

## **Statement by Terry Nagel, 10/28/13**

I've served on the Burlingame City Council for 10 years and have served as mayor twice. I also serve on the San Mateo County Transportation Authority and the City/County Association of Governments. I am speaking today on behalf of the City of Burlingame.

I come with a slightly different perspective. I began paying attention to power reliability in the late 1980s, when we had some issues in my neighborhood. We banded together and were able to get some improvements made. In 2002 our city had power reliability issues that caused enormous loss and hardship. I organized residents and we began closely monitoring reliability. We opened a complaint file with the California Public Utilities Commission (CPUC), held large public meetings and submitted 250 written complaints. Our efforts resulted in much better service. We continue to monitor power reliability because we have found that what gets measured gets valued.

Shortly after the San Bruno explosion, when I was mayor, I began asking Pacific Gas & Electric (PG&E) for assurance that the underground pipelines in our city are safe. At first our city was assured that there was no cause for concern. We later learned from newspaper reports that records were missing and that some employees had grave misgivings about the safety of the lines.

I have submitted a timeline detailing our efforts to assure the safety of pipelines in our city. I am concerned about their safety because I know the families who live with these pipelines under their homes. The No. 1 priority for cities must be the safety of residents.

As mayor I invited PG&E to do a presentation on pipeline safety in early 2011. This presentation was so vague that I asked for a foot-by-foot inspection of the pipelines. Some of the inspection reports were not convincing, and some of the testing was done many years ago, with questionable tools.

We have taken many other steps to assure the safety of pipelines in our city:

- In July 2011 I addressed the California Public Utilities Commission (CPUC) in person to ask their help in getting PG&E to inspect our gas lines as soon as possible.

- In August 2011 we invited PG&E to go over inspection records with our city staff
- In October 2011 the City/County Association of Governments (C/CAG) invited the CPUC to meet with us. At that meeting, we emphasized the need for better communication.
- Later that month I met with Paul Clanon, executive director of the CPUC, and Michelle Cooke, interim director of the safety division, to emphasize the need for more information about safety and better communication with the public. Paul Clanon agreed to make our city a “test case” to “please the hell out of a city” regarding pipeline safety issues – a model that would be replicated in other cities.
- In November 2011 PG&E met with our city staff and rolled out many diagrams showing pipelines in our city. I haven’t heard of any other city getting the same treatment.
- In 2012 I met with Commissioner Mike Florio and his chief of staff, detailing the need for better communication,
- In March 2012 I met with the CPUC’s supervisor of business and community outreach and the outreach officer for Northern California, delivering the same message.
- And so it has gone until this month when, on October 10, C/CAG asked for detailed reports and a presentation from PG&E on the safety of pipelines in San Mateo County.

What could be done better? There are three things I would like to see happen

1. I would like open, honest communication with PG&E about the condition of pipelines in our cities. It shouldn’t be so difficult to find out condition of our infrastructure paid for with public dollars. But it is like pulling teeth to get information about our pipelines and then the information seems sanitized, sometimes to the point of being incomprehensible. Instead of safety reports, we get newsletters with fancy graphics praising PG&E’s accomplishments.

We need a detailed exchange of information and ideas with city staff as partners in the process regarding what has been done to improve the safety of pipelines, what needs to be done and when it will be done. This

needs to be done not just one time, but through an ongoing partnership. Safety should be PG&E's No. 1 priority, not an afterthought.

2. There should be an advocate for cities and the public in this process, and independent experts who make sure we get accurate information about condition and progress of efforts to improve safety. Ideally, there should be an office within the CPUC staffed with independent experts and communications professionals. In addition, the websites of both PG&E and the CPUC could be used to greater advantage to promote two-way communication, not just one-way communication.
3. I would like to see a rating system for pipeline safety that is easy for the public and cities to understand. Rate increases should be dependent on good ratings, just as they are for power reliability. And we should not have to pay for years of deferred maintenance – maintenance that ratepayers have already paid for but which has not been done.

It is possible for a major utility to have open and honest communication and win the public's confidence. A recent example is the new water line that the San Francisco Public Utilities Commission placed under El Camino Real. They held meetings with our city staff, collaborated closely with them and communicated often with the public. We dreaded the complaint calls that we thought we would get, but there were, to my knowledge, none.

I have met many good people at the CPUC and PG&E who would like to restore the credibility of those two organizations. And I believe it can be done with the right type of leadership.

## **Timeline Regarding City of Burlingame's Efforts to Assure Pipeline Safety**

**Fall 2010** – Pacific Gas & Electric (PG&E) assures Burlingame that its gas pipelines are safe. They are not listed on the “top 100” underground gas pipelines scheduled for inspection.

**Early 2011** – Burlingame Mayor Terry Nagel asks PG&E to make presentation to Burlingame City Council regarding the safety of pipelines in the city.

