters call them
21 AMR, automatic meter reading.

22 PG&E states when you smell gas, do
23 not use your automatic garage door opener,

24 your doorbell or, more importantly, turn off
25 your cell phone. These can create a spark
26 that can cause a fire. A wireless meter is
27 like a cell phone with RF radiation that
28 sends pulses every one to two minutes.

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1 The meter itself could be sending the spark
2 or the cell phone interaction with a smart
3 meter could be sending the spark. This all
4 needs to be thoroughly researched.

5 How many more tragic explosions
6 need to occur before the utility companies
7 and the regulatory commissioners wake up and
8 do their job -- delivering safe and
9 reasonably priced energy to homes and
10 businesses.

11 Here in California, Silver Springs
12 Network smart meter was never independently
13 tested for safety. President Peevey from the
14 CPUC admitted before the state legislature
15 that there was never any testing done, an
16 environmental impact report was never done,
17 and the smart meter does not have a UL code
18 on it. If we are buying it and especially if
19 we are being forced to buy these smart
20 meters, it is a consumer product and it needs

21 to be tested for safety.

22 What is going on here? PG&E has
23 a history of corporate greed and repeatedly
24 putting that before public safety.

25 PG&E spent \$46 million on Prop. 16
26 last year. Last year, CEO Peter Darbee and
27 president Christopher Johns each received
28 substantial increases in their base salaries.

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1 Darbee made 1.2 million and Johns made
2 600,000 last year. These are huge amounts of
3 money. They're not small amounts.

4 Meanwhile, the CPUC only fined PG&E
5 a paltry 3 million for the San Bruno
6 explosion.

7 What is going on here?

8 It's obvious and it's been stated
9 many times before but it just appears to me
10 that the CPUC cares more about PG&E's profits
11 than the public safety. It just always seems
12 to come down to money.

13 PG&E needs to be broken apart and
14 made into a true not-for-profit utilities
15 company.

16 And, you know, I have enjoyed each
17 of you commissioners here and I continue to

18 do, but I just wonder if somehow the CPUC was
19 set up differently and possibly if you guys
20 were elected versus appointed, that the CPUC
21 would be acting less like a bureaucracy and
22 more like the CPUC that needs to be
23 protecting the public.

24 We need a Smart Meter moratorium
25 now so that safety and health issues can be
26 independently and thoroughly researched.

27 Thank you.

28 ALJ BUSHEY: Thank you.

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1 Michael Boyd.

2 STATEMENT OF MR. BOYD

3 MR. BOYD: I brought a visual aid.

4 Hello. My name is Mike Boyd and

5 I'm the president of Californians for

6 Renewable Energy, Inc., CARE.

7 And at first, I wanted to make

8 a procedural request. I had -- there was an

9 e-mail address on -- that you guys put online

10 to become a party in this proceeding. I've

11 sent a request to this address and it was

12 rejected, something about 30-day timeline or

13 something that I must have missed.

14 ALJ BUSHEY: Mr. Boyd, if you talk to

15 our public advisor, the desk outside --

16 MR. BOYD: I did. They told me to talk
17 to you to become a party.

18 ALJ BUSHEY: Well, you are hereby
19 authorized. All right. There you go.

20 MR. BOYD: Okay. Essentially what
21 I would like to do is first talk about this
22 thing that I've handed you, which includes
23 pictures from the NTSB report that came out
24 in January.

25 My group CARE has -- and I'm not
26 a party in this, as I said earlier -- has an
27 application to, before the Commission to
28 modify Decision 06-07-027. And what that

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1 decision is that's the original proceeding
2 for PG&E's smart meter. And as one of the
3 previous speakers said, there was no CEQA
4 analysis done and there was no risk analysis
5 done on the smart meter before it was
6 installed in everybody's homes without their
7 permission.

8 ALJ BUSHEY: Mr. Boyd, we're here in
9 a different proceeding. This is from
10 Application 10-09-028.

11 MR. BOYD: I'm aware of that. I'm

12 going to talk about the information here.
13 That's why I'm giving you the background on
14 what this is from so that you don't think I'm
15 trying to, you know, do something I'm not
16 supposed to.

17 ALJ BUSHEY: Okay. Could you link
18 the information you're presenting to
19 the rulemaking in front of the commission?

20 MR. BOYD: Yes, ma'am. I'm trying to
21 get information. My understanding is this is
22 information about pipeline safety; is that
23 correct?

24 ALJ BUSHEY: But we're not here to get
25 information. We're here to listen to
26 comments from the public.

27 MR. BOYD: I'm requesting your
28 assistance in getting information. That's

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1 what I'm trying to get, and that's why I'm
2 referring to this, is because there's a big
3 part of the picture that's being missed here
4 in safety. And it's not clear to me whether
5 that's because of financial irregularities or
6 something. But I can't get the information
7 I need to determine -- what I'm trying to do
8 is before you can come up with a plan for

9 safety, okay, you have to do what's called
10 a failure mode analysis.]
11 You have to figure out what the root
12 cause of this catastrophic event was. The
13 reason I am wearing this coat here is because
14 I was going to state my qualifications. I
15 have worked for 20 years doing failure
16 analysis in the industry. And for ten years
17 I worked for this company called QP Labs in
18 Santa Clara. I did military and space level
19 testing, failure analysis using radiation
20 effects, that kind of thing, high temperature
21 testing, low temperature testing, all those
22 kind of things.

23 So what I did was I went with my
24 background and I looked at that NTSB report,
25 and some of the things that they're missing
26 which are critical to getting to the root
27 cause are, one, that there was a fire that
28 burned for quite a while before the

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1 explosions began to occur. If you look at
2 page 7 here of what I handed out, you will
3 see two pictures that I took from the NTSB
4 report. And what they show, and I have added
5 in red text here, is there was a fire zone

6 and there was a burn zone.

7 In the burn zone you will see that
8 it's carbonized because of the burn in the
9 asphalt. The fire zone is where the asphalt
10 melted. You will notice that it is
11 perpendicular -- it is parallel to the pipe.
12 And that's important because it shows there
13 was a fire that burned for a sufficient long
14 time to burn the asphalt before the explosion
15 occurred.

16 Now if you look at page 8 here, you
17 see two pictures on page 8 which are, I have
18 noted, the figures from the NTSB report by
19 their numbers, you will see that this is
20 below the section where the pipe was bent up,
21 in the middle where it was collapsed. You
22 will see that the below the pipe was areas
23 where there was no asphalt. And you will see
24 in the lower picture here that there's one
25 area where there's pitting or unoxidized
26 steel. You can see the difference in the
27 steel there. It's not rusty.

28 Now what my hypothesis thinks is

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1 that something caused that fire, and what
2 that something was is what is commonly

3 referred to is arc flash event. Something
4 caused that arc flash event. One possibility
5 is that the power facility in Milpitas when
6 it went down, it didn't go down hard and that
7 it was basically sending surges on the pipe
8 from Milpitas to cause that spark.

9 The other possibility is that when
10 the smart meter tried to take a reading,
11 since the smart meter was no longer properly
12 grounded because there was no power on the
13 main anymore from Milpitas, it caused the
14 breakers in the house to trip. The surge
15 arrestors in the house then sent a 32-amp,
16 220-volt arc to the pipe.

17 Now, how do I prove that? The way I
18 prove that is I need metered information. I
19 need the network data from PG&E. I need to
20 see what readings they took from the smart
21 meters before and after the explosion in San
22 Bruno. I can't get that information. Only
23 you can get that information from PG&E. And
24 if you can't, then I am going to go to the
25 Legislature.

