

From: Cherry, Brian K  
Sent: 10/19/2011 8:33:49 PM  
To: 'pac@cpuc.ca.gov' (pac@cpuc.ca.gov)  
Cc:  
Bcc:  
Subject: Fw: SFC - State: PG&E Could Have 'Junked' Pipe in its System

Wonderful.

**From:** News Flash  
**Sent:** Wednesday, October 19, 2011 08:30 PM  
**Subject:** SFC - State: PG&E Could Have 'Junked' Pipe in its System

The *San Francisco Chronicle* reported on a filing by CPUC legal staff regarding pipeline documents.

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## **State: PG&E Could Have 'Junked' Pipe in its System**

By Jaxon Van Derbeken

San Francisco Chronicle, October 19, 2011

State regulators have uncovered evidence that suggests Pacific Gas and Electric Co. installed "salvaged or junked transmission pipe" on its natural-gas system in the 1940s and '50s, raising fears that a problem like the one that caused the San Bruno disaster could be lurking undetected, officials said in a regulatory filing Wednesday.

The California Public Utilities Commission's investigation of PG&E's record-keeping problems before the September 2010 pipeline explosion in San Bruno that killed eight people has uncovered "documents that appear to demonstrate PG&E's historic reuse of salvaged or junked transmission pipe," according to the filing by commission attorney Robert Cagen.

"These documents clearly raise serious safety concerns," Cagen wrote.

Evidence under wraps

His filing did not specify which of the 90,000 documents that PG&E has given to commission investigators indicated the use of salvaged transmission pipe. Cagen wrote that investigators want to release the documents, but that PG&E has made a blanket assertion of confidentiality for much of what it has handed to the state.

A PG&E spokesman said Wednesday night that he did not know exactly which documents were at issue.

"We're reaching out to them to try to get a better idea of what they are talking about," said the **spokesman, David Eisenhauer**. "What's important is that as soon as we are aware of any

safety concerns, we will act on them. If there is a safety concern raised with these documents, we'll take an action to fix it."

Cagen is seeking a hearing Nov. 1 before an administrative law judge to decide whether the documentation should be made public.

### Mystery pipe

In finding PG&E to blame for the San Bruno disaster, the National Transportation Safety Board noted in August that the company had been unable to say where it obtained the cobbled-together assortment of short pieces of pipe, known as "pups," found at the blast site.

A weld that did not extend through a longitudinal seam on the line ruptured, leading to the blast. The safety board said the weld was defective from the day the San Bruno section of the line was installed in 1956.

The board also said it could not tell "whether any pups that made up the pipe had previously been used elsewhere in PG&E's system."

In his filing, Cagen said the documents indicating that PG&E put reused pipe in the ground pipe "are approximately dated between 1948 and 1956."

PG&E is unable to "certify that no other reused and/or deficient transmission pipe remains in its service," Cagen wrote.

### Reject welds

In its report on the blast, the federal safety board said at least four "rejectible" seam welds were found at the time much of the pipeline that runs up the Peninsula through San Bruno was installed in 1948.

Cagen suggested in his filing that regulators have found other "documents demonstrating that PG&E has accepted known poor and marginal welds, and then placed pipes with these poor or marginal welds into service" on the Peninsula pipeline, known as Line 132.

"Indeed, the NTSB determined that PG&E was aware as early as 1948 that it had placed transmission pipes into service on Line 132 with poor welds in them," Cagen wrote.

He said he is seeking a "blanket rule favoring disclosure" of PG&E's documents to "facilitate faster sharing of information in order to meet immediate public safety concerns."

Eisenhauer said he could not comment on whether PG&E would waive the confidentiality assertion until it has a better idea of which documents Cagen is citing.

Royce Don Deaver, an industry veteran-turned-pipeline safety consultant, endorsed making the documents public. Otherwise, he said, "it looks you're hiding something - guilty people try to

hide things. ... It is just counter to the way good companies operate and how the government expects good companies to operate."