**March 8, 2011** – PG&E makes presentation to Burlingame City Council on the status of pipelines in the city.

**March 16, 2011** – Mayor Nagel asks PG&E for a “foot-by-foot inspection” of all underground gas lines within the next 90 days, a detailed explanation of steps PG&E will take to assure gas will be turned off promptly in the event of a failure, evidence of plans to acquaint safety personnel with PG&E’s emergency shut-off plan, details regarding plans to replace untested pipelines and relocate lines adjacent to earthquake faults, and more.

**June 28, 2011** – Mayor Nagel asks PG&E to expedite inspections of Line 132, which is the same line that exploded in September 2010 in San Bruno, as well as Line 109. Both lines run between Skyline Boulevard and Highway 280 in Burlingame. She notes that recent news reports have called attention to possible problems with Line 109.

**June 30, 2011** – PG&E replies to the mayor’s requests in her March 16 letter, noting that Line 132 is scheduled to be hydrostatically tested this summer and that the process of validating gas pipeline records is in progress. The utility reports it held a meeting with safety responders on March 24. It is working with the California Public Utilities Commission (CPUC) “on a proposal to either pressure test or replace all segments of natural gas pipelines which were not required to be pressure tested when they were installed or lack sufficient details related to the performance of any such test.”

**July 14, 2011** – Mayor Nagel addresses the California Public Utilities Commission in person, asking the commissioners to make sure that PG&E inspects Lines 132 and 109 as soon as possible. She also asks for the CPUC to work with the city to look at options for relocating both gas lines to safer, less populated areas west of Highway 280. She receives immediate assurances from CPUC Executive Director Paul Clanon that the CPUC will assist Burlingame in its efforts to make PG&E address pipeline safety.

**July 14, 2011** – PG&E replies to Mayor Nagel’s letter of June 28, noting that Line 132 will be video inspected and hydrostatically tested in September 2011. The utility refuses to inspect Line 109, noting that segments of the line “are newer than Line 132 and adhere to modern construction techniques and stricter regulations adopted by the State of California in 1961.” It refuses to replace Line 109 and will not consider replacing Line 132 unless it fails when tested.

**July 14, 2011** – Mayor Nagel requests a meeting with PG&E so that she and the city staff can personally review PG&E’s inspection records for Lines 109 and 132.

**August 19, 2011** – PG&E sends a letter to residents within 600 feet of Line 132, inviting them to two open houses on August 30 and September 14 to learn more about how the line will be tested.

**August 23, 2011** – Mayor Nagel, City Manager Jim Nantell and Public Works Director Syed Murtuza meet with PG&E officials to review PG&E’s inspection records for Lines 109 and 132. PG&E’s records show that hydrostatic testing was done on Line 109 in 1964 after the entire portion of the line in Burlingame was replaced that year. The utility replaced sections of Line 109 in 1992 and did hydrostatic testing of those sections again that year. A report on that meeting and a copy of a summary PG&E prepared were sent to residents via the city’s e-newsletter and can be viewed on the city’s website at <http://bit.ly/qEEWe4>.

**August 30, 2011** – PG&E holds the first of two open houses at the Crystal Springs Golf Course clubhouse to inform the public about hydrostatic testing of Line 132 and pipeline safety. Very few Burlingame residents attend.

**September 9-10, 2011** – Mayor Nagel and residents who live near Skyline blanket the neighborhood with a flyer prepared by the city that urges residents to attend the September 14 open house.

**September 14, 2011** – More than 20 residents attend PG&E’s open house and have their questions answered for more than one hour.

**September 26, 2011** – Mayor Nagel attends one day of a two-day workshop at the CPUC building in San Francisco on natural gas emergency response planning and emphasizes the need for better communication with cities.

**October 2011** – PG&E is scheduled to hydrostatically test Line 132.

**October 13, 2011** – At the invitation of the San Mateo County City/County Association of Governments (C/CAG), CPUC Executive Director Paul Clanon and other CPUC staff attend a C/CAG meeting where city representatives emphasize the need for better communication.

**October 16, 2011** – Mayor Nagel asks PG&E which plastic distribution lines will be replaced in Burlingame and when.

**October 21, 2011** – PG&E notifies Burlingame that Line 132 passed the hydrostatic test with no problems as far north as Kip Lane. The rest of the line will be tested soon.

**October 26, 2011** – Mayor Nagel meets with Paul Clanon and Michelle Cooke, Interim Director of the CPUC's Consumer Protection and Safety Division, about the need for better communication with both PG&E and the CPUC to overcome major credibility problems. Clanon tells Nagel that the CPUC plans to make Burlingame a “test case” to “please the hell out of city”

regarding pipeline safety issues; that Burlingame will be the model for how the CPUC and PG&E work with other cities to resolve pipeline safety issues.