26 So the point is that you got to get
27 to the root cause before you can come up with
28 a safety plan. You have to identify the

1 failure modes of the explosion, and then you
2 can come up with a safety plan.

3 There's lots of measures you can do,
4 the best being avoidance, okay. You could
5 have had the pressure lower. That may help.
6 Or you could have the surge protection
7 system. I don't know. There's other things
8 that we can do. Once we get to the root
9 cause, we can then put in measures to prevent
10 this from re-occurring. Without that you're
11 just guessing. You are making a guess, and
12 it's just going to cost a whole lot of money
13 with no proven outcome.

14 Now that's the technical
15 information.

16 Now I want to make some statements
17 about what needs to be done to fix the
18 problem, which I see as a systemic problem
19 with PG&E.

20 PG&E is a company that kills its
21 customers. And this is not the first time it
22 killed its customers. On June 14th, 2000, a
23 company called Enron constrained the
24 transmission grid, and as a result there were
25 blackouts. A company called Calpine, a
26 company called Mirant, took their power
27 plants off line and PG&E started rolling

28 blackouts in the San Francisco Bay area that

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1 killed ten people. No one went to jail even
2 though that blackout was contrived. Enron
3 even admitted to it. Okay?

4 So fundamentally PG&E flipped the
5 switch and killed ten people as a result.

6 And now here we are nearly ten years
7 later or approximately ten years later, more
8 than ten years later, and they did it again.

9 They killed eight more people. And the fact
10 of the matter is you guys aren't in a
11 position to do anything about it because of
12 the state budget. Because most of the --
13 there's a big chunk of money being invested
14 in PG&E, stock being held, by the pension
15 funds of state employees.

16 So my first recommendation is that
17 you guys ask the pension fund to divest from
18 PG&E so that when you do something to PG&E it
19 doesn't hurt the people's pensions, because
20 if you guys give a hundred million dollar
21 fine to PG&E and that hurts the people that
22 are CalPERS investments, that's not going to
23 help fix the budget. That is going to make
24 the budget worse, okay?

25 So first you got to divest yourself
26 from the state. It's the same way when we
27 were dealing with South Africa. We divested
28 from them and then we had the leverage we

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1 need to do the right thing.

2 Right now we are not in a position
3 to do that. Right now we have too much of
4 the state employees' money wrapped up in
5 this.

6 So now what I propose is that you do
7 that first. Then you do the fines. And I'm
8 talking the million-dollar-a-day fine. If
9 you guys don't do it, I will go to the FERC
10 and get it from them or whoever else I need
11 to go to. And if you know me, you know I
12 will.

13 So I want you guys to do the right
14 thing. I really do. I want you to do the
15 analysis. I want you to do the failure
16 stuff. I want you to fine them and make it
17 hurt but not hurt us as a result. So that's
18 an important thing. But more important than
19 fining it, I don't want you to fine them a
20 dime until you fix the problem. If you can't
21 fix the problem, that's what the money should

22 go to is fix the problem, not that.

23 Now another information request.

24 PG&E had insurance policies on this pipeline

25 and all their pipelines, okay? And my

26 attorney, Martin Homec, worked on some of the

27 toxic issues and he looked at those insurance

28 policies. So I know they're there.

300

1 We all want to know what those

2 insurance policies covered and how long they

3 were good for, because as he recollected,

4 they were basically in perpetuity. So I'm

5 sure the people whose homes were burned down

6 would like to know about that insurance

7 policy, too. Okay?

8 So that's another piece of

9 information that's needed.

10 And then finally, I agree with one

11 of the previous speakers that said that it's

12 time to break PG&E up. They have already had

13 two chances and killed twice. If they do it

14 again, break them up. Third strike, you're

15 out. They're not serving their purpose as a

16 corporation. It says nowhere in their

17 articles of incorporation that their purpose

18 is to kill their customers. And until they

19 stop doing it, they can't continue to exist.

20 Thank you.

21 ALJ BUSHEY: Thank you.

22 (Applause)

23 ALJ BUSHEY: Bill Van Meter.

24 (No response)

25 ALJ BUSHEY: Joanne Carey.

26 Bill Van Meter.

27 STATEMENT OF MR. VAN METER

28 MR. VAN METER: Good evening. I am

301

1 here because of this editorial in the Oakland
2 Tribune which wants to throw out the
3 president of PG&E, amongst other things.

4 So I answered the editorial with a
5 letter which I will read. And I think it
6 will help you understand some of the fixing
7 problems that you can do.

8 So this is from William Van Meter,
9 which is me, to PG&E's public feedback
10 website.

11 Attention: PG&E Board of
12 Directors, Lewts Chew,
13 Barry Lawson Williams and
14 others interested or
15 concerned.

16 Reference: Bay Area News
17 Group, East Bay Opinion
18 Editorial, March 27th,
19 2011: To Restore Trust
20 PG&E Leaders Have to Go.
21 Dear sirs: I sold most of
22 my PG&E stock shortly after
23 the San Bruno disaster,
24 upon reading of the gas
25 transmission lines
26 condition and records in
27 the newspapers. I would
28 say that the California

302

1 Public Utilities
2 Commission, PUC, should
3 share some of the blame for
4 allowing shoddy
5 recordkeeping by PG&E for
6 so many years.
7 I disagree that PG&E
8 should eliminate the
9 dividend, as good faith
10 stock investors did not
11 cause any harm. PG&E's
12 bankruptcy referenced was

13 the efforts of Enron
14 Corporation and the then
15 Secretary of Energy Bill
16 Richardson did nothing to
17 stop the fraudulent rate
18 charges by criminals later
19 convicted.
20 It is too bad that the
21 Nuclear Regulatory
22 Commission, (NRC), was not
23 responsible for PG&E's gas
24 pipelines, as everything
25 would be 200 percent
26 A-okay.
27 So, where do we go from
28 here? PG&E and PUC

303

1 retrofit program. One,
2 engage a first class
3 architect and engineer such
4 as Bechtel Corporation.
5 Two, evaluate all of the
6 high risk areas by
7 population, present and
8 future, rate systems by
9 classes (see nuclear code).

10 Three, install automatic or
11 manual shut-off valves for
12 system isolation. Install
13 blowdown, dump system and
14 flare-offs. All control
15 systems to have independent
16 on-site power supply until
17 a safe shutdown and be
18 foolproof.
19 Four, survey existing
20 lines and prepare updated
21 drawings, history, take
22 soil samples and conduct
23 lab analysis of corrosion
24 rates for lines and prepare
25 future histories for
26 allowable pressures.
27 Confirm this data with
28 destructive testing.

□

304

1 Five, for seismic areas,
2 lines to have automatic
3 shutdown, dump and flare
4 and/or flexibility design.
5 Six, engineering, design,
6 safety, inspection to be

7 equal to the NRC standards.
8 The cost of all the
9 retrofitting should be
10 financed through bond
11 issues where the costs will
12 be paid by ratepayers
13 (which it should have been
14 during original
15 installation but wasn't,
16 just delayed). And no
17 dismissal of CEO Peter
18 Darbee, or others, as
19 culprit is too long ago to
20 assess. The frenzied
21 aftermath should be put
22 aside and let us use our
23 talents. We need energy
24 and PG&E. And remember,
25 PG&E designed and built
26 Diablo Canyon with a little
27 help from Bechtel for
28 licensing.

□

305

1 Yours truly, William Van
2 Meter.
3 I will give you a copy.

4 ALJ BUSHEY: Thank you, Mr. Van Meter.

5 Joanne Carey.

6 STATEMENT OF MS. CAREY

7 MS. CAREY: Good evening Commissioners.

8 Thank you for holding this hearing after
9 hours so that more of the public can attend.

10 I am a former complainant in front
11 of the PUC regarding a PG&E gas explosion
12 that destroyed my home on January 29th, 1996.
13 At that time I filed a complaint CV 97-11-14,
14 and we cited fraud and misappropriation of
15 funds.

