

From: Cherry, Brian K
Sent: 7/11/2011 10:00:52 PM
To: Bottorff, Thomas E (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=TEB3);
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Cc: Horner, Trina (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=TNHC);
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Bcc:
Subject: Re: Fwd: SFGate: In court, PG&E deflects blame for San Bruno blast

Paul - this is the first I've heard of this. I find it very hard to believe that this is true and not taken out of context. Let me follow up tomorrow.

----- Original Message -----

From: Clanon, Paul [mailto:paul.clanon@cpuc.ca.gov]
Sent: Monday, July 11, 2011 09:15 PM
To: Cherry, Brian K
Cc: Frank Lindh <frank.lindh@cpuc.ca.gov>; Michelle Cooke <michelle.cooke@cpuc.ca.gov>
Subject: Fwd: SFGate: In court, PG&E deflects blame for San Bruno blast

Does he have his facts right here?

> Monday, July 11, 2011 (SF Chronicle)
> In court, PG&E deflects blame for San Bruno blast
> Jaxon Van Derbeken, Chronicle Staff
Writer
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> (07-11) 19:12 PDT SAN BRUNO -- Pacific Gas and Electric Co., which issued
> a public apology last month for the 2010 natural gas explosion in San
> Bruno, says in a new court filing that it should not have to make payouts
> to victims who have sued the company because the blast was caused by
> third-party damage to a "state of the art" pipeline.
> The company also indicated it would seek to assign some of the blame for
> the losses from the explosion to residents themselves.
> PG&E has offered unsolicited cash payments to residents of the
> neighborhood devastated in the Sept. 9 explosion, which killed eight
> people and destroyed 38 homes. Last month, the company bought full-page
> newspaper ads headlined, "We Apologize," and noted that federal
> metallurgists looking into the cause of the explosion have said the pipe
> ruptured at a faulty weld.
> However, in a July 5 filing in San Mateo County Superior Court in response
> to more than 100 lawsuits seeking millions of dollars in damages, PG&E's
> lawyers took a more combative stance. The company said it should not be
> held liable for the disaster because "unforeseeable, intervening and/or

- > superseding acts of persons or entities" other than PG&E caused the blast.
- > Sewer project
 - > The filing is not specific, but the only known activity around the
 - > pipeline was a 2008 sewer-replacement project that San Bruno commissioned.
 - > The city and the private contractor that performed the work, D'Arcy and
 - > Harty Construction of San Francisco, say they took steps to ensure that
 - > the work - which involved breaking up old sewer pipe and replacing it with
 - > a plastic line - did not damage the PG&E transmission pipe.
 - > Aside from its court filing, PG&E has said nothing publicly about the
 - > sewer work. It had an inspector at the job site who approved the
 - > construction plans, but he wasn't there while the work was performed.
- > Pointing the finger
 - > However, in May, an industry trade group - which PG&E joined after the
 - > blast - said the sewer project had probably weakened the pipe and told
 - > federal investigators they should consider tests to account for the
 - > possibility.
 - > Last month, an expert hired by a state-appointed panel also suggested that
 - > the sewer work had probably played a role in the explosion. But the
 - > expert, Robert Nickell, later backed away from that finding, telling The
 - > Chronicle that fluctuations in gas pressure over the years could have
 - > damaged the already flawed weld that eventually failed.
 - > In its court filing, PG&E also said the blast victims themselves "may have
 - > been legally responsible under a doctrine of comparative negligence (or)
 - > contributory negligence" - factors that assign a portion of blame to a
 - > plaintiff.
 - > PG&E's filing did not specify how residents might have been negligent, or
 - > how that negligence contributed to the fireball that consumed their homes.
 - > Company spokeswoman Brittany Chord said Monday that the filing was "a
 - > standard part of the legal process," and that the company would "continue
 - > to move forward and work to resolve the claims of all parties as quickly
 - > as possible." City surprised
 - > San Bruno City Manager Connie Jackson said PG&E's court filing was
 - > "completely surprising." She added, "It's unfortunate that they have
 - > thrown everything plus the kitchen sink in this, to cover their legal
 - > strategy."
 - > Michael Danko, an attorney who represents 40 blast victims, said PG&E
 - > officials "know no bounds."
 - > "I can forgive them for saying third party - you can forgive that," Danko
 - > said. "But you cannot forgive them at all for blaming the victims."
 - > He added, "They had time to figure this out and decide whether they really
 - > wanted to blame the victims who lost their homes or were burned. After
 - > thinking about it for nine months, they said the answer was yes." Already
 - > paid?
 - > PG&E also suggested the payments that the company has already made to some
 - > residents meant their lawsuits were invalidated "in whole or in part." The
 - > firm made cash payouts of \$15,000 to \$50,000 after the blast, on a scale

- > that depended on the extent of damage, but said at the time that the
- > payments had no bearing on civil damages.
- > PG&E's filing also downplayed claims in the lawsuits that the company was
- > running a shoddy pipeline system. The company said its transmission pipes,
- > including the one that exploded, were "consistent with available
- > technological, scientific and industrial state-of-the art and in
- > compliance with applicable regulation." E-mail Jaxon Van Derbeken at
- > jvanderbeken@sfchronicle.com. -----
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