**October 31, 2011** – PG&E notifies Burlingame that the distribution feeder running along Sanchez Avenue passed testing without any problems.

**November 14, 2011** – San Mateo County’s City/County Association of Governments sends letters to PG&E and the CPUC asking for better communication and coordination of plans to ensure safety and participation in a pilot program to develop a model between the CPUC, PG&E and local governmental agencies.

**November 30, 2011** – The CPUC and PG&E meet with the City of Burlingame staff to go over pipeline issues and show maps of plastic pipelines in Burlingame, which is the pilot city to demonstrate better communication. (As of October 28, 2013, PG&E does not appear to have held similar meetings with any other cities.)

**January 25, 2012** – Councilwoman Nagel and Bill Schulte (former head of CPUC’s Consumer Services Division) meet with Commissioner Mike Florio and Sepidah Khosrowjah, his Chief of Staff, regarding communication problems between local governments and the CPUC.

**January 26, 2012** – Assemblymembers Jerry Hill and Paul Fong host a public meeting in Palo Alto on gas pipeline safety attended by Paul Clanon, CPUC Executive Director, and Michelle Cooke, Interim Director of the CPUC's Consumer Protection and Safety Division, and many PG&E executives, where the theme is the “need to create safety culture” within the CPUC and PG&E. Members of the public complain about the recent Woodside explosion.

**February 9, 2012** – Councilwoman Nagel emails Paul Clanon and Michelle Cooke regarding article in February 8 edition of *San Francisco Chronicle* that details concerns about pipeline integrity expressed by veteran welders who worked on recent high-pressure testing of PG&E lines.

**February 12, 2012** – Michelle Cooke emails Nagel re: follow-up on allegations in Chronicle article.

**March 8, 2012** – Councilwoman Nagel, Bill Schulte and Marc Hershman, District Director for Assemblymember Jerry Hill, meet with Marzia Zafar, Supervisor of Business & Community Outreach for the CPUC , and Sheri Boles, Outreach Officer for Northern California for the CPUC, to discuss problems that momentary outages are causing with high-tech businesses in Burlingame, ongoing concerns about the integrity of underground pipelines and C/CAG’s request for follow-up regarding the request for better communication with local government.

**August 8, 2012** – PG&E’s Jim Cogan, Government Relations Representative, provides spreadsheet showing pipeline assessment info at the monthly City/County Association of Governments meeting, attended by city reps from throughout San Mateo County. The

spreadsheet is difficult to interpret. Cogan offers to meet individually with cities that want additional information.

**April 22, 2013** – Councilwoman Nagel meets with new government relations representative, Scott Hart, and asks for reports for all cities in the county on the status of underground gas pipelines, including plastic lines; for PG&E to move lines 134 and 109 along Skyline (which run under and adjacent to many homes) to the other side of Highway 280; for an online log where people can report power outages and see explanations for why they occurred; and for improvements to the problematic circuit in the southern part of Burlingame.

**June 13, 2013** – PG&E presents a long list of projects in San Mateo County at C/CAG meeting with few specifics.

**August 21, 2013** – *San Francisco Chronicle* reveals that, according to state regulators, PG&E used flawed documents to improperly declare two Peninsula gas pipelines safe in 2011: Lines 147 and 101, which both run through Burlingame. Scott Hart, Government Relations Representative, replies to Nagel's email, "The administrative issue addressed in the *Chronicle* article is specific to the portion adjacent to the city of Millbrae."

**September 23, 2013** – Hind Bou-Salman, a PG&E shareholder, files a lawsuit against PG&E's managers, alleging that they diverted money for pipeline safety and used it for other corporate uses, including giving themselves hefty bonuses.

**October 4, 2013** – A San Mateo County judge orders PG&E to shut down a major gas pipeline running through San Carlos, after city officials obtain a company email that raises doubts about the line's integrity and asks whether the utility was "sitting on another San Bruno situation."

**October 8, 2013** – *San Francisco Chronicle* reports that PG&E's use of recycled gas pipeline was at the root of both the 2010 San Bruno disaster and the latest furor that led a judge to order the shutdown of a major line running under San Carlos.

**October 10, 2013** – In response to a request from the San Mateo County City/County Association of Governments, Scott Hart, government relations representative, distributes abbreviated list of current PG&E projects in some cities in San Mateo County. That evening, council members on the C/CAG board ask PG&E for detailed explanations regarding the safety of pipelines in their cities and request a PG&E presentation on pipeline safety at a future C/CAG meeting.

**October 15, 2013** – The San Carlos City Council will spend up to \$250,000 to hire experts to check PG&E's assertions about the safety of a gas pipeline running under the city, and it is seeking an order from state regulators to make the utility pay for it.

**October 21, 2013** – PG&E wins permission to reconnect a natural-gas pipeline beneath San Carlos that had been shut down for safety reasons, but must keep pressure on the line at levels far below normal.