16 The CPUC decided not to hear the
17 case and they fined them \$976,000 for
18 \$100 million worth of rate increases that
19 PG&E collected that they ultimately did not
20 perform.

21 I am very sorry to be here 15 years
22 later and find that basically nothing has
23 happened regarding the records.

24 PG&E still continues to run rings
25 around the CPUC, and you continue to ignore
26 the problem.

27 You may be all new bodies in those
28 chairs that you all occupy right now, but the

1 problem is systemic.

2 You really need to focus on copies
3 of all work orders on a regular basis held by
4 the California Department of Justice or held
5 by the CPUC so that there's no question of
6 where the records went and whether or not the
7 work has been done.

8 Additionally, you need to ensure
9 that PG&E has an immediate compensation
10 program, because one of the complaints that
11 has been ongoing for years is that there's no
12 rationale for cost/benefit ratio for the loss
13 of human life. This particular incident,
14 there were eight people that were killed. If
15 PG&E had to pay a minimum of \$10 million per
16 person, no questions asked every time there's
17 a death within ten days of the incident
18 happening, you can darn well bet they would
19 have a cost/benefit ratio analysis performed
20 when they are off-putting work that is
21 critically needed.

22 At the time that we met with you in
23 1997 through 2000 I funded the lawsuit out of
24 my own pocket and got no benefit from trying
25 to get you to act to protect public safety.
26 I personally had to write the change in gas
27 regulations to be able to say this will never
28 happen again.

1 PG&E has a history of not following
2 the Federal Code of Regulations as well as
3 the California regulations. Every time they
4 ignore you and you do nothing about it. They
5 are rewarded. Yes, they pass that off as
6 profits to their shareholders, but also they
7 pass it off as profits to the people that run
8 the company, the chairman and the other upper
9 management folks.

10 I really need you to think about the
11 fact that you need to set a minimum loss
12 guarantee of \$10 million immediately payable
13 for every body that's lost within ten days of
14 an incident, for every homeowner, no
15 questions asked, a minimum of a million
16 dollars. That's average California property
17 price out here before you go into the
18 destruction.

19 For every renter, \$500,000. This
20 has nothing to do with what they ultimately
21 may get in a court system, but it would do a
22 lot to regulate PG&E, put them on notice that
23 regardless of what the actual benefit ratio
24 is for cost/benefit analysis, you have picked
25 a number, a number that's reasonable in

26 today's rates that would go towards
27 preventing these types of accidents in the
28 future.

308

1 Also I would like to recommend that
2 you look at what companies like Chevron and
3 Enron do for joint ventures and sharing
4 expenses and use that kind of accountability
5 when you are allowing rate increases.

6 We pay them money and we have no way
7 to focus on whether or not the work is
8 actually performed until after disaster of
9 this nature happens and we figure out, oh,
10 there are no records. Gee, does that mean
11 the work was done? Probably not. If the
12 work was done, you'd be darn tootin' there
13 would be records.

14 Thank you very much for your time,
15 and I hope you have some success in avoiding
16 this type of disaster in the future. I don't
17 think that's possible, but I think you really
18 need to put money on the line because money
19 motivates change, not meetings, not studies,
20 not discussions. Just make them financially
21 accountable and make it be a timely
22 accountability to the people that actually

23 suffered.

24 Thank you.

25 ALJ BUSHEY: Thank you.

26 (Applause)

27 Meria Canonizado.

28 STATEMENT OF MS. CANONIZADO

309

1 MS. CANONIZADO: Good evening. My name
2 is Meria Canonizado. I live at 210 States
3 Drive near the Glenview, near the gas
4 explosion.

5 We did not come home at the time,
6 maybe five days. And I just live in my
7 sister's house in Daly City. So I feel very
8 unsafe in my house right now. We are very
9 concerned, my family and friends, are very
10 much, very insecure regarding living in that
11 place.

12 It has been over seven months since
13 the disaster occurred in September. Nothing
14 has been done. I repeat, nothing has been
15 done. Even the Japanese government operated
16 more swiftly during its nuclear crisis.

17 We want action. The community wants
18 action. But it wants responsible action. It
19 must be lead by the community leaders, this

20 Commission and the president of PG&E.

21 So maybe you can give a little
22 pressure to the PG&E and to all the staff.

23 Thank you very much.

24 ALJ BUSHEY: Thank you.

25 Mike Knell.

26 STATEMENT OF MR. KNELL

27 MR. KNELL: Hi. My name is Mike Knell.

28 I have a degree in mechanical engineering. I

310

1 have a long history of asking the CPUC to
2 investigate utility executives who are
3 altering records to conceal problems in the
4 underground infrastructure.]

5 I have documentation which proves
6 that the former PG&E executive had a history
7 of altering records and committing fraud to
8 conceal problems in the underground
9 infrastructure. She did this when she worked
10 at the company now known as AT&T.

11 There's a culture of altering
12 records at ATT, and based on the pipeline
13 failure here in San Bruno and the inability
14 for PG&E to find critical records, there is
15 evidence of that culture at PG&E.

16 Sadly, there's a culture of

17 corruption at this Commission which actively
18 assists the Commission -- or the utilities in
19 covering up problems.

20 This police report dated
21 November 2nd, 2010, is evidence of corruption
22 and a coverup. It can be linked to e-mails I
23 sent to Paul Clanon and Richard Clark
24 requesting a meeting.

25 I first met Richard Clark back in
26 March of 2001. We have some history. I will
27 get back to this police report in a moment.

28 In a formal complaint I filed with

311

1 the CPUC back in 2001, I was able to prove
2 that records were altered and missing to
3 conceal problems in the underground
4 infrastructure. You can get these documents
5 on a website I put up,
6 www.aphonenumberforthe-president.com. It
7 shows how phone company attorneys
8 literally --

9 UNIDENTIFIED SPEAKER: Can you say that
10 again, please?

11 MR. KNELL: [www.aphonenumberforthe-](http://www.aphonenumberforthe-president.com)
12 [president.com](http://www.aphonenumberforthe-president.com).

13 It describes how a phone company

14 attorney could literally create a fictional
15 phone number and say a phone number on a
16 document which got service through an
17 affected phone line wasn't my phone number.
18 On the top of the page, there's a link right
19 to the FBI. You can see the documents which
20 provide other evidence of the corruption at
21 the Commission.

22 I had contacted the FBI about
23 corruption back in 2007, but the FBI told me
24 it didn't have the resources to do anything.
25 Anyways, back to the formal complaint.

26 The Administrative Law Judge, Janice
27 Grau, ruled that it was okay for the utility
28 to alter and delete records. Worst of all,

312

1 the Judge created fraudulent statements in
2 her decision to conceal problems in the
3 underground infrastructure.

4 It seems that everybody at the
5 Commission went along with the frauds,
6 including all of the Commissioners, but they
7 all have an alibi. There are no signatures
8 on the denial for rehearing. And an expert
9 at the PUC, a real expert, Richard Smith,
10 told me that document should have had

11 signatures or at least a rubber stamp.

12 Richard Smith is now an
13 Administrative Law Judge at the CPUC, and he
14 will probably be very angry for what I'm
15 about to say, which is sad because he was
16 trying to help me get a fair hearing when he
17 knew I was not being treated fairly.

