From: Clanon, Paul

Sent: 7/11/2011 9:15:00 PM

To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7)

Cc: Frank Lindh (frank.lindh@cpuc.ca.gov); Michelle Cooke

(michelle.cooke@cpuc.ca.gov)

Bcc:

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
- > <a class="email fn" href="<u>mailto:jvanderbeken@sfchronicle.com</u>">Jaxon Van Derbeken, Chronicle Staff Writer

> >

- > (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

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> expert, Robert Nickell, later backed away from that finding, telling The
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- > 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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