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To: Prosper, Terrie D. (terrie.prosper@cpuc.ca.gov)
Cc:
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Subject: CPUC Staff Investigation Finds No Fault With PG&E Welding Practices: CPUC Press Release

**FOR IMMEDIATE RELEASE
PRESS RELEASE**

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**CPUC STAFF INVESTIGATION FINDS NO FAULT
WITH PG&E WELDING PRACTICES**

SAN FRANCISCO, September 5, 2012 - The California Public Utilities Commission (CPUC) today issued a staff report on its investigation of whistleblower allegations regarding Pacific Gas and Electric Company's (PG&E) pipeline welding work, finding no instances in which welds were not inspected in compliance with federal and state gas pipeline safety regulations.

CPUC staff launched an investigation in February when the United Association of Plumbers, Pipe Fitters, and Steamfitters Local Union Nos. 246 and 342 made a filing in the CPUC's case to set new rules for the safe and reliable operation of natural gas pipelines in California. The allegations in the filing included that certain welds performed by PG&E on specific gas pipeline segments were problematic, that a non-independent process was used to inspect welds in PG&E's pipeline hydro-testing program, and that there was extensive corrosion and cracked coatings on the exterior surface of certain pipelines.

CPUC staff extensively investigated the allegations and interviewed the individuals who made the allegations in the filing, one of whom said he did not support, nor accept responsibility for, many parts of the testimony submitted in his name. Based on its investigation, CPUC staff did not find any instances in which welds were not inspected in compliance with federal and state gas pipeline safety regulations. Further, CPUC

staff found that PG&E is evaluating defects when they are found, and that any significant defects are cut out of the line.

Though the allegations were determined to be unfounded, CPUC staff continues to monitor PG&E's gas pipeline safety programs and practices. This oversight includes a careful review of PG&E's pipeline welding practices and techniques, as well as its hydro-testing program and methods.

The CPUC welcomes and encourages contact by whistleblowers so that it can look into allegations of unlawful or dishonest activities by any regulated utility. For information on contacting the CPUC and whistleblower protections, please visit www.cpuc.ca.gov/PUC/Enforcement/whistleblowers.htm.

The report is available at www.cpuc.ca.gov/PUC/events/PGEWeldingPracticesReport.htm.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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