18 On August 27, 2003, while working in
19 the Office of the Ratepayer Advocates group,
20 Richard Smith sent an e-mail to me describing
21 how Judge Grau committed legal error by
22 refusing to follow the rule of law. The
23 e-mail could be found on the website,
24 thephonenumbersforthepeople.com. Scroll
25 down to the very bottom, you'll see Richard
26 Smith's name.

27 During the formal complaint, Richard
28 Smith called me several times giving me legal

□
313

1 advice. Mr. Smith told me that someone at
2 the Commission told him to call me, but he
3 refused to say who this person was.

4 Mr. Smith told me stories of
5 corruption at the Commission. Unfortunately,
6 Richard Smith, like so many others at the
7 Commission, doesn't have the courage to speak

8 out publicly about the underbelly of the
9 Commission. Those are Richard Smith's words,
10 "underbelly of the Commission."

11 The fact is if you don't have the
12 courage to talk publicly about the corruption
13 at the Commission, you can become an
14 Administrative Law Judge. If you don't
15 believe me, ask Administrative Law Judge
16 Richard Smith. He is living proof.

17 Back to this pipeline explosion. I
18 always knew that there was a disaster like
19 the one here in San Bruno that would be
20 linked to inaccurate records. Even worse, I
21 fear that there would be coverups. It is
22 classic human behavior by people who mess up.

23 This police report dated November 2,
24 2010, is evidence of a coverup up by Richard
25 Clark and Paul Clanon. Shortly after the
26 state senate hearing regarding the San Bruno
27 fire, I contacted Richard Clark and Paul
28 Clanon by e-mail requesting to meet with them

314

1 about problems at the CPUC they should be
2 aware of.

3 Instead of scheduling a meeting to
4 discuss problems at the Commission, the state

5 police showed up at my house, supposedly
6 because Judge Janice Grau suddenly decided I
7 was a threat to her.

8 I have had no contact with Judge
9 Grau in over three years. What I want to
10 know is how can e-mails requesting a meeting
11 to discuss altered records with Commission
12 officials result in the state police showing
13 up at my house.

14 The police told me they read the
15 e-mails I sent to Richard Clark and Paul
16 Clanon, and there was nothing wrong, illegal
17 or threatening in any of my e-mails. The
18 fact that the police read the e-mails to
19 Richard Clark and Paul Clanon is the link
20 that Clark and Clanon are involved in a
21 coverup and abusing their powers.

22 This meeting is supposed to be about
23 making the pipeline safer. This Commission
24 with its current leaders that sent the state
25 police to my house cannot be trusted. I
26 don't have to tell the citizens of San Bruno
27 that the CPUC failed to do its job. I just
28 want to make sure you see the evidence of a

□

1 coverup by top officials.

2 One person such as myself is not
3 going to make a difference. I have asked to
4 meet with Jerry Hill about the evidence that
5 can be linked to the San Bruno fire, but
6 because I am not his constituent, his staff
7 won't get involved.

8 Mr. Florio, I sent a meeting request
9 to your office dated March 24, 2011. I sent
10 one earlier by fax, and it got lost. Your
11 staff agreed they got it. A week later they
12 said it was gone. I sent another one by
13 e-mail, and it was declined for no reason.

14 So I want to give you this meeting
15 request form so you can do what I asked you
16 to do. Is that okay? (Handing document)

17 Thank you, Mr. Florio.

18 I want to thank you for listening to
19 me, and I do hope we can make this Commission
20 a better place and safer for everybody in our
21 state.

22 Thank you.

23 (Applause)

24 ALJ BUSHEY: Thank you.

25 Bill Adams.

26 STATEMENT OF MR. ADAMS

27 MR. ADAMS: I'm Bill Adams from Rohnert
28 Park in Sonoma County. I was a 22-year

1 employee at the Commission, retired in 1990.

2 They say the best -- the best revenge is to

3 live long, so I'm trying.

4 The reports -- this is touching on

5 some of the reports that I have read in the

6 papers. There were two responders who went

7 out to shut those valves. And it seems to me

8 they should have split up and one went to one

9 valve and the other one go to the other

10 valve, except those valves may not be

11 operable by one individual.

12 They should be, they should be

13 operable by one individual, whether it's a

14 110-pound person or a 210-pound person. They

15 should be operable by one person.

16 When I was at the Commission, one of

17 the gas inspectors, Al Kercham, found many

18 valves in San Francisco that were inoperable.

19 Three or four people couldn't move them.

20 They had to be disassembled and greased and

21 finally able to be operated after giving them

22 a quarter turn to prove that the valve is

23 operable.

24 You can give them a quarter turn

25 without turning the gas off, and that's a

26 standard test for whether a valve is operable

27 or not.

28 If these valves are ball valves, you

317

1 can pass a pig past the valve, through the
2 valve, and up into the line and go
3 uninterrupted through the -- through the line
4 and not have to disassemble the line in
5 several places to get in there.

6 And my guess is that most of these
7 valves are ball valves, so that they can --
8 when they're full open, you've got a 30-inch
9 opening in that ball, and when you shut the
10 valve, the ball turns 90 degrees and closes
11 it off.

12 I heard one -- at least one speaker
13 talking about factors of safety. This line
14 should have been designed with a factor of
15 safety at least 2 or 3. And if it wasn't up
16 to 2 or 3, it's inherently unsafe to start
17 with.

18 And when you have a 40- or 50-pound
19 spike in pressure, that shouldn't have split
20 this line. That's -- what I read in the
21 paper was that this line operates -- was
22 operating at 337 pounds pressure, pounds per
23 square inch. And if you kick that up to,

24 say, double, if it had a 2-to-1 factor of
25 safety, the line should have held even with
26 double that pressure.

27 And I'm sure I'm not -- using quite
28 a bit of common sense and my old sophomore

318

1 strength of materials course, when I was an
2 engineering -- getting my engineering degree,
3 and you can figure how much stress there is
4 on that, how much hoop stress there is on
5 that pipe, with a simple \$2.79 calculator.
6 And you can figure it out very easily.

7 And you can -- you can scare
8 yourself to death or you can sit back and
9 feel real confident, depending on what the
10 figures are that you come up with.

11 Now this welding that was said to be
12 a seamless pipe, and that turned out to be a
13 lie. It wasn't a seamless pipe. I kind of
14 doubt if there is such a thing as a seamless
15 pipe. But any welding that was done should
16 have been done by certified welders.

17 I have two sons who at times have
18 been construction certified welders, one for
19 an elevator company. You kind of like to
20 have the elevator hold together when you're

21 going up and down. And the other one was a
22 special foundation for a heavy masonry
23 building that had been moved onto a site in
24 Santa Rosa.

25 So certified welders should be
26 recertified periodically so that you know
27 what -- so that you can trust them to be
28 doing a proper job and x-ray every inch of

319

1 every weld. That can be done. And it's done
2 in nuclear power plants. Every weld is
3 x-rayed, and you know whether you're --
4 whether it's got voids in it or slag in the
5 bead.

6 And back to the operation of valves,
7 and I'm just going to make this one more
8 point and then I'll sit down. Remote
9 operation of valves should be -- should be
10 mandated. And they should be very reliable
11 and very quick to operate and don't have to
12 have a party of two or three to go out there
13 and operate those valves, whether they're
14 manual operated or automatic -- or remote
15 control or automatic control.

16 And that's all I have. Thank you
17 for your attention.

18 ALJ BUSHEY: Thank you.

19 (Applause)

20 ALJ BUSHEY: Neil Delfino.

21 STATEMENT OF MR. DELFINO

22 MR. DELFINO: Good evening. I'm Neil

23 Delfino. I'm actually from Lovelock, Nevada,

24 but I grew up in California.

25 Prior to retirement, I was a subject

26 matter expert for offshore pipelines for a

27 rather large oil company that's based in

28 California. And several of my old colleagues

320

1 asked me what happened in the San Bruno
2 explosion, and I proceeded to explain to them
3 exactly what happened. And so far nobody has
4 brought this up. It has nothing to do with
5 the design of the pipeline. It has to do
6 with the road over the pipeline.

7 One of the things that is not
8 covered in 49 CFR 192 -- that's the Code of
9 Federal Regulation -- is the dynamic
10 pipelines. And normally you consider a
11 pipeline out in a cornfield as being static,
12 and it is sort of static. Now when you get
13 into the offshore, you find out about dynamic
14 pipelines.

15 And since this is a 1950 vintage
16 pipeline, it probably had more than a million
17 cycles from people driving over it with no
18 sleeve in between the pipeline and the road
19 to take the load from vehicles. And garbage
20 trucks, dump trucks, other similar things do
21 an excellent job of imparting load into a
22 pipeline.

23 So when you go back and look at
24 this, it's really not that the pipeline was
25 incorrectly designed. It's that a road was
26 allowed to be put over a pipeline.

27 Now standard practices say that when
28 you cross a road with a pipeline or a road

321

1 crosses a pipeline, you put it inside a
2 sleeve. And most pipeline crossings of roads
3 are done perpendicular to minimize the
4 exposure of the pipeline to the road.

5 So when you get down to it, somebody
6 needs to talk to the city of San Bruno and
7 find out how they took this line from being
8 what would probably be considered a Class 1,
9 Class 2, which is out in the middle of a
10 field, very little human exposure, to
11 essentially a Class 4 where you have people

12 right next to the pipeline.

13 So there are existing standards.

14 And, remember, standards are written by
15 humans, not by God, and usually they're the
16 bare minimum to get by on.

17 There are existing standards used in
18 the offshore industry that could easily be
19 applied. There's a API Recommended Practice
20 2A, which is designing of offshore platforms,
21 but in there there is a stress/strain curve
22 which allows you to determine how many cycles
23 you can take and at what load.]

24 And this is very common practice in
25 the offshore pipelines. It's the fatigue
26 test before you do a design.

27 Okay, this has been in for 50
28 years. You can't really go in there and

322

1 fatigue test it. But what usually fails are
2 the welds. You put a million cycles into
3 something, it will break. And if these welds
4 that everybody's all so worried about were
5 cracked during the welding process or during
6 early operation, the pipeline would have
7 leaked long ago. But if you sit there and
8 bounce it like taking a paper clip and bounce

9 it and bounce it and bounce it until it
10 finally breaks, that's what's happening.
11 Okay.

12 There are plenty of existing codes,
13 regulations, but again those are the bare
14 minimum. But I think there's a need to
15 incorporate what are the cities doing in
16 relationship to pipelines. Are they going
17 ahead and approving developments that are far
18 too close to the pipeline, whether it's this
19 one in San Bruno or anywhere else in
20 the country or the world?

21 Some place in this there needs to
22 be some controls that say if you're going to
23 take it from a Class 1, Class 2 area and put
24 it in 3 or 4, that's not just a simple
25 planning commission meeting of city planners
26 saying, oh yeah; we can build right next to
27 this or we can build over the pipeline.
28 I think that may be one area where you should

323

1 take the lead and say, look, we need to be
2 involved as the Commission to look at these
3 things before a city makes a change and just
4 sticks a road or, worse yet, sticks houses
5 close to pipelines.

6 And as other people have said,
7 I don't have a dog in this fight but I saw
8 what was going on and decided I think I need
9 to throw in my two cents and try and guide
10 your findings in the right direction as to
11 where to look.

12 Thank you very much. Have a good
13 day.

14 ALJ BUSHEY: Thank you very much.

15 (Applause)

16 ALJ BUSHEY: Hendre Carpaux.

17 (No response)

18 Hendre Carpaux.

19 MR. CARPAUX: You have to speak up.

20 ALJ BUSHEY: Oh. I'm sorry. Andre.

21 I'm sorry.

22 STATEMENT OF MR. CARPAUX

23 MR. CARPAUX: Good evening, ladies and

24 gentlemen. My name is Andre Carpaux. I'm

25 hard of hearing.

26 I thank you, the member of

27 the judiciary, your Honor, and

28 the Commission.

□

1 I want to express my sympathy and

2 my condolence to the victim of this

3 unfortunate accident. It's very sad that
4 such a thing has to happen to essentially
5 have this gathering and all this attention.
6 I have technical comment to make in
7 this instance. And one of which is in the
8 chemistry of the gas, physical chemistry of
9 the gas, it is my belief that to pinpoint the
10 blame strictly on PG&E would be a grave
11 mistake. It will also be a mistake to blame
12 the Commission because it's impossible unless
13 you have indication to make an anticipation
14 of the risk of having pipeline.

15 There is many, many instances in
16 which technical difficulty prevent
17 installation of pipeline or gas line in which
18 it will be absolutely certain that no
19 accident will happen. For instance, it's
20 impossible for a gas, a pure gas like methane
21 or any combustible gas to ignite unless it
22 has a source of ignition and it has a mixture
23 of oxygen.

24 So in this instance here, I would
25 say that perhaps part of the blame could be
26 assumed by the residents around the area
27 where the explosion because, to my knowledge,
28 methane gas furnished by PG&E are infused

1 with an immersion of odorant. And
2 the odorant multiplied by about 50,000, this
3 is a big -- this is the number. So to me,
4 there must have been some smell around.
5 Maybe the resident who have smelled, those
6 who passed away.

7 But the conflagration and the
8 propagation of the flame cannot reach inside
9 the pipe unless the gas has a mixture of
10 oxygen with the delivery. And the delivery
11 of gas is something that is very technical
12 not at -- not, in my opinion, at the level of
13 the Commission. I really don't think the
14 Commission are equipped to make a critical
15 assessment in the quality of gas and if the
16 gas have been in dilution.

17 So in here, I would, in my opinion,
18 I would be extremely careful in assuming
19 the blame strictly on PG&E.

20 PG&E is the big name, is the big
21 letter, and they are the deep pockets so
22 everybody is going to look at them to try to
23 get damages or whatever. But I would be
24 really careful.

25 Here, PG&E is an entity, is
26 a public service, and accidents happen. It
27 doesn't matter how caution you are. And it's

28 impossible to preview in anticipation

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1 accident due to strictly what is chemistry.

2 Thank you.

3 ALJ BUSHEY: Thank you.

4 Rod Hall.

5 STATEMENT OF MR. HALL

6 MR. HALL: My name is Rod Hall.

7 My wife and I live in the Skyridge

8 housing development at Skyline Boulevard and

9 Sharp Park, one mile from the center of this

10 tragedy.

11 I'm not an expert. I don't

12 represent anybody else. I'm just a regular

13 guy who is very, very, very scared.

14 I, like many of my neighbors and

15 a number of people in this room, sleep within

16 100 feet of a PG&E high pressure natural gas

17 pipeline. I, like many of the people in this

18 room, live within a quarter of a mile of

19 the San Andreas fault. Talk about dynamic

20 stress. Makes a garbage truck look like

21 small potatoes.

22 In 1906, almost 80 percent of

23 the damage to the City of San Francisco was

24 caused not by the quake but by the subsequent

25 fires fueled in large part by broken natural
26 gas pipelines. God only knows what an
27 8.0 quake right here on the peninsula would
28 do right now given our current pipelines.

327

1 When the tragedy occurred in
2 San Bruno, when there was a fireball raging
3 over a hundred feet in the air, it took PG&E
4 an hour and a half to shut off the gas. That
5 was one break. For 90 minutes, the fire ball
6 burned unchecked.

7 What's going to happen when a major
8 quake hits and we have 20 or 30 or 50 breaks
9 in the pipelines?

10 Virtually everyone in this room has
11 an automatic PG&E meter reader at their
12 residence. These were installed to save PG&E
13 millions of dollars every year.

14 What my wife, my neighbors and
15 I want to know is what requirements you,
16 the members of the California Public
17 Utilities Commission, have made on PG&E to
18 force them to put automatic pipeline shutoffs
19 so that no break in a pipeline will burn for
20 more than 90 seconds, not 90 minutes.

21 They can put automatic readers at

22 our homes. I would think they could scale it
23 up a little bit and attach it to valves.

24 Like I said, I'm scared. I think
25 everyone in this room would like to hear what
26 actions you the PUC have taken to get
27 automatic shut-off valves in place.

28 Anything happen?

328

1 Have you made any requirements or
2 we still studying it?

3 Still waiting for the earthquake?

4 I understand that pipelines are
5 supposed to be inspected by internal robots.
6 Twelve inches I think is the diameter that
7 they're supposed to be able to run those
8 little things down with the camera, looks for
9 any breaks, corrosion.

10 What steps have you the California
11 PUC made to force PG&E to robotically inspect
12 every foot of every pipeline, high pressure
13 pipelines that are about that limit before
14 the end of next year?

15 People are sleeping next to those
16 pipelines.

17 Now some of them, like the one that
18 blew up, could not be inspected. What steps

19 have you taken to make sure PG&E replaces
20 those pipelines within five years so that
21 pipelines can be inspected on a regular
22 basis.

23 It seems appropriate that you
24 members of the PUC might also require PG&E to
25 inform residents who live within 200 feet of
26 a high pressure pipeline of any major
27 changes, like they turn one on that's been
28 off.

329

1 It's my belief that one or more of
2 the executives of PG&E should be investigated
3 by a criminal grand jury under the leadership
4 of the district attorney James Fox to
5 determine if criminal indictments of
6 manslaughter should be brought against them.

7 I have a petition. Anyone who'd
8 like to sign it, I'll be outside these
9 proceedings.

10 Thank you very much for listening
11 so patiently.

12 (Applause)

13 ALJ BUSHEY: Thank you.

14 Daniel Shugar.

15 STATEMENT OF MR. SHUGAR

16 MR. SHUGAR: Good evening. My name is
17 Dan Shugar. We live in San Bruno, about half
18 a mile from where the tragedy occurred.
19 I used to work at PG&E. And I'm a licensed
20 professional engineer in California. I'm not
21 here to neither attack nor defend PG&E.

22 I really appreciate you holding
23 this hearing in our community after
24 the disaster happened. Friends of my son
25 died in the disaster.

26 I'm here to talk about something no
27 one's talked about tonight, okay, which are
28 what are we using the gas for?

330

1 I've worked in the solar power
2 industry for over 23 years. Okay.
3 43 percent of the natural gas used in
4 California today goes into a power plant.

5 Gas is the largest growing source
6 of power.

7 What is really amazing is that
8 solar is signif- -- for peak generation,
9 solar is much less costly today than the peak
10 power that's being installed here in
11 California.

12 I'd like to share with you one

13 page, a chart from the California Energy
14 Commission that shows where gas peakers are
15 still being installed.

16 So we're still on gas peakers which
17 are aeroderivative turbines. It's strictly
18 a jet engine. It's more than twice the cost
19 of solar on-peak generation.

20 I have the data from Lazard which
21 is the most respected energy consultant on
22 the same page.

23 If you can pass this out, please.

24 Thank you.

25 Thanks so much.

26 So as we look forward, basically
27 these big gas transmission lines, a little
28 bit of it is going to our homes but by far

331

1 the largest single source of gas is going
2 into these power plants. Okay.

3 We have some old legacy plants,
4 Moss Landing and these other plants, down you
5 know that were built a long time ago. But
6 why are we continuing to build gas peaking
7 power plants for --

8 It turns out when these peakers --

9 So when do they turn these peakers

10 on, all the utilities in California?

11 It's when the -- when people are
12 using energy.

13 When are they using energy? In
14 the middle of the day on the summer, hot
15 peaks. It's driven by basically commercial
16 buildings, air conditioning load, and water
17 pumping. Okay.

18 So at a minimum, let's take a step
19 back and say let's stop building these gas
20 peakers. Period.

21 The state legislature yesterday
22 passed the 33-percent renewable portfolio
23 standard. California's a real leader. We
24 have hundreds of thousands of jobs in this
25 state to basically build the technology to
26 for these plants so we don't have to keep
27 pushing more gas through these pipelines.

28 I'm personally CEO of one of many

332

1 solar companies. Our company Solaria builds
2 panels in California.

3 So let's look at the demand side.

4 We have all these concerns about the gas
5 pipeline and the safety that are valid. It's
6 a very tough problem. But let's stop

7 compounding the problem when we have
8 solutions that are half the cost of
9 generating 30-to-40-cent per kilowatt-hour
10 on-peak energy using these gas peakers when
11 we have solar, land, roofs, parking lot where
12 we can install these systems to basically
13 meet the energy needs and stop pushing all
14 this gas through the system.

15 So, the Public Utilities Commission
16 has been a leader in supporting renewable
17 energy in California. This is the place
18 exactly on this point where we can really go
19 to the next level. And we're looking forward
20 to your continued leadership in executing on
21 this 33 percent renewable portfolio standard.

22 The first thing to do, now that
23 the governor is going to sign that into law
24 in the next few weeks, as soon as that
25 happens, stop these gas peaker from going in.
26 There's a lot of hydro and an opportunity for
27 utilities to balance the system without
28 building it. So let's stop increasing our

□

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1 demand for gas nationally.

2 Thank you.

3 ALJ BUSHEY: Thank you.

4 Barry Pearl.

5 STATEMENT OF MR. PEARL

6 MR. PEARL: Good evening,

7 Commissioners. Thank you very much.

8 Barry Pearl. I'm a native

9 Californian. And I'm here not necessarily to

10 attack PG&E, but I'm here to speak to you as

11 commissioners to carry out your role as

12 regulators.

13 PG&E has made it very clear, based

14 on your own document that you've distributed

15 tonight, your own staff recommended fines and

16 penalties based on willful noncompliance.

17 You need to enforce against these companies

18 and make sure that these companies are

19 abiding by the rules, not making up their own

20 rules.

21 The fact that PG&E had to research

22 their records in the Cow Palace, that was an

23 absolute farce. This is a company that's not

24 allowed to say well, we didn't have all of

25 the records. They need to have all records.

26 They need to be completely accurate and they

27 need to be complete.

28 And the fact that you're -- that

1 the PUC has been encouraging these companies,
2 these utilities to comply, you clearly cannot
3 encourage any more. You need to be
4 regulators. You need to be strong. You need
5 to not allow a slap on the wrist.

6 I understand that there are
7 political considerations in play here, but
8 there are human lives in play as well. So as
9 Commissioners, you need to take your role as
10 regulators extremely seriously. And it's not
11 a question of profits for these companies.
12 It's a question for making sure that the
13 people that are served by these utilities are
14 safe.

15 So, do not allow for reduction of
16 penalties and fines. And make sure that if
17 the utility company provide no records, they
18 need to do whatever inspections are necessary
19 no matter the cost. They need take these
20 pipelines out of service, inspect them
21 completely.

22 And do not allow yourselves to feel
23 any sympathy for the stockholders of these
24 companies. Feel sympathy for the people that
25 died. If you don't enforce the regulations,
26 you're not carrying out your role, and you
27 should probably resign and let another
28 Commissioner be appointed who will carry out

1 the role.

2 Thank you very much.

3 (Applause)

4 ALJ BUSHEY: Thank you.

5 Cesar Abad.

6 STATEMENT OF MR. ABAD

7 MR. ABAD: Good evening.

8 The reason I came in here, I live
9 on Bennington and Crestmoor. And there's
10 a shut-off valve in front of the house and
11 I would like to know if you could transfer it
12 to across the street from where the school
13 is.

14 There's a shut-off valve in front
15 of the house, like 10 feet from the house,
16 right through the walkway. And I have a
17 aging mother-in-law, lives there, and she's
18 kind of worried about it right now. Is it
19 possible you could transfer that shut-off
20 valve that's on that street and move it to
21 the other side? Because I'm fighting right
22 now.

23 COMMISSIONER SIMON: Can he meet with
24 a CAB staff member?

25 MR. ABAD: Okay. That's it.

26 ALJ BUSHEY: Why don't you meet with
27 our executive director and he can direct you
28 to the correct person.

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1 Kathleen Bernard.]

2 STATEMENT OF MS. BERNARD

3 MS. BERNARD: Thank you. Thank you for
4 holding these hearings and giving the people
5 a chance to speak.

6 I do want to say that I think three
7 meetings for the entire state is inadequate.
8 You need about five meetings just for the Bay
9 Area alone, south Bay, Peninsula, North Bay,
10 East Bay, San Francisco.

11 I think people have a lot to say
12 about this.

13 I am extremely concerned. My family
14 was one of the first to settle in San Bruno.
15 I have been living in the South Bay for the
16 last few years. But we have very strong
17 roots in the City of San Bruno. And I
18 watched in horror on the news for hours. And
19 PG&E denied responsibility for about an hour
20 and a half. They were so complacent. They
21 said they had no lines in the area. That's
22 ludicrous on the face of it. What do you

23 mean you have no lines in the area? Who the
24 heck else is supplying gas? Of course they
25 had lines in the area. They have lines
26 everywhere.

27 A few hours before, and I have been
28 following the news reports, the in-depth

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1 reporting, a few hours before in Milpitas
2 station they lost power. They knew they
3 overloaded the Peninsula. And it seems like
4 they didn't do anything about it. They
5 didn't notify anybody.

6 Both in these incidences they should
7 have had procedures in place and executed
8 immediately to call their superiors, safety
9 emergency response teams, the State Office of
10 Emergency Services who would in turn call
11 local counties who would in turn call local
12 cities.

13 We were so fortunate that we did not
14 have more than we did.

15 The shut-off valves are imperative.
16 And one of the things that really got me was
17 that the news had a clearer perspective than
18 the emergency response teams on the ground.
19 They didn't know what they were dealing with

20 for hours. And by 6:05 a fellow, very
21 intelligent, that worked in this industry had
22 done inspections for years, had said he was
23 at the corner of Skyline and San Bruno Avenue
24 and he felt and saw the ground rise several
25 feet and heard the thunder. And while people
26 were still wondering if a plane went down, he
27 knew for sure it was a gasoline eruption.

28 And within 30 seconds to a minute

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1 and a half of him feeling that at that corner
2 it exploded.

3 As I am sure you have heard now, the
4 lack of documentation on the lines that were
5 assumed or declared safe is unacceptable.
6 Apparently, they didn't even have sketches,
7 vague summaries, no test data, no
8 installation data.

9 I am a former computer consultant by
10 trade. That is absolutely unacceptable.

11 I'm sure if I dropped some numbers
12 on their finances they would notice it
13 immediately.

14 It begs the question if our bills
15 have ever been right.

16 This company really needs serious

17 monitoring. And I think the biggest affront
18 to many of the citizens of this state is that
19 they spent \$54 million on ballot issues
20 trying to preclude local municipalities from
21 becoming their own power companies, which the
22 voters saw through, thank goodness.

23 They should be restricted on what
24 they can spend on ballot measures, what they
25 can give to shareholders for profit until all
26 lines are upgraded, inspected and they have
27 resolved with San Bruno the medical and
28 infrastructure damage that they have caused

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1 through their complacency and negligence.

2 The Commission here, if you have to
3 hire 500 inspectors, that is what you have to
4 do. You have to be out there and you have to
5 look at those pipes, you have to have
6 knowledgeable people who know what they're
7 looking at before they cover them with dirt
8 and the tar, asphalt, because who wants to
9 dig them up then. Who even knows where they
10 are. It may be a little bit over here and
11 there.

12 I am wondering if we shouldn't have
13 a little TV camera in the fire department

14 command truck, the main truck, because indeed
15 we had two or three different stations of
16 news helicopters who were directly over the
17 site and getting multiple reports from
18 multiple people. I guess they are skilled in
19 this area, many of them, that I think could
20 have been of help.

21 Those are my major concerns. I hope
22 you will be addressing these.

23 And I think maybe you have been
24 perceived as an old-boy network and just
25 rubber-stamping things. And indeed that
26 seems to have been what's gone on with budget
27 cuts. But some things are too imperative.
28 Some things need to be regulated, banks,

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1 insurance companies, utilities, our water.
2 These are all critical to all of our very
3 survival. And of course when they poison our
4 food, that needs to be regulated.

5 Thank you very much for your time.

6 ALJ BUSHEY: Thank you.

7 (Applause)

8 ALJ BUSHEY: That concludes the list of
9 people who have signed up to speak. Are
10 there any other members of the public in the

11 room that would like to address the
12 Commission?

13 (No response)

14 ALJ BUSHEY: Seeing none --

15 Cesar, is there something more you
16 need to discuss with us?

17 MR. CESAR: Actually, I discuss about
18 the water pressure. I just want to know,
19 like San Francisco when we had no water, what
20 happened, they have to go to the ocean --

21 ALJ BUSHEY: I think some members of
22 the Commission staff can discuss the water
23 pressure issue with you.

24 MR. ABAD: I just want to find out if
25 you put four cycles will be running, see what
26 the pressure is to it.

27 ALJ BUSHEY: I think the water pressure
28 issues can be addressed by our staff.

□

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1 Are there any other members of the
2 public that wish to address the Commission.

3 STATEMENT OF MS. AL-MUKDAD

4 MS. AL-MUKDAD: Hi. I am Wendy

5 Al-Mukdad. Most of you know me.

6 Commissioner Ferron, you don't know
7 me. I work for you. I didn't get to come

8 yesterday. I'm off this week because my
9 son's daycare is closed this week. I am on
10 paid vacation.

11 I guess I just want to say my
12 experience. I live in San Bruno. I lived at
13 the time of the explosion in an apartment
14 complex which is about a block and a half
15 from where the explosion was. I was home. I
16 was home early that day, 6:15 or whatever,
17 with my toddler and my husband. And the
18 power of that explosion I just will never
19 forget. Not just -- there were two events in
20 my experience. One was what I thought was an
21 airplane overhead. And the reason was the
22 whole apartment complex, we live on the
23 second floor of a three-story apartment
24 complex, the whole apartment complex was
25 shaking so hard, the whole thing. I have
26 been in a 6.8 earthquake in Coalinga,
27 California. I lived in Japan for five years
28 when I was young. My father was in the Navy.

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1 I have been in earthquakes. I knew it wasn't
2 an earthquake because it wasn't coming from
3 the ground. It was coming from overhead.
4 And it shook for a long time to the point so

5 that I knew something was going on. My son
6 was in a highchair a few feet away, and I
7 walked over and I just instinctively as a
8 mother put my body over him because I thought
9 a plane was overhead and I thought it was
10 going to crash into our building. I didn't
11 know what to do. So there was that one
12 event.

13 And then it was at least 15 seconds,
14 30 seconds, there was a loud explosion that
15 we heard and felt, a different -- and then we
16 could see huge smoke.

17 So I don't know, I still in my
18 heart, it doesn't make sense to me that that
19 was -- that that explosion came from under
20 400 psi. I am an electrical engineer. It
21 was so powerful.

22 So I still feel like there's so many
23 things that need to be investigated. I also
24 feel like because I am an engineer and I work
25 at the CPUC, I know how much limited
26 resources we have in engineering. I know the
27 NTSB has the same issue; they have four
28 engineers working on all this. We put so

□

1 much on so few engineers.

2 I want the right questions to be
3 asked so that the right -- so that we get to
4 the right recommendations to make the right
5 kind of improvements in the future. And I'm
6 still concerned whether or not that's
7 happening.

8 The control center issue, the power
9 going down in Milpitas, why wasn't there --
10 could there be a backup power control center?
11 These are the -- how does the SCADA system
12 work? These are the questions in my mind.

13 What was going on in the control
14 center operating the system?

15 So anyway, I just want to speak out
16 because I am in a dilemma. I am both working
17 for you, and there's ramifications to that by
18 speaking up, but I'm also a resident and I
19 also am a mother, and I'm really concerned.

20 I couldn't sleep at night. I knew
21 the more I found out -- I actually called
22 Kirk Johnson directly a couple of times
23 because he was the only one I could actually
24 talk to and get some real information to find
25 out some things. And I do really appreciate
26 that he spent some time talking with me. But
27 I couldn't sleep at night. As the winter got
28 closer, I knew that meant. We use more gas

1 in gas lines.

2 I happen to live in that area. I
3 found out more information is not always --
4 doesn't always give you peace because I found
5 out I happen to live in the area where there
6 were two PG&E gas transmission lines, Lines
7 109 and 132 are 52.8 feet from my apartment.

8 I also knew that afterward, I knew
9 we lived near the San Andreas fault. I
10 remembered the Marina going up in flames from
11 the gas lines breaking and stuff.

12 So I have moved because I didn't
13 feel safe. That's how serious I took it. I
14 had the opportunity. We were only renting,
15 and we bought a house. And actually it's not
16 far from here. I made a conscious decision,
17 my husband supported me, to become a San
18 Bruno resident. I feel like the community
19 here is a wonderful community. They really
20 come together.

21 The part of the story I didn't tell
22 you is that for those of you who don't know,
23 it's just surreal for all of us that knew
24 Jacki, that worked with Jacki, Jacki Greig.
25 When I walked out of the apartment I called
26 her on my cell phone at 6:31 and I waited all

27 night for return call, and I started calling
28 emergency phone lines. And I ended up

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1 self-evacuating because I did not feel safe
2 with that fire ball a block from our house.
3 I do think we can learn a lot from
4 this. The emergency response, it wasn't
5 clear to me who should be evacuating after
6 the incident and after they knew what was
7 going on.

8 There were a lot of people that
9 stood on my block watching the event. I
10 decided to leave with my son within 20
11 minutes because it just didn't look safe.
12 But that block where all these people were
13 watching, two has transmission lines,
14 including the one that exploded, 132, was
15 right underneath them. You see, more
16 information I do think would help people in
17 the future so that responders could know,
18 hey, maybe it's not safe for these people to
19 stand here and watch all this.

20 Anyway, there's a lot in my mind. I
21 just wanted to speak up and put another face
22 to it.

23 And welcome, Commissioner Ferron.

24 You guys have a big, big job in front of you.

25 We all do. And I hope we can be up to the

26 task.

27 ALJ BUSHEY: Thank you.

28 (Applause)

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1 Any additional speakers?

2 Yes, sir.

3 STATEMENT OF MR. TRACY

4 MR. TRACY: Brian Tracy.

5 I don't want to get too much into

6 the technical details, but I have a degree in

7 welding engineering and a Ph.D. in material

8 science.

9 I encourage you -- of course you

10 have already studied the Transportation

11 Safety Board's report, but the problem of

12 incomplete penetration weld is a mandatory

13 requirement to pass any welding procedure

14 specification. You cannot allow an

15 incomplete penetration weld.

16 It concerns me so much that there

17 was such a long, long length of incomplete

18 penetration. So this wasn't a thing of one

19 welder didn't -- left an inch that was not

20 complete penetration. So that's a concern to

21 me.

22 It is also a concern to me that over
23 the past 50 years that PG&E has been
24 excavating pipeline, replacing valves, doing
25 upgrades. It is hard for me to imagine that
26 that there was several meters of incomplete
27 penetration in this location and they hadn't
28 seen any other evidence of incomplete

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1 penetration somewhere else.

2 So just some thoughts. And thank
3 you very much.

4 ALJ BUSHEY: Thank you.

5 (Applause)

6 ALJ BUSHEY: That will then be our last
7 speaker.

8 Would any of the Commissioners like
9 to offer some closing comments?

10 COMMISSIONER SIMON: I would just like
11 to thank Judge Bushey and Commissioner Florio
12 for holding this series of public
13 participation hearings.

14 And I also want to thank you for
15 agreeing to the March 11th en banc OSC
16 hearing. I know that there is going to be
17 some redundancy for you, that much of this

18 you already heard in the ex parte hearing,
19 but I felt it was beneficial to have a fuller
20 complement of Commissioners there. And I
21 really want to thank you for your flexibility
22 because you could have declined and you
23 agreed. So I thank you for that.

24 COMMISSIONER SANDOVAL: I just wanted
25 to thank you all very much for coming out
26 this evening and staying here so late to
27 share your views.

28 I want to assure you we are

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1 listening. This is part of why we have our
2 court reporters working diligently to record
3 a transcript. We will be studying your
4 suggestions. We have studied issues that
5 have come up in other parts of this
6 proceeding.

7 I also wanted to assure you that
8 this is one step. There are many other
9 steps. Commissioner Simon referenced a
10 hearing which will take place on Monday. So
11 there are a variety of steps that we are
12 taking to try to get to the bottom of why
13 this happened to try to address the record
14 keeping issues and try to address the next

15 step issues.

16 So thank you so much. And we also
17 do encourage you to participate in the
18 proceeding, sign up to get more information.
19 I just wanted to thank very much.

20 COMMISSIONER FERRON: I would like to
21 echo that as well. Here on the Commission we
22 get literally tens of thousands of pages of
23 material, hundreds of thousands of pages.
24 And there's really no substitute for hearing
25 directly from people who have experienced
26 things firsthand and who likewise have been
27 thinking very seriously about the issue.

28 So I would like to thank everyone

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1 who appeared today. Thank you.

2 COMMISSIONER FLORIO: I would like to
3 thank my fellow Commissioners. Usually, a
4 meeting like this, only the assigned
5 Commissioner attends. I think the fact that
6 we have got four Commissioners here shows how
7 important this is to all of us.

8 I certainly want to thank all the
9 members of the public for coming out. We
10 have got a lot of work ahead of us, and your
11 thoughts and suggestions will be a major part

12 of that.

13 I would also like to thank all the
14 Commission staff, the public advisor's
15 office, security, all the folks who helped
16 make this event possible. We were afraid we
17 wouldn't have enough room, and it turns out
18 that we did. And everybody got a chance to
19 have their say.

20 Thank you.

21 ALJ BUSHEY: With that, then, this
22 public participation hearing is concluded,
23 and the Commission is adjourned.

24 (Whereupon, at the hour of
25 9:00 p.m., this public participation
hearing was concluded.)]

26 * * * * *

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28