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## **San Bruno Renews Call for Utility Safety, Reforms on 3<sup>rd</sup> Anniversary of PG&E Explosion and Fire**

**San Bruno, Calif.** – Nearing the third anniversary of one of the worst natural gas pipeline disaster in U.S. history, San Bruno Mayor Jim Ruane today said that as his community continues to heal and rebuild, the City continues to demand stricter pipeline safety regulations and reforms at the California Public Utilities Commission to ensure what happened in San Bruno on Sept. 9, 2010 never happens again.

Three years ago, a Pacific Gas & Electric (PG&E) gas pipeline exploded and caught fire in the City's Crestmoor neighborhood, killing eight people, injuring 66, destroying 38 homes and damaging scores more. Today, nearly half those homes have been rebuilt and infrastructure repairs are progressing as San Bruno bravely copes with irreparable loss and the difficult road to recovery.

Mayor Ruane said San Bruno continues to demand critical and lifesaving reforms in the wake of the gross negligence by PG&E that caused the deadly pipeline explosion and to demand stronger and improved oversight by State regulators at the CPUC.

"We cannot bring back the innocent lives tragically lost at the hands of PG&E and the CPUC, but we can make sure the legacy of the tragic disaster in San Bruno becomes an opportunity to prevent future negligence by PG&E and stronger, active oversight by the CPUC," Ruane said. "The PG&E disaster in San Bruno, and the failure of State regulators, must serve as a wake-up call for PG&E, the CPUC and State elected leaders to put public safety first over utility profits and cozy relationships between utilities and those responsible to regulate them."

An investigation of the PG&E explosion and fire of Sept. 9, 2010, by the National Transportation Safety Board (NTSB) identified multiple and pervasive organizational and system failures reaching back decades as a root cause of the disaster. The NTSB found that PG&E did not adhere to proper engineering standards when constructing its gas pipeline system and its longstanding corporate philosophy put shareholder profit over safety, diverting funds away from necessary and lifesaving capital improvements.

The NTSB's investigation also determined that the CPUC similarly failed to enforce and ensure basic safety standards and regulations and, most troubling, it highlighted the inappropriately close relationship between the CPUC and PG&E – one that may have contributed to lax oversight.

Moving forward, Ruane said that as the City memorializes this anniversary, it reaffirms its commitment to advocating for the following:

- A maximum fine and penalty against PG&E of \$3.8 billion, amounting to \$2.45 billion in after-tax dollars. This penalty would fund ongoing safety improvements thereby alleviating the burden to ratepayers and would give no credits for past expenses. San Bruno based its recommendation on a report by Overland Consulting, independently commissioned by the CPUC in 2012, which found that PG&E could afford a penalty of this magnitude without hurting its creditworthiness.
- A series of critical remedial measures that will ensure systemic regulatory change in the future and would be funded by PG&E, including:
  - An Independent Monitor to ensure PG&E follows its own safety plan in the face of possible lax enforcement by politically appointed CPUC Commissioners with close ties to utilities. An Independent Monitor with expertise in natural gas transmission and distribution pipe safety, engineering and operations as well as utility finances will provide the breadth and depth of resources needed to both assist the Commission and to validate the Commission's performance of its regulatory responsibilities.
  - \$5 million per year for a "California Pipeline Safety Trust," which will serve as a legacy to this tragedy and will function as an important, impartial advocate for pipeline safety.
  - The installation of lifesaving fully Automated Shutoff Valves.
- A fundamental change in the way CPUC regulators do business and an end to regulators' cozy relationships and the conflicts of interest with utility companies that NTSB investigators identified as a contributing factor to the disaster in San Bruno.
- Better working relationships between CPUC regulators and the cities in which they regulate. With old pipelines lurking beneath communities across the U.S., it is critical that federally mandated public information programs are implemented so that clear and usable information is available to the public and to first responders. The public relies on regulators to not simply

conduct passive audits or check boxes, but to recommit to rigorous monitoring of pipeline safety.

Together with his colleague, the Mayor of Allentown, Pennsylvania, where a similar horrific gas pipeline explosion occurred in 2011, Ruane is forming the Mayors Council on Pipeline Safety through the U.S. Conference of Mayors to assure that the call for critical reform and public awareness is heard nationwide.

“Now is the time to make pipeline safety a real priority. Here in California, State leaders, the CPUC and PG&E have an opportunity to take the tragic experience in San Bruno and use it to make fundamental change in how our State’s natural gas pipeline system is regulated, operated and managed,” Ruane said. “The tragedy in San Bruno should have--and could have--been prevented. Our job moving forward is to make sure similar tragedies are prevented in California and in cities across the